

HABITAT FOR HUMANITY
GREAT BRITAIN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1999

COMPANY NUMBER 3012626
CHARITY NUMBER 1043641



HABITAT FOR HUMANITY GREAT BRITAIN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

Company Registration Number: 3012626

Registered Office: The Malt House
25-26 Bridge Street
Banbury
Oxon
OX16 8PN

Directors: Very Revd M Bunker
Mr P W Kegg
Mr P J Harbard
Mr J M B Eddison
Mr L Johnson
Mr A H Maxwell-Wood
Revd G M Anderson
Mr D S Haszczyn

Secretary: Mr D C Stapleton

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

Bankers: National Westminster Bank plc

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants

HABITAT FOR HUMANITY GREAT BRITAIN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

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HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

The Directors present their report together with financial statements for the year ended 31 March 1999.

Principal activities

The company's principal activities are to fulfil its charitable objects " by working in partnership with God and people everywhere, from all walks of life, to develop communities with all people in need by building and renovating houses so that there are decent houses in decent communities in which they can live and grow in all that God intended ". This includes Resource Development, Community Group Development, Promotional and Educational Support and Administration. A certificate of charitable status has been issued to the company by the Charity Commissioners.

Organisation

The directors meet 8 times a year and hold 2 Board retreats annually to review company strategy and Board development issues.

The day to day running of the company is carried out from the Registered Office and is delegated through the Chief Executive and his National Staff team of "directors" who are described below.

Additional staff were recruited during the year including the Programme Support Director (April 1998), the Community Development Director (April 1998) and the Resource Development Director (September 1998), Administrator (February 1999) and Assistant Administrator (February 1999) and the Community Groups Facilitator (March 1999).

Business and Financial Review

The company completed a strategic review of its progress and plans and created a new five year plan under the heading "Rebuilding our Communities" plan 1999-2004. New goals have been set to develop the programme nationally and to support the programme of Habitat for Humanity International in developing countries.

During the year work was undertaken to support existing affiliated Habitat for Humanity Community Groups, Southwark Habitat for Humanity and Banbury Habitat for Humanity. Southwark Habitat for Humanity successfully completed its first building project, a four house scheme in Peckham, South East London. Banbury Habitat for Humanity secured a donation of land from local government and have secured planning consent for a two house development project starting in 1999.

New Community Group development work has concentrated on four groups in Birmingham, Cardiff, Glasgow and Eastbourne and each group has started a development programme aimed at creating house building projects to start in 2000. Work has also started with a number of other communities aimed at identifying a further five new groups for development in 2000.

During the year Resource Development was concentrated in securing funding for the expanding programme. Grants from the Department of the Environment, Transport and the Regions (DETR) and Habitat for Humanity International produced just under half the income in the year £172,731 (46%). General donations of £66,330 included funds raised to support affiliated Habitat for Humanity Community Groups £56,286 (15%) and £10,044 (3%) for general funds. Gifts in kind to the value of £73,418 were taken into account covering donated office facilities and services, gifts of office equipment and subsidised personal costs of employees seconded to the staff by Habitat for Humanity International.

A further £63,696 (18%) was raised to support Habitat for Humanity International including £22,239 towards global village programmes with teams visiting Sri Lanka and individuals to Mexico and Papua New Guinea. A

HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

further £41,349 was granted from Habitat for Humanity International to fund a direct marketing development and test programme (£34,015) and £7,334 towards internal conferences and seminars.

A further £53,582 was raised in the year towards expenditure in 1999/2000 and is held as deferred income.

During the year the charity's Patron, HRH The Duke of Gloucester, visited the Southwark Habitat for Humanity building project to meet homeowners to be and representatives of corporate supporters including Stanley Tools (Europe) and McNicholas Construction.

His Excellency, the United States Ambassador to the Court of St James, Philip Lader and Mrs Lader also visited the Southwark Habitat for Humanity project to work as volunteers alongside senior officers of United Airlines, corporate sponsors of Habitat for Humanity Great Britain. The Ambassador also hosted a reception on behalf of Habitat for Humanity Great Britain at the US Embassy, which was sponsored by United Airlines.

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

At 31 March 1999, the charity had assets totalling £25,733.

As the company is growing and developing, the directors have apportioned some expenditure, which had previously all been included in " Management and Administration of the Charity ", to other expenditure types in order to give a more accurate view of the nature of the expenditure and activities of the charity.

Intangible income

During the year, the company was dependent upon Habitat for Humanity International, who provided staff at no cost, and also upon its landlords who provided serviced accommodation at no cost. These were valued at £49,711 and £12,730 respectively. In addition, the company received gifts in kind of furniture valued at £8,339 and printing valued at £2,638.

Reserves policy

At the 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.

Directors

The directors, who are the charity trustees, in office at the end of the year are listed below. All served throughout the year except for Mr A H Maxwell-Wood who joined the board on 24 June 1998. Mr M K Martin also joined the board on 24 June 1998 and served until his resignation on 19 August 1998. Mr D S Haszczyń and Revd G M Anderson were appointed to the board on 24 May 1999.

