

HFHGB (HOMES)

England & Wales · Charity number 1053213

Details

Other names	HFHGB (DOMESTIC OPERATIONS), SOUTHWARK HABITAT FOR HUMANITY, HABITAT FOR HUMANITY LONDON, SOUTHWARK HFH
Status	Registered
Legal form	Charitable company
Company number	03155218
Registered	1996-02-26
Register	View on the Charity Commission register

Contact

Address	C/O Habitat for Humanity GB 268 Bath Road SL1 4DX
Phone	01753313539
Email	Kita@habitatforhumanity.org.uk
Website	habitatforhumanity.org.uk

Activities

Objects: The objects of the Charity shall be: 2.1 the prevention or relief of poverty by providing or facilitating accommodation and community facilities for the benefit of people in housing need, potential housing need or for other related needs; 2.2 the advancement of religion in accordance with the tenets of the Christian faith.

Activities: HfHGB (Homes) vision is the elimination of poverty housing, particularly in London, through empowering local people to meet their own housing needs and building vibrant sustainable communities in the process.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** THE BOROUGH OF SOUTHWARK
- Kent
- Oxfordshire
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£112,873	£214,753	-	-
2024-06-30	£889,358	£1,067,884	£787,083	4
2023-06-30	£632,443	£738,689	£965,609	5
2022-06-30	£585,100	£577,800	£1,102,791	5
2021-06-30	£328,858	£382,980	-	-
2020-06-30	£477,741	£512,538	-	-

Trustees

Name	Role	Appointed
Henrietta Blackmore		2024-10-01
Holly Carter		2025-02-13
Ian Kenneth Whitehead		2022-10-03
Ross Avery		2026-02-04

HFHGB (HOMES)

England & Wales - Charity number 1053213

Accounts



HFHGB (Homes)

(Company Limited by Guarantee)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

Registered Company No: 03155218

Registered Charity No: 1053213

HFHGB (Homes)

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HFHGB (Homes)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2025

The Trustees are pleased to present their report together with the financial statements for the year ended 30th June 2025.

Reference and Administrative details

Registered Office
268 Bath Road, Slough, SL1 4DX

Bankers
CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Auditors
Knox Cropper LLP, 65/68 Leadenhall Street, London, EC3A 2AD

Solicitors
Bates, Wells and Braithwaite London LLP, 2-6 Cannon Street, London, EC4M 6YH

Chief Executive
David Clare (resigned 24 October 2024)

Trustees of the Company
HfHGB (Homes) Trustees serve as directors of the company and members of the Board of Trustees. The following were members of the Board of Trustees during the year:

Alistair Mugford (Resigned 1 October 2024)
Brian Clark (Resigned 5 December 2024)
Ian Whitehead
Gordon Holmes
Ipeng Kiang (Resigned 1 October 2024)
Henrietta Blackmore (Appointed 1 October 2024) and National Director of HFHGB
Holly Carter (Appointed 13 February 2025)

The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the statement of recommended practice SORP (FRS 102) "accounting and reporting by charities" (effective January 2019).

Structure and Governance and Management

HfHGB (Homes) (registered charity number 1053212) is constituted as a company limited by guarantee (registered number 3155218) and is therefore governed by its memorandum and articles of association. During the year, its sole member Habitat for Humanity Great Britain, and each Trustee had a legal liability of £10 each. Legal responsibility for the management and stewardship of the charity is vested in the Board of Trustees.

Strategic decisions and operational guidelines are made by the Board of Trustees, but the operations are managed by staff overseen by the Board. Any decisions that affect the strategic vision of the charity are referred to the Board for a final decision to be taken.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2025

Related Party Transactions

During the year under review three trustees of the parent company Habitat for Humanity Great Britain (HFHGB) (Mr Alistair Mugford, Mr Gordon Holmes and Mr Ian Whitehead) were also trustees of HFHGB (Homes). In October 2019 the trustees of HFHGB and HFHGB (Homes) decided that it was strategically desirable for the operations and specified assets of HFHGB (Homes) to transfer to HFHGB. Detailed planning was interrupted by the Covid Pandemic. In 2023, the Boards of HFHGB and HFHGB (Homes) reconfirmed their intention to proceed with the planned transaction. The date of Transfer was 1st October 2024. As part of the Transfer HFHGB (Homes) has stopped taking on new projects and all relevant staff were TUPE'd to HFHGB and there are no active staff within HFHGB (Homes).

Appointment and Recruitment of Trustees

Trustees are appointed by the Board of Trustees based on the skills needed by the Board and the skills of potential Board members. The trustees currently meet quarterly to review strategy and operational management.

Trustee Induction and Training

New trustees undergo an induction when they are appointed, to brief them on their legal obligations under charity and company law, the aims and procedures of the charity, the content of the memorandum and articles of association, the Board and decision-making process, the business plan and recent financial performance of the charity, and the current objective. The trustee body as a whole is kept up to date with legal and statutory requirements via briefings. Updates are circulated of changes that may affect governance and operational best practice (e.g. Charity Commission and charity/company law updates).

Organisation

The Board of Trustees meets four times per year to discuss the current and future strategic development of the charity and any issues affecting the charity's objectives.

Operational decision making is delegated to the National Director of HFHGB on behalf of the Board. Decisions related to governance, organisational strategy, the financial strategy and solvency of the charity or significant changes in operational policy are the responsibility of the Board.

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to this guidance when reviewing the charity's aims and objectives and in planning future activities of the charity.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2025

Risk Management

The trustees have resolved to wind up the charity up and are managing the associated risks, including the orderly disposal of existing assets and the transfer of any remaining obligations to HFHGB.

During this period the Trustees have overall responsibility for ensuring that appropriate systems of control, financial or otherwise, remain in place. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that:

- HFHGB (Homes) is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposal.
- Proper records are maintained and financial information is reliable.
- HFHGB (Homes) complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- Effective planning of the strategic direction of the charity and project development.
- Regular review of financial and operational results by the CEO and Board of Trustees.
- Review by the Board of Trustees with the external auditors of any matters raised for their attention.

Organisational risks are reviewed every year by the Board of Trustees who may take independent professional legal and financial advice to ensure that risks are properly managed.

Objectives

The Trustees' objective is to dispose of property and other assets in an orderly manner and transfer any remaining net assets and obligations to HFHGB to be applied in furtherance of its charitable objects.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2025

Financial Review

We had a deficit for the year to 30 June 2025 of £101,880 compared to the previous year deficit of £178,526. Our activities for the year were focused on maintenance of existing lease properties and preparation for the sales of the assets.

Going Concern Statement

The trustees have assessed HFHGB (Homes)'s financial position and have a reasonable expectation that the remaining entity will have adequate resources to continue leasing the properties while making plans to dispose of all assets and liabilities within the coming 24 months. This assessment is based on the forecasted financials relating to lease income and expenditure which also considers receipts from sale of leases.

However, the trustees are aware of the general uncertainties and thus acknowledge potential risks to the going concern status, including:

- Delays in selling off leases.
- Unexpected increases in repair and maintenance costs.
- Economic downturns that may affect potential buyers.
- Changes in government policies or regulations impacting the leased property.
- Unforeseen events or emergencies requiring substantial financial outlay.

Despite these risks, the trustees continue to adopt the going concern basis in preparing the annual financial statements, confident in the charity's ability to manage these challenges effectively.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2025

Mortgage Repayments

Mortgage repayments from existing Habitat homeowners have continued to provide a reliable cash flow, with no material arrears to report. However, there are only 2 mortgages outstanding at the end of June 2025. As mortgages come to an end, arrangements to remove charges are organised with our solicitors, and updated Land Registry details are filed on behalf of our lenders.

Lease and Repair Income

Lease income has been steady through the year and performed in line with our expectations. Some leases expired during the year and end of lease arrangements were made with the owners for the return of their property, with appropriate dilapidations payments. We have accrued some income on behalf of owners where it was not possible to end a tenancy until the social housing tenant had been rehoused. These are contained within creditors in the financial statements.

Fundraising and other income

HFHGB (Homes) did not undertake direct fundraising activities during this period, working instead through the fundraising capacity of Habitat GB. This includes funding for projects connected to the Empty Spaces to Homes pilot project and the volunteer-based Upcycling programme, which HFHGB (Homes) helps to deliver in partnership with Habitat GB. Funding was mainly raised from corporate and philanthropic partners.

Where funds are passed to HFHGB (Homes) directly as a result of Habitat GB fundraising activities, costs are deducted. However, if Habitat GB disperses a portion of funds raised via Habitat for Humanity International to HFHGB (Homes), no deduction is made.

Fundraising of this kind is different to income which may be derived from leases or consultancy work which HFHGB (Homes) have contracted to deliver directly and with no involvement from Habitat GB.

Reserves Policy

This policy is to maintain unrestricted reserves to ensure short term liquidity and long-term financial stability and sustainability. The charity aims to hold unrestricted reserves equivalent to three months of operating expenses. These expenses include: loan repayments, required staff or consultancy costs payable by HFHGB (Homes), urgent repairs or maintenance obligations for lease properties, other costs related to management of assets and liabilities such as legal fees.

Reviewing the cash balance of £145,936 available at 30th June, the trustees confirm that this balance is sufficient to cover the mentioned operating expenses for the year ahead to maintain organisational expenses while the disposal of the assets is completed.

The trustees will review this policy on an annual basis to ensure it remains appropriate for the charity's financial needs and medium-term plans.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2025

Investment Policy

In order to comply with the provisions of the SORP (FRS 102), the trustees conduct an annual review of the investment policy for the financial reserves held by HfHGB (Homes). The investment policy enables the trustees to make the best judgements about how and where the reserves should be invested, taking into consideration the return against the risk of investment, the need for growth and the ease of access to the funds. The trustees would expect to place large sums of capital which are not needed for significant periods of time with qualified investment advisors with an instruction to pursue medium risk growth. The trustees would expect to place smaller sums of capital which were required to be readily accessible in a high-income earning account such as CCLA.

Ethical Investments

Whilst HfHGB (Homes) does not have a formal ethical investment policy, it will endeavour to follow ethical guidelines when investing money.

Plans for the Future

As per the finalisation of the Transfer Deed between HFHGB (Homes) and Habitat GB on 1 October 2024, the ongoing business of HFHGB (Homes) will focus solely on the management and disposal of the current asset portfolio and corresponding liabilities. These comprise certain properties and an associated management company, leases, mortgages and loans. A detailed Asset & Liability Management Plan is in place, overseen by the Trustees, which ensures that income, expenditure and disposal strategies continue to keep HFHGB (Homes) as a going concern.

The day to day leadership and management of HFHGB (Homes) will be the responsibility of the Habitat GB executive and staff, who will report to and consult with the HFHGB (Homes) trustees, in line with the governance requirements of the charity. As the sole member of HFHGB (Homes), Habitat GB will also be sighted on the financial status and management of the subsidiary.

Both the HFHGB (Homes) and Habitat GB Boards have formally approved the long term strategy for HFHGB (Homes) to be wound up and closed as a legal entity on the final disposal of its current assets and liabilities. This is estimated to take up to two years. No other activities will be undertaken by HFHGB (Homes) in the future.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2025

Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UKGAAP).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with relevant legislation and the trust deed. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 28 March 2026 and signed on its behalf by:



Ian Whitehead
(Trustee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**HFHGB (Homes)****FOR THE YEAR ENDED 30TH JUNE 2025****Opinion**

We have audited the financial statements of HFHGB (Homes) (the 'charitable company') for the year ended 30th June 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th June 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HFHGB (Homes)
FOR THE YEAR ENDED 30TH JUNE 2025

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HFHGB (Homes)
FOR THE YEAR ENDED 30TH JUNE 2025

Auditor's responsibilities for the audit of the financial statements (continued)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls, and legal correspondence.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations include the risk of management override.
- Our approach was to check that the income from donations and charitable activities were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed journal adjustments and unusual transactions for management override and considered the identification and disclosure of related party transactions.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members as a body, for our audit work, for this report or for the opinion we have formed.



James Holland-Leader FCA (Senior Statutory Auditor)
For and on behalf of Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

Date: 31st March 2026

HFHGB (Homes)

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30th JUNE 2025

	Notes	Restricted		Unrestricted		2025	2024
		2025	2025	2025	2025		
		Continuing Operations £	Discontinued Operations £	Restricted Total £	Continuing Operations £	Discontinued Operations £	Unrestricted Total £
INCOME FROM							
Donations and Legacies	2	-	-	-	-	-	150,969
Investments		-	-	-	201	-	174
Charitable Activities	3	-	-	-	110,920	1,752	603,191
Other Income	4	-	-	-	-	-	135,024
TOTAL INCOME		-	-	-	111,121	1,752	889,358
EXPENDITURE ON							
Raising Funds	5	-	-	-	-	156	10,206
Charitable Activities	6	95	-	95	85,489	129,013	1,057,678
TOTAL EXPENDITURE		95	-	95	85,489	129,169	1,067,884
Net Income/(Expenditure)		(95)	-	(95)	25,632	(127,417)	(178,526)
NET MOVEMENT IN FUNDS		(95)	-	(95)	25,632	(127,417)	(178,526)
TOTAL FUNDS BROUGHT FORWARD				4,384			965,609
TOTAL FUNDS CARRIED FORWARD	15			£4,289			£787,083

The Notes on pages 14 to 26 form an integral part of these financial statements.