Very Revd M Bunker
Mr P J Harbard
Mr J M B Eddison
Mr L Johnson
Mr P W Kegg
Mr A H Maxwell-Wood

HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

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 year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company 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, the Charities Act 1993 and regulations thereunder. 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 charity's governing document.

Year 2000

Many computer systems which express dates as only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the company relates not only to the company's own computer systems, but also to some degree on those of the company's suppliers and other third parties that provide services to the company.

The directors have reviewed their computer systems for the impact of the Year 2000 date change and believe they are Year 2000 compliant, hence no further costs have been provided in this respect.

Fixed assets

The movements in fixed assets are set out in note 7 to the financial statements.

Charitable and political contributions

Donations to charitable organisations amounted to £59,191 (1998: £124,759).

Small company exemptions

Advantage has been taken in the preparation of the Report of the Directors of special exemptions applicable to small companies.

HABITAT FOR HUMANITY GREAT BRITAIN

REPORT OF THE DIRECTORS

Auditors

Grant Thornton were appointed as auditors in July 1999 as the gross incoming resources of the company are in excess of the limit at which an audit is required under section 43 of the Charities Act 1993. Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



D C Stapleton
Secretary

16th August 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF
HABITAT FOR HUMANITY GREAT BRITAIN**

We have audited the financial statements on pages 6 to 14 which have been prepared under the accounting policies set out on pages 6 to 7.

Respective responsibilities of directors and auditors

As described on page 3 the directors who also act as trustees for the charitable activities of Habitat for Humanity Great Britain are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 charitable company's state of affairs as at 31 March 1999 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Banbury

September 1999

HABITAT FOR HUMANITY GREAT BRITAIN

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 1999

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and follow the recommendations in the Statement of Recommended Practice : Accounting by Charities (the SORP) issued in October 1995. They have been prepared under the historical cost convention.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year except that as the company is growing and developing some expenditure, which had previously all been included in " Management and Administration of the Charity ", has been apportioned to other expenditure types in order to give a more accurate view of the expenditure and activities of the company.

INCOME

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.

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.

Investment income

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

HABITAT FOR HUMANITY GREAT BRITAIN

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 1999

EXPENDITURE

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

- ♦ expenditure incurred directly to the fulfilment of the company's objectives (direct charitable)
- ♦ expenditure incurred directly in the effort to raise voluntary contributions (fundraising and publicity; and
- ♦ expenditure incurred in the management and administration of the company.

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

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 company.

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

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:

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 not registered for VAT. Accordingly, expenditure in the income and expenditure account includes the relevant VAT.

Pension contributions

The company does not have a pension scheme, but makes contributions to the personal pension schemes of certain employees.

HABITAT FOR HUMANITY GREAT BRITAIN

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 1999

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 1999 £	Total Funds 1998 £
Income and Expenditure					
Incoming Resources					
Grants		81,821	90,910	172,731	79,100
Donations (gross) and other income		10,044	56,286	66,330	134,815
Gifts in kind		-	73,418	73,418	-
Projects		109	63,587	63,696	5,497
Total Incoming Resources		91,974	284,201	376,175	219,412
Resources Expended					
Direct charitable expenditure	2	28,753	203,947	232,700	129,635
Fund-raising and publicity	3	15,335	99,466	114,801	13,195
Management and administration of the charity	4	3,450	9,558	13,008	72,256
Total Resources Expended		47,538	312,971	360,509	215,086
Net Incoming/(Outgoing)					
Resources before transfers		44,436	(28,770)	15,666	4,326
Transfer to restricted fund		(27,145)	27,145	-	-
Net Incoming/(Outgoing) Resources for the year		17,291	(1,625)	15,666	4,326
Balances brought forward at 1 April 1998		8,442	1,625	10,067	5,741
Balances carried forward at 31 March 1999		25,733	-	25,733	10,067

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

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

HABITAT FOR HUMANITY GREAT BRITAIN

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1999

	Note	1999		1998	
		£	£	£	£
Operating income			376,175		219,412
Direct charitable expenditure	2	232,700		129,635	
Fund-raising and publicity	3	114,801		13,195	
Management and administration	4	<u>13,008</u>		<u>72,256</u>	
			<u>360,509</u>		<u>215,086</u>
Operating surplus	5		<u>15,666</u>		<u>4,326</u>
Surplus for the year transferred to reserves	11		<u><u>15,666</u></u>		<u><u>4,326</u></u>

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

The above results relate wholly to continuing activities.