HFHGB (Homes)**BALANCE SHEET AS AT 30th JUNE 2025**

	Notes	£	2025	£	£	2024	£
FIXED ASSETS							
Tangible Fixed Assets	10	718,854			769,469		
Programme Related Investments	11	14,893			29,524		
Work In Progress	12	-			-		
				733,747			798,993
CURRENT ASSETS							
Debtors	13	4,191			119,206		
Cash at Bank and In Hand		145,936			155,837		
		150,127			275,043		
CREDITORS : Amounts falling due within one year	14	(152,546)			(213,570)		
NET CURRENT (LIABILITIES)/ASSETS				(2,419)			61,473
CREDITORS: Amounts falling due after more than one year	15			(46,125)			(73,383)
NET ASSETS				<u>£685,203</u>			<u>£787,083</u>
RESTRICTED FUNDS	17			4,289			4,384
UNRESTRICTED FUNDS							
General Funds				680,914			782,699
TOTAL FUNDS				<u>£685,203</u>			<u>£787,083</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on 28th March 2026 and signed on their behalf by:



Ross Avery
(Treasurer)

Company No: 03155218

The notes on pages 14 to 26 form an Integral part of these financial statements.

HFHGB (Homes)**CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2025**

	2025	2024
	£	£
Cash flows from Operating Activities (a) below		
Net cash provided by/(used in) operating activities	7,978	(96,537)
Cash flows from Investing Activities		
Investment Income	201	174
Payments to acquire tangible fixed assets	-	(6,215)
Proceeds from sale of fixed assets	-	175,000
Repayment of Programme Related Investments	14,631	14,343
Net cash provided by/(used in) investing activities	14,832	183,302
Cash flows from Financing Activities		
Loan Drawdowns	-	-
Loan Repayments	(29,679)	(28,637)
Interest Paid	(3,032)	(4,134)
Net cash provided by/(used in) financing activities	(32,711)	(32,771)
Change in Cash and Cash Equivalents in the Year	(9,901)	53,994
Cash and Cash Equivalents at 1st July 2024	155,837	101,843
Cash and Cash Equivalents at 30 June 2025	<u>£145,936</u>	<u>£155,837</u>

(a) Reconciliation of Net Income/(Expenditure) to Net Cash flow from Operating Activities

	2025	2024
	£	£
Net Income/(Expenditure)	(101,880)	(178,526)
Interest Income Received	(201)	(174)
Interest Paid	3,032	4,134
Depreciation	48,306	103,414
(Gain)/Loss on disposal of fixed assets	2,309	(135,024)
Expense of Work in Progress	-	66,560
(Increase)/Decrease in Debtors and Prepayments	115,015	54,838
Increase/(Decrease) In Trade Creditors and Provisions	(58,603)	(11,759)
	<u>£7,978</u>	<u>£(96,537)</u>

(b) Analysis of Changes in Net Debt

	At 1 st July 2024	Cash Flows	At 30 th June 2025
	£	£	£
Cash	155,837	(9,901)	145,936
Loans falling due within one year	(29,627)	2,421	(27,206)
Loans falling due after more than one year	(73,383)	27,258	(46,125)
	<u>£52,827</u>	<u>£19,778</u>	<u>£72,605</u>

The notes on pages 14 to 26 form an integral part of these financial statements.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****1. ACCOUNTING POLICIES****(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" (FRS 102), the Financial Reporting Standard 102 and the Companies Act 2006. The company is a public benefit entity.

The financial statements are prepared in sterling, which is the functional and presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Board has considered the principal risks and uncertainties on the short and long term health of the Charity, and is content that the measures taken, combined with sufficient reserves, provides assurance that the going concern basis is appropriate in preparing the financial statements.

(b) Company Status

The company, which is a registered charity, is limited by guarantee and is controlled by Habitat for Humanity Great Britain who are the sole member. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(c) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

HFHGB (Homes) enters into commercial contracts with a local authority to undertake renovation work on empty local authority properties. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion at the reporting date. The Charity uses the measured valuation method to determine the amounts to be recognised in the period. The value of works is calculated by surveyors by reference to the contract sum breakdowns up to the end of the reporting period for each contract.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****1. ACCOUNTING POLICIES (Continued)**

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key areas of activity. Overheads and other salaries are allocated between the expense headings on the basis of time spent. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and are allocated on the basis of staff cost.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Governance costs are those incurred in connection with enabling the charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

(f) Tangible Fixed Assets and Depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Plant and equipment	-	20% straight line
Computer Equipment	-	33% straight line
Short Term Leasehold Properties	-	Over Life of Lease

(g) Short Term Leases

As part of the empty homes projects, HFHGB (Homes) enters into short term leases with either the local authority or housing association to enable the charity to generate rental income which will fund the cost of the renovation. The costs of the renovation are capitalised and depreciated over the life of the lease to the extent that future rental income will be received. Where the renovation expenditure is funded from grant income, the expenditure is charged to the statement of financial activities.

(h) Programme Related Investments

Programme related investments are stated at cost price at the balance sheet date.

(i) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for projected losses on long term contracts. Cost includes all direct cost and an appropriate proportion of fixed and variable overheads.

(j) VAT

The charity is registered for VAT.

(k) Taxation

HFHGB (Homes) is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****1. ACCOUNTING POLICIES (Continued)****(l) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

(m) Debtors

Debtors are amounts owed to the Charity. They are measured on the basis of their recoverable amount.

(n) Cash at bank and in hand

Cash at bank and in hand is held to meet the day to day running costs of the Charity as they fall due. There are no other cash equivalents held by the Charity.

(o) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

(p) Significant Management Judgements and Estimation Uncertainties

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. The costs of the renovation are capitalised and depreciated over the life of the lease to the extent that future rental income will be received. This can be subject to estimation uncertainty.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****2. VOLUNTARY INCOME**

	Restricted 2025 £	Unrestricted 2025 £	Total 2025 £
Grants and donations	-	-	-
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
	Restricted 2024 £	Unrestricted 2024 £	Total 2024 £
Grants (discontinued operations):			
M&G	14,657	-	14,657
P&G	10,035	-	10,035
Whirlpool	5,017	-	5,017
John Laing Trust	20,319	-	20,319
BP	1,900	-	1,900
LandAid	34,000	-	34,000
Realty	-	7,300	7,300
Tradeweb	6,387	-	6,387
TraskRabbit	5,941	-	5,941
Wells Fargo	13,930	-	13,930
Bank of America	3,188	-	3,188
Wesco	2,509	-	2,509
Northern Trust	12,543	-	12,543
SEI	2,509	-	2,509
Cheniere	6,706	-	6,706
Henkel	2,235	-	2,235
Epsilon	-	439	439
Europa Capital	1,304	-	1,304
Quaker	-	50	50
	<u>£143,180</u>	<u>£7,789</u>	<u>£150,969</u>

3. CHARITABLE ACTIVITIES

	Restricted Funds £	Unrestricted Funds £	2025 Total £	2024 Total £
Professional fees (discontinued)	-	1,752	1,752	23,948
Contract works (discontinued)	-	-	-	472,440
Volunteer facilitation grants (discontinued)	-	-	-	5,992
Rental Income -Short Leasehold Properties	-	110,920	110,920	96,618
	<u>£ -</u>	<u>£112,672</u>	<u>£112,672</u>	<u>£603,191</u>

HfHGB (Homes) retains an equity interest in the properties which are subject to mortgage as set out in note 10. During the year, none of these properties were sold (2024: none).

4. OTHER INCOME

	Restricted Funds £	Unrestricted Funds £	2025 Total £	2024 Total £
Gain on disposal of property	-	-	-	135,024
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£135,024</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****5. COST OF RAISING FUNDS (Discontinued operations)**

	2025	2024
	£	£
Staff Costs	156	10,165
Other Support Costs	-	41
	<u>£156</u>	<u>£10,206</u>

6. ANALYSIS OF CHARITABLE ACTIVITIES

	2025 Restricted	2025 Unrestricted	2025 Total
	£	£	£
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	1,980	1,980
Nithdale Road	-	57	57
Gale Street, Barking & Dagenham	-	378	378
Friends Meeting House, Tunbridge Wells	-	24,192	24,192
M&G Research Project	-	62	62
Woodward Road	-	1,881	1,881
New Hope, Watford	-	1,790	1,790
Bolton Crescent Maintenance	95	-	95
Other Project Costs	-	1,403	1,403
Empty Spaces to Homes (ES2H)	-	928	928
Upcycling Programme	-	4,730	4,730
Royal Parade	-	90	90
Ringstead Road	-	6,974	6,974
<i>Amortisation of Project Costs</i>			
Ringstead Road, Lewisham	-	17,484	17,484
Friends Meeting House, Tunbridge Wells	-	14,761	14,761
East Street	-	16,061	16,061
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	841	841
East Street, Barking & Dagenham	-	2,191	2,191
<i>Development Advisory and Management Services</i>			
Kingsley Hall/Livability	-	1,545	1,545
St. Leonards Church, Chesham Bois	-	68	68
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	-	-	-
	<u>95</u>	<u>97,416</u>	<u>97,511</u>
Support Costs	-	102,744	102,744
Governance Costs	-	14,342	14,342
	<u>£95</u>	<u>£214,502</u>	<u>£214,597</u>

Continuing operations comprise of amortisation of project costs amounting to £48,306, interest expense amounting to £3,032, Bad debt costs amounting to £19,809, and Governance costs amounting to £14,342. All other expenditure relates to discontinued activities.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****6. ANALYSIS OF CHARITABLE ACTIVITIES (Continued)**

	2024 Restricted £	2024 Unrestricted £	2024 Total £
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	632	632
Nithdale Road	-	1,727	1,727
Broad Street	-	1,289	1,289
Gale Street, Barking & Dagenham	-	4,596	4,596
Friends Meeting House, Tunbridge Wells	-	8,048	8,048
Claudia Jones	-	5,189	5,189
M&G Research Project	-	935	935
Woodward Road	-	5,894	5,894
New Hope, Watford	-	2,799	2,799
Bolton Crescent Maintenance	1,025	-	1,025
Other Project Costs	-	20,000	20,000
Winterisation Programme	-	1,205	1,205
Empty Spaces to Homes (ES2H)	5,894	-	5,894
Upcycling Programme	43,621	-	43,621
MSQ Dumfries	-	1,393	1,393
Royal Parade	100,522	478,850	579,372
Ringstead Road	-	371	371
<i>Amortisation of Project Costs</i>			
Ringstead Road, Lewisham	-	16,964	16,964
Friends Meeting House, Tunbridge Wells	-	14,725	14,725
East Street	-	66,524	66,524
Nithdale Road	-	2,971	2,971
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	1,518	1,518
East Street, Barking & Dagenham	-	2,556	2,556
<i>Development Advisory and Management Services</i>			
Kingsley Hall/Livability	-	2,607	2,607
St. Leonards Church, Chesham Bois	-	1,371	1,371
Choumert Road, Peckham	-	27	27
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	1,900	-	1,900
	<u>152,962</u>	<u>642,191</u>	<u>795,153</u>
Support Costs	-	242,636	242,636
Governance Costs	-	19,889	19,889
	<u>£152,962</u>	<u>£904,716</u>	<u>£1,057,678</u>

Continuing operations comprise of amortisation of project costs amounting to £101,184, interest expense amounting to £4,074, , and Governance costs amounting to £19,889. All other expenditure relates to discontinued activities.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****7. RESOURCES EXPENDED**

	Activities for Raising Funds	Charitable Activities			2025 Total
		Direct Costs	Support Costs	Governance Costs	
	£	£	£	£	£
Staff Costs	156	14,816	43,794	3,051	61,817
Outside Labour	-	600	-	-	600
Materials	-	3,387	7,449	-	10,836
Other construction costs	-	7,401	338	-	7,739
Insurance	-	1,421	8,586	-	10,007
Legal & Professional	-	14,829	9,700	10,970	35,499
Other Office Expenses	-	3,719	8,111	321	12,151
Financing Costs	-	3,032	60	-	3,092
Depreciation of fixed assets	-	-	-	-	-
Amortisation of short-term leases	-	48,306	-	-	48,306
Bad Debts	-	-	24,706	-	24,706
	£156	£97,511	£102,744	£14,342	£214,753

	Activities for Raising Funds	Charitable Activities			2024 Total
		Direct Costs	Support Costs	Governance Costs	
	£	£	£	£	£
Staff Costs	10,165	120,245	185,704	12,446	308,887
Outside Labour	-	70	-	-	70
Materials	-	487,651	3,821	-	491,472
Other construction costs	-	4,846	105	-	4,951
Insurance	-	1,708	13,276	-	14,984
Legal & Professional	-	59,585	22,535	7,314	89,434
Other Office Expenses	41	15,790	14,431	129	30,391
Financing Costs	-	4,074	60	-	4,134
Depreciation of fixed assets	-	-	2,230	-	2,230
Amortisation of short-term leases	-	101,184	-	-	101,184
Bad Debts	-	-	474	-	474
	£10,206	£795,153	£242,636	£19,889	£1,067,884

8. NET INCOME/(EXPENDITURE)

The operating result is stated after charging.

	2025 £	2024 £
Depreciation	48,306	103,414
Payments to auditors in respect of: audit services	10,712	7,300
Non-audit services	258	-

HFHGB (Homes)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2025

9. **COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Restricted			Unrestricted			
	2024	2024	2024	2024	2024	2024	
	Continuing Operations £	Discontinued Operations £	Restricted Total £	Continuing Operations £	Discontinued Operations £	Unrestricted Total £	Total £
INCOME FROM							
Donations and Legacies Investments	-	143,180	143,180	-	7,789	7,789	150,969
Charitable Activities	-	-	-	174	-	174	174
Other Income	-	-	-	100,811	502,380	603,191	603,191
	-	-	-	135,024	-	135,024	135,024
TOTAL INCOME	-	143,180	143,180	236,009	510,169	746,178	889,358
EXPENDITURE ON							
Raising Funds	-	-	-	-	10,206	10,206	10,206
Charitable Activities	2,925	150,037	152,962	125,147	779,569	904,716	1,057,678
TOTAL EXPENDITURE	2,925	150,037	152,962	125,147	789,775	914,922	1,067,884
Net Income/(Expenditure)	(2,925)	(6,857)	(9,782)	110,862	(279,606)	(168,744)	(178,526)
NET MOVEMENT IN FUNDS	(2,925)	(6,857)	(9,782)	110,862	(279,606)	(168,744)	(178,526)
TOTAL FUNDS BROUGHT FORWARD			14,166			951,443	965,609
TOTAL FUNDS CARRIED FORWARD			<u>£4,384</u>			<u>£787,699</u>	<u>£787,083</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****10. TANGIBLE FIXED ASSETS**