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

HABITAT FOR HUMANITY GREAT BRITAIN



BALANCE SHEET

AT 31 MARCH 1999

	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible assets	7		11,505		5,743
Current assets					
Debtors	8	1,003		5,156	
Cash at bank and in hand		<u>96,267</u>		<u>44,256</u>	
		97,270		49,412	
Creditors - amounts falling due within one year	9	<u>83,042</u>		<u>40,088</u>	
Net current assets			<u>14,228</u>		<u>9,324</u>
Total assets less current liabilities			25,733		15,067
Creditors - amounts falling due after more than one year	10		<u>-</u>		<u>5,000</u>
			<u>25,733</u>		<u>10,067</u>
Funds					
Unrestricted funds	11		25,733		8,442
Restricted funds	11		<u>-</u>		<u>1,625</u>
			<u>25,733</u>		<u>10,067</u>

The financial statements were approved by the Board of Directors on

16th August 1999

V Revd. Michael Bunker

P J Harbard

Directors

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

1 Status of Charity

The Charity is registered under the Companies Act and holds a certificate of charitable status, number 1043641

2 Direct Charitable Expenditure

	Unrestricted funds	Restricted funds	Total 1999	Total 1998
	£	£	£	£
Tithe	2,906	-	2,906	3,032
Grants to affiliated Habitat for Humanity groups	100	56,185	56,285	120,598
Projects	835	30,007	30,842	5,712
Community Development				
Employment costs	20,249	94,086	114,335	240
Training	188	751	939	53
Support costs	4,475	22,918	27,393	-
	<u>28,753</u>	<u>203,947</u>	<u>232,700</u>	<u>129,635</u>

3 Fund-raising and Publicity

Fund-raising	2,098	8,391	10,489	11,004
Publicity	708	2,830	3,538	2,191
Direct marketing	-	34,015	34,015	-
Employment costs	8,869	35,478	44,347	-
Support costs	3,660	18,752	22,412	-
	<u>15,335</u>	<u>99,466</u>	<u>114,801</u>	<u>13,195</u>

4 Management and Administration of the Charity

Employment costs	1,533	6,819	8,352	50,082
Audit and accountancy	685	2,739	3,424	1,750
Office costs	1,232	-	1,232	12,212
Travel	-	-	-	8,212
	<u>3,450</u>	<u>9,558</u>	<u>13,008</u>	<u>72,256</u>

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

5 Surplus on ordinary activities

The surplus on ordinary activities is stated after:

	1999 £	1998 £
Auditors remuneration		
Audit services	1,175	-
Non-audit services	2,249	1,750
Depreciation and amortisation: Tangible fixed assets	<u>2,577</u>	<u>2,002</u>

6 Employees and directors

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

	1999 £	1998 £
Wages and salaries	95,686	41,249
Social security costs	8,763	3,746
Other pension costs	<u>4,586</u>	<u>3,300</u>
	<u>109,035</u>	<u>48,295</u>

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

The average number of employees during the year was 9 full-time employees (1998: 5 full-time employees)

No remuneration was paid in respect of the directors of the company.

2 trustees (1998: 2) were reimbursed for travel expenses during the year ended 31 March 1999, totalling £151 (1998: £285).

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

7 Tangible fixed assets

	Equipment £
Cost	
At 1 April 1998	10,286
Additions	<u>8,339</u>
At 31 March 1999	<u>18,625</u>
Depreciation	
At 1 April 1998	4,543
Provided in the year	<u>2,577</u>
At 31 March 1999	<u>7,120</u>
Net book amount at 31 March 1999	<u>11,505</u>
Net book amount at 31 March 1998	<u>5,743</u>

8 Debtors

	1999 £	1998 £
Other debtors and prepayments	<u>1,003</u>	<u>5,156</u>

9 Creditors - amounts falling due within one year

	1999 £	1998 £
Taxation and social security	3,626	996
Other creditors and accruals	25,834	9,092
Deferred income	<u>53,582</u>	<u>30,000</u>
	<u>83,042</u>	<u>40,088</u>

10 Creditors - amounts falling due after more than one year

	1999 £	1998 £
Medium term, non interest bearing loans	<u>-</u>	<u>5,000</u>

HABITAT FOR HUMANITY GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

11 Funds

	Unrestricted Undesignated £	Designated £	Restricted Funds £	Total £
At 1 April 1998	6,731	1,711	1,625	10,067
Surplus/(deficit) for the year	44,436	-	(28,770)	15,666
Transfers	(25,434)	(1,711)	27,145	-
At 31 March 1999	<u>25,733</u>	<u>-</u>	<u>-</u>	<u>25,733</u>

The Unrestricted Designated Fund represents a 10% tithe of funds raised within Britain. This fund will be used to support Habitat for Humanity International projects in developing countries.

The Restricted Fund represents funds held on behalf of prospective Habitat for Humanity Community Groups as well as funds donated for specific Habitat For Humanity International projects in developing countries.

All net assets owned by the charity at 31 March 1999 related to the Unrestricted Undesignated Fund.

12 Share capital

The company is a company limited by guarantee and does not have share capital.

13 Commitments

There were no commitments at 31 March 1999 (at 31 March 1998 Habitat for Humanity Great Britain was committed to pay a tithe of £1,711).

14 Contingent liabilities

There were no contingent liabilities at 31 March 1999 or at 31 March 1998.

15 Related party transactions

At 31 March 1998 there was outstanding a medium term non interest bearing loan made by Mr P J Harbard to Habitat for Humanity Great Britain. This loan was repaid on 23 September 1998.

There were no other related party transactions in the year.

16 Controlling related party

The directors believe that they are the controlling related party.