	Plant & Machinery	Short Term Leasehold Properties	Total	Schemes in Development
	£	£	£	£
COST				
At 1 st July 2024	21,215	1,140,247	1,161,462	-
Additions	-	-	-	-
Disposals	(21,215)	(39,320)	(60,535)	-
At 30 th June 2025	-	1,100,927	1,100,927	-
DEPRECIATION/ AMORTISATION				
At 1 st July 2024	18,906	373,087	391,993	-
Charge for the Year	-	48,306	48,306	-
Disposals	(18,906)	(39,320)	(58,226)	-
At 30 th June 2025	-	382,073	382,073	-
NET BOOK VALUE				
At 30 th June 2025	£ -	£718,854	£718,854	£ -
At 30 th June 2024	£2,309	£767,160	£769,469	£ -

11. PROGRAMME RELATED INVESTMENTS

	2025	2024
	£	£
Cost or Valuation		
At 1 st July 2024	29,524	43,867
Additional loans in Year	-	-
Repayments	(14,631)	(14,343)
At 30 th June 2025	£14,893	£29,524
Repayable within one year	12,191	14,166
Repayable in more than one year	2,702	15,358
	£14,893	£29,524

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****12. WORK IN PROGRESS**

	2025	2024
	£	£
Building Renovation	-	-
New Building Construction	-	-
Total	<u>£ -</u>	<u>£ -</u>

	2025	2024
	£	£
Balance Brought Forward	-	73,162
Additional Costs in the year	-	5,050
Disposals	-	(78,212)
Balance Carried Forward	<u>£ -</u>	<u>£ -</u>

13. DEBTORS

	2025	2024
	£	£
Trade Debtors	19,997	37,167
Provision for doubtful debts	(19,809)	-
Prepayments	1,437	469
Other Debtors and Accrued Income	2,566	73,966
VAT	-	7,604
	<u>£4,191</u>	<u>£119,206</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade Creditors	9,456	46,316
Social Security and Other Taxes	-	982
Accruals and Deferred Income	115,884	134,669
VAT	-	-
Sinking Fund	-	1,976
Loan – Repayable within one year	27,206	29,627
	<u>£152,546</u>	<u>£213,570</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Loan – balance repayable in 1 – 5 years	46,125	69,701
Loan – balance repayable in more than 5 years	-	3,682
	<u>£46,125</u>	<u>£73,383</u>

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****16. NET ASSETS BY FUND
2025**

	Restricted	Unrestricted	Total
	£	£	£
Fixed Assets	-	733,747	733,747
Current Assets	4,289	145,838	150,127
Creditors due within one year	-	(152,546)	(152,546)
Creditors due in more than one year	-	(46,125)	(46,125)
	<u>£4,289</u>	<u>£680,914</u>	<u>£685,203</u>

2024

	Restricted	Unrestricted	Total
	£	£	£
Fixed Assets	-	798,993	798,993
Current Assets	4,384	270,659	275,043
Creditors due within one year	-	(213,570)	(213,570)
Creditors due in more than one year	-	(73,383)	(73,383)
	<u>£4,384</u>	<u>£782,699</u>	<u>£787,083</u>

**17. RESTRICTED FUNDS
2025**

	Funds as at 1st July 2024	Incoming Resources	Resources Expended	Funds as at 30th June 2025
	£	£	£	£
Adventure Playground	142	-	(95)	47
Young Persons Training Programme	4,242	-	-	4,242
	<u>£4,384</u>	<u>£ -</u>	<u>£(95)</u>	<u>£4,289</u>

2024

	Funds as at 1st July 2023	Incoming Resources	Resources Expended	Funds as at 30th June 2024
	£	£	£	£
Adventure Playground	1,167	-	(1,025)	142
Young Persons Training Programme	6,142	-	(1,900)	4,242
Empty Spaces to Homes	6,857	143,180	(150,037)	-
	<u>£14,166</u>	<u>£143,180</u>	<u>£(152,962)</u>	<u>£4,384</u>

The Young Persons Training Programme is a programme being run in conjunction with Barking College for young persons with learning disabilities.

The Adventure Playground fund represents income received for the development of an adventure playground in Southwark.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****18. EMPLOYEES**

	2025	2024
	£	£
Wages and Salaries	23,972	150,771
Employer's NI	3,865	15,955
Pension Costs	861	3,634
	<u>£28,698</u>	<u>£170,360</u>
Capitalised Staff Costs – Short Leasehold Projects	-	7,118
Other Staff Costs	28,698	163,242
	<u>£28,698</u>	<u>£170,360</u>

The total employee benefits of the 1 member of the senior management team amount to £18,049 (2024: £76,847).

Total redundancy benefits amount to £Nil (2024: £Nil).

The average number of employees during the year was 1 (2024: 4).

One employee earned between £60,000 - £70,000 pro-rata.

19. TRUSTEES REMUNERATION AND EXPENSES

None of the trustees received any remuneration and no other expenses have been incurred during both the current and preceding year.

20. CAPITAL COMMITMENTS

	2025	2024
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	4,220
Total	<u>£ -</u>	<u>£4,220</u>

21. RELATED PARTY TRANSACTIONS

HFHGB (Homes) is a wholly controlled subsidiary of Habitat for Humanity Great Britain, a charitable company registered in England and Wales. The company number of Habitat for Humanity Great Britain is 3012626, and the registered charity number is 1043641 (SC048638 - Scotland). The principal objective of Habitat for Humanity GB is to alleviate poverty by helping people who live in substandard housing to access better living conditions. Control is exercised by the parent of HFHGB (Homes) via mutual Trustee Board members. During the year under review two Habitat for Humanity Great Britain trustees (Mr Gordon Holmes and Mr Ian Whitehead) were also trustees of HFHGB (Homes), together with Henrietta Blackmore (CEO of Habitat for Humanity Great Britain and Ex-officio Trustee of HFHGB (Homes)). The address from which the public can obtain the consolidated accounts of Habitat for Humanity Great Britain, which include the accounts of HFHGB (Homes), is 268 Bath Road, Slough, SL1 4DX.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2025****21. RELATED PARTY TRANSACTIONS (Continued)**

Some of the funding received by HFHGB (Homes) was raised by Habitat for Humanity GB. During the year some of the costs for HFHGB (Homes) were paid by Habitat for Humanity GB, the amount of funding owed is £30,480 and is included within other creditors.

22. COMPANY LIMITED BY GUARANTEE

The company, which is a registered charity, is limited by guarantee and is controlled by Habitat for Humanity Great Britain who are the sole member. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

23. DISCONTINUED OPERATIONS

Following a strategic review of the Group's structure, a Transfer Deed between HFHGB (Homes) and Habitat GB became effective on 1 October 2024. The ongoing business of HFHGB (Homes) now focuses solely on the management and disposal of the current asset portfolio and corresponding liabilities. These comprise certain properties and an associated management company, leases, mortgages and loans. All other activities, including renovation work, upcycling, and volunteer programmes, have been transferred to Habitat GB.

The day to day leadership and management of HFHGB (Homes) is the responsibility of the Habitat GB executive and staff, who will report to and consult with the HFHGB (Homes) trustees, in line with the governance requirements of the charity. As the sole member of HFHGB (Homes), Habitat GB will also be sighted on the financial status and management of the subsidiary.

HFHGB (HOMES)

England & Wales - Charity number 1053213

Accounts



HFHGB (Homes)

(Company Limited by Guarantee)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

Registered Company No: 03155218

Registered Charity No: 1053213

HFHGB (Homes)

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HFHGB (Homes)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2024

The Trustees are pleased to present their report together with the financial statements for the year ended 30th June 2024.

Reference and Administrative details

Registered Office

268 Bath Road, Slough, SL1 4DX

** Please note that the above is a new registered address due to the transition of operations to Habitat for Humanity Great Britain, the sole member of HFHGB (Homes) which took place on 1st October 2024.*

Bankers

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Auditors

Knox Cropper LLP, 65/68 Leadenhall Street, London, EC3A 2AD

Solicitors

Bates, Wells and Braithwaite London LLP, 2-6 Cannon Street, London, EC4M 6YH

Chief Executive

David Clare (resigned 24 October 2024)

Trustees of the Company

HfHGB (Homes) Trustees serve as directors of the company and members of the Board of Trustees. The following were members of the Board of Trustees during the year:

Alistair Mugford (Resigned 1 October 2024)

Brian Clark (Resigned 5 December 2024)

Ian Whitehead

Gordon Holmes

Ipeng Kiang (Resigned 1 October 2024)

Henrietta Blackmore (Appointed 1 October 2024)

The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the statement of recommended practice SORP (FRS 102) "accounting and reporting by charities" (effective January 2019).

Structure and Governance and Management

HfHGB (Homes) (registered charity number 1053212) is constituted as a company limited by guarantee (registered number 3155218) and is therefore governed by its memorandum and articles of association. During the year, its sole member Habitat for Humanity Great Britain, and each Trustee had a legal liability of £10 each. Legal responsibility for the management and stewardship of the charity is vested in the Board of Trustees.

Strategic decisions and operational guidelines are made by the Board of Trustees, but the operations are managed by staff overseen by the board. Any decisions that affect the strategic vision of the charity are referred to the Board for a final decision to be taken.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2024

Related Party Transactions

As of 30th June 2012, HfHGB (Homes) became the sole subsidiary of Habitat for Humanity Great Britain (Habitat GB): Habitat GB is the sole member and PSC (Person of Significant Control) of the HfHGB (Homes) board, whose national director became an ex officio member of the HfHGB (Homes) board from this date by extension of the sole membership. This relationship affected our accounts in that some of our funding was raised by HfH International (the parent charity in the USA) and passed to HfHGB (Homes) via Habitat GB. Where funds are passed through in this way, no deduction is made by Habitat GB. If Habitat GB are actively involved in fundraising for the donation, then a sum will be retained by them to cover fundraising costs.

During the year under review three Habitat GB trustees (Mr Alistair Mugford, Mr Gordon Holmes and Mr Ian Whitehead) were also trustees of HfHGB (Homes). In October 2019 the trustees of HFHGB and HfHGB (Homes) decided that it was strategically desirable for the operations and specified assets of HFHGB (Homes) to transfer to Habitat GB. Detailed planning was interrupted by the Covid Pandemic. In August and September 2023, the boards of HfHGB and HfHGB (Homes) reconfirmed their intention to proceed with the planned transaction. The date of Transfer was 1st October 2024.

Appointment and Recruitment of Trustees

Trustees are appointed by the Board of Trustees based on the skills needed by the board and the skills of potential board members. The trustees currently meet quarterly to review strategy and operational management.

Trustee Induction and Training

New trustees undergo an induction when they are appointed, to brief them on their legal obligations under charity and company law, the aims and procedures of the charity, the content of the memorandum and articles of association, the board and decision-making process, the business plan and recent financial performance of the charity. The trustee body as a whole is kept up to date with legal and statutory requirements via briefings. Updates are circulated of changes that may affect governance and operational best practice (e.g. Charity Commission and charity/company law updates).

Organisation

The Board of Trustees meets four times per year to discuss the current and future strategic development of the charity and any issues affecting the charity's objectives.

The staff structure during this period was as follows: the CEO manages the day-to-day operations of the charity with the assistance of a Design & Construction Manager (DCM). The CEO is appointed by the trustees who may also be involved in the appointment of other staff together with the CEO. The DCM is employed to develop the relationships needed for new projects to start and manage relationships with key partners, and to manage the programming and future pipeline of projects. The construction sites are closely overseen by an experienced Construction Manager assisted by qualified site staff, who all report to the DCM.

Operational decision making is delegated to the CEO on behalf of the Board. Decisions related to governance, organisational strategy, the financial strategy and solvency of the charity or significant changes in operational policy are the responsibility of the Board. The Board is also responsible for the arrangements for setting pay and remuneration of key management.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2024

Organisation (continued)

In anticipation of the transfer of operations from HFHGB (Homes) to Habitat GB, both organisations collaborated on the development of a new joint organisational strategy which will form the strategic direction both organisations from the end of June 2024. HFHGB (Homes) retains its own suite of policies, which are reviewed and approved by the Board of Trustees.

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to this guidance when reviewing the charity's aims and objectives and in planning future activities of the charity.

Risk Management

The trustees have overall responsibility for ensuring that appropriate systems of control, financial or otherwise, exist. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that:

- HfHGB (Homes) is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposal.
- Proper records are maintained and financial information is reliable.
- HfHGB (Homes) complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- Effective planning of the strategic direction of the charity and project development.
- Regular review of financial and operational results by the CEO and Board of Trustees.
- Robust and independent procedures in place for managing the health and safety regime.
- Review by the Board of Trustees with the external auditors of any matters raised for their attention.

As part of its management of risk, the Board of Trustees ensures that a risk register is produced which:

- Identifies the risks which the organisation faces.
- Assesses their potential impact and the likelihood of them happening.
- Highlights the management action being taken to mitigate and manage them.

Project risks are reviewed at the beginning of each project by the CEO and may be reviewed by the Board of Trustees. Organisational risks are reviewed every year by the Board of Trustees who may take independent professional legal and financial advice to ensure that risks are properly managed.

Objectives, Strategies, Activities and Achievements

Objectives

HfHGB (Homes) has two charitable objects:

- The prevention or relief of poverty by providing or facilitating accommodation and community facilities for the benefit of people in housing need, potential housing need or for other related needs.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2024

Objectives (continued)

- The advancement of religion in accordance with the tenets of the Christian faith.

HfHGB's (Homes) vision is to allow everybody access to a decent, affordable place to call home, particularly in London but looking for opportunities in other parts of Great Britain through empowering local people to meet their own housing needs, building vibrant sustainable communities in the process.

Strategies

HfHGB (Homes) has three key strategies which enable us to achieve our charitable objects:

1. The first is to work alongside partners who have underused land or buildings and work with them to develop sustainable routes for increasing the uses and purposes of these buildings and sites. Our aim is to explore with the partner whether all or part of the site would be suitable for the provision of affordable housing or whether the sites would be better suited to provision of enhanced community facilities.
2. The second strategy is to assist in the implementation of these kinds of projects. This may include project management or oversight, enabling the project to proceed by sourcing the necessary funding (grant, donations and debt), and possibly acting as the main contractor. Our strategy is to use the resources we can access to enable the development of both community facilities and affordable housing.
3. Our third strategy is to carry out smaller refurbishment and maintenance works on buildings owned by partners utilising support from partners who are able to fund this level of work. This work provides considerable benefit for both the charity partner and more importantly their clients and beneficiaries. We offer a range of volunteer days, mainly with corporate supporters who also donate to the projects to cover core costs, materials and to create a margin for sustainability of the programme.

Achievements and Performance

The highlight of the year has been the completion of the Empty Spaces to Homes pilot programme with Barking & Dagenham Council. This programme has sought to convert vacant or derelict commercially owned spaces which need significant investment to refurbish to modern standards. These are then repurposed as affordable rented accommodation for young people leaving the care of the Borough. We completed our 4th property (Royal Parade) on 19th March 2024. These homes are providing shared kitchen and dining facilities, along with a private bedroom and ensuite for each resident (3 and 4-bed homes). The feedback we have had from the tenants, and the Council has been very encouraging.

In collaboration with HfHGB, we also continue to provide our Empty Spaces to Homes Toolkit (launched June 2023 - a free online learning tool) in partnership with our sponsors M&G Plc.

Consultancy projects have been less prominent, largely due to reduced capacity since Covid-19 and the slow programme recovery, coupled with our CEO taking extended leave during the year.

Staff pay increases in line with inflation (and where relevant, increased role responsibility) were implemented in January 2024.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2024

Primary focus during July 2023 to June 2024

During the financial year we had a primary focus on moving forward with the transition of HFHGB (Homes) operations to Habitat GB. This involved the development and launch of a new joint organisational strategy at the end of June 2024, which will form the basis of the strategic direction both organisations going forward.

As a result of this focus, and the CEO's extended leave, there has been reduced capacity in the team to take forward new business. This, coupled with the slow-down in consultancy activities, has meant a drop in income for HFHGB (Homes) this financial year.

However, we were delighted to be able to complete our major refurbishment and extension of Royal Parade and see it house new young tenants leaving care from the Borough of Barking & Dagenham.

We would like to thank the following companies who supported us with donations and volunteers:

M&G; P&G; Whirlpool; The Blackstone Group; Montagu Evans; Mattell; LandAid; Laing Trust; RBS; SitusAMC; Wells Fargo; Bank of America; Faegre Drinker; Epsilon; J P Morgan; Cheniere; B&Q; Albert Hunt; Henkel; CAF; RSHP; PRP Architects.

Financial Review

We had a deficit for the year to 30 June 2024 of £178,526 compared to the previous year deficit of £106,246. Our activities for the year were capital heavy with Royal Parade on site. The deficit for FY24 was due to the high cost of the Royal Parade works. Despite a rise in income, lower donations received meant a shortfall of funding, and the project was therefore completed from reserves. Thankfully the sale of Gordon Road went ahead and was able to provide a boost to working capital, realising a gain on disposal of £135,024.

Going Concern Statement

The trustees have assessed HFHGB (Homes)'s financial position and have a reasonable expectation that, after the restructuring, the remaining entity will have adequate resources to continue leasing the properties while making plans to dispose of all assets and liabilities within the coming 24 months. This assessment is based on the forecasted financials relating to lease income and expenditure which also considers receipts from sale of leases.

However, the trustees are aware of the general uncertainties and thus acknowledge potential risks to the going concern status, including:

- Delays in selling off leases.
- Unexpected increases in repair and maintenance costs.
- Economic downturns that may affect potential buyers.
- Changes in government policies or regulations impacting the leased property.
- Unforeseen events or emergencies requiring substantial financial outlay.

Despite these risks, the trustees continue to adopt the going concern basis in preparing the annual financial statements, confident in the charity's ability to manage these challenges effectively.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2024

Mortgage Repayments

Mortgage repayments from existing Habitat homeowners have continued to provide a reliable cash flow, with no material arrears to report. However, there are only 2 mortgages outstanding at the end of June 2024. As mortgages come to an end, arrangements to remove charges are organised with our solicitors, and updated Land Registry details are filed on behalf of our lenders.

Lease and Repair Income

The income streams from the leases that the charity has entered into have been steady through the year and performed in line with our expectations. Some leases expired during the year and end of lease arrangements were made with the owners for the return of their property, with appropriate dilapidations payments. There has also been the accrual of some income on behalf of owners where it was not possible to end a tenancy until the social housing tenant had been rehoused. These are contained within creditors in the financial statements.

Fundraising and other income

HFHGB (Homes) did not undertake direct fundraising activities during this period, working instead through the fundraising capacity of Habitat GB. This includes funding for projects connected to the Empty Spaces to Homes pilot project and the volunteer-based Upcycling programme, which HFHGB (Homes) helps to deliver in partnership with Habitat GB. Funding was mainly raised from corporate and philanthropic partners.

Where funds are passed to HFHGB (Homes) directly as a result of Habitat GB fundraising activities, costs are deducted. However, if Habitat GB disperses a portion of funds raised via Habitat for Humanity International to HFHGB (Homes), no deduction is made.

Fundraising of this kind is different to income which may be derived from leases or consultancy work which HFHGB (Homes) have contracted to deliver directly and with no involvement from Habitat GB.

Reserves Policy

Considering the organisational restructuring that took place from 1st October 2024, the trustees have reviewed the reserves policy for HFHGB (Homes). This policy is to maintain unrestricted reserves to ensure short term liquidity and long-term financial stability and sustainability. The reserves provide a buffer against unexpected financial challenges and enable management to respond swiftly to opportunities that align with the charity's mission. The charity aims to hold unrestricted reserves equivalent to three months of operating expenses. These expenses include: loan repayments, required staff or consultancy costs payable by HFHGB (Homes), urgent repairs or maintenance obligations for lease properties, other costs related to management of assets and liabilities such as legal fees.

Reviewing the cash balance of £155,837 available at 30th June, the trustees confirm that this balance is sufficient to cover the mentioned operating expenses for the three months to 30th September 2024. From 1st October when all the operating activities are moved to HFHGB, the drafted financial forecast for the Legacy indicates a positive cash flow to the end of FY26.

The trustees will review this policy on an annual basis to ensure it remains appropriate for the charity's financial needs and medium-term plans.

HFHGB (HOMES)**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2024****Investment Policy**

In order to comply with the provisions of the SORP (FRS 102), the trustees conduct an annual review of the investment policy for the financial reserves held by HfHGB (Homes). The investment policy enables the trustees to make the best judgements about how and where the reserves should be invested, taking into consideration the return against the risk of investment, the need for growth and the ease of access to the funds. The trustees would expect to place large sums of capital which are not needed for significant periods of time with qualified investment advisors with an instruction to pursue medium risk growth. The trustees would expect to place smaller sums of capital which were required to be readily accessible in a high-income earning account such as CCLA.

Ethical Investments

Whilst HfHGB (Homes) does not have a formal ethical investment policy, it will endeavour to follow ethical guidelines when investing money.

Plans for the Future

On finalisation of the Transfer Deed between HFHGB (Homes) and Habitat GB on 1 October 2024, the ongoing business of HFHGB (Homes) will focus solely on the management and disposal of the current asset portfolio and corresponding liabilities. These comprise certain properties and an associated management company, leases, mortgages and loans. A detailed Asset & Liability Management Plan is in place, overseen by the Trustees, which ensures that income, expenditure and disposal strategies continue to keep HFHGB (Homes) as a going concern.

The day to day leadership and management of HFHGB (Homes) will be the responsibility of the Habitat GB executive and staff, who will report to and consult with the HFHGB (Homes) trustees, in line with the governance requirements of the charity. As the sole member of HFHGB (Homes), Habitat GB will also be sighted on the financial status and management of the subsidiary.

Both the HFHGB (Homes) and Habitat GB Boards have formally approved the long term strategy for HFHGB (Homes) to be wound up and closed as a legal entity on the final disposal of its current assets and liabilities. This is estimated to take up to two years. No other activities will be undertaken by HFHGB (Homes) in the future.

HFHGB (HOMES)**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2024****Responsibilities in Relation to the Financial Statements**

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Generally Accepted Accounting Practice.

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with relevant legislation and the trust deed. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 28 March 2025 and signed on its behalf by:



Gordon Holmes
(Trustee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**HFHGB (Homes)****FOR THE YEAR ENDED 30TH JUNE 2024****Opinion**

We have audited the financial statements of HFHGB (Homes) (the 'charitable company') for the year ended 30th June 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th June 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HFHGB (Homes)
FOR THE YEAR ENDED 30TH JUNE 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**HFHGB (Homes)****FOR THE YEAR ENDED 30TH JUNE 2024****Auditor's responsibilities for the audit of the financial statements (continued)**

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls, and legal correspondence.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations include the risk of management override.
- Our approach was to check that the income from donations and charitable activities were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed journal adjustments and unusual transactions for management override and considered the identification and disclosure of related party transactions.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members as a body, for our audit work, for this report or for the opinion we have formed.

James Holland-Leader FCA (Senior Statutory Auditor)
For and on behalf of Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD
Date:

HFHGB (Homes)

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30th JUNE 2024

	Notes	Restricted 2024 £	Unrestricted 2024 £	Total 2024 £	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £
INCOME FROM							
Donations and Legacies	2	143,180	7,789	150,969	273,649	38,578	312,227
Investments		-	174	174	-	92	92
Charitable Activities	3	-	603,191	603,191	-	320,124	320,124
Other Income	4	-	135,024	135,024	-	-	-
TOTAL INCOME		<u>143,180</u>	<u>746,167</u>	<u>889,358</u>	<u>273,649</u>	<u>358,794</u>	<u>632,443</u>
EXPENDITURE ON							
Raising Funds	5	-	10,206	10,206	-	16,767	16,767
Charitable Activities	6	152,962	904,716	1,057,678	392,583	329,339	721,922
TOTAL EXPENDITURE		<u>152,962</u>	<u>914,922</u>	<u>1,067,884</u>	<u>392,583</u>	<u>346,106</u>	<u>738,689</u>
Net Income/(Expenditure)		(9,782)	(168,744)	(178,526)	(118,934)	12,688	(106,246)
NET MOVEMENT IN FUNDS		<u>(9,782)</u>	<u>(168,744)</u>	<u>(178,526)</u>	<u>(118,934)</u>	<u>12,688</u>	<u>(106,246)</u>
TOTAL FUNDS BROUGHT FORWARD		14,166	951,443	965,609	133,100	938,755	1,071,855
TOTAL FUNDS CARRIED FORWARD	15	<u>£4,384</u>	<u>£782,699</u>	<u>£787,083</u>	<u>£14,166</u>	<u>£951,443</u>	<u>£965,609</u>

All the activities reported above relate to continuing operations.

The Notes on pages 15 to 27 form an integral part of these financial statements.

HFHGB (Homes)**BALANCE SHEET AS AT 30th JUNE 2024**

	Notes	£	2024 £	£	2023 £
FIXED ASSETS					
Tangible Fixed Assets	9	769,469		900,042	
Programme Related Investments	10	29,524		43,867	
Work in Progress	11	-		73,162	
			798,993		1,017,071
CURRENT ASSETS					
Debtors	12	119,206		174,044	
Cash at Bank and In Hand		155,837		101,843	
		275,043		275,887	
CREDITORS : Amounts falling due within one year	13	(213,570)		(224,293)	
NET CURRENT ASSETS			61,473		51,594
CREDITORS: Amounts falling due after more than one year	14		(73,383)		(103,056)
NET ASSETS			<u>£787,083</u>		<u>£965,609</u>
RESTRICTED FUNDS	16		4,384		14,166
UNRESTRICTED FUNDS					
Designated Funds	15		-		-
General Funds			782,699		951,443
TOTAL FUNDS			<u>£787,083</u>		<u>£965,609</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on 28 March 2025 and signed on their behalf by:



Ian Whitehead
(Trustee)

Company No: 03155218

The notes on pages 15 to 27 form an integral part of these financial statements.

HFHGB (Homes)**CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2024**

	2024	2023
	£	£
Cash flows from Operating Activities (a) below		
Net cash provided by/(used in) operating activities	(96,537)	2,403
Cash flows from Investing Activities		
Investment Income	174	92
Payments to acquire tangible fixed assets	(6,215)	(9,985)
Proceeds from sale of fixed assets	175,000	-
Repayment of Programme Related Investments	14,343	31,293
Net cash provided by/(used in) investing activities	183,302	21,400
Cash flows from Financing Activities		
Loan Drawdowns	-	-
Loan Repayments	(28,637)	(27,621)
Interest Paid	(4,134)	(6,202)
Net cash provided by/(used in) financing activities	(32,771)	(33,823)
Change in Cash and Cash Equivalents in the Year	53,994	(10,020)
Cash and Cash Equivalents at 1st July 2023	101,843	111,863
Cash and Cash Equivalents at 30 June 2024	<u>£155,837</u>	<u>£101,843</u>

(a) Reconciliation of Net Income/(Expenditure) to Net Cash flow from Operating Activities

	2024	2023
	£	£
Net Income/(Expenditure)	(178,526)	(106,246)
Interest Income Received	(174)	(92)
Interest Paid	4,134	6,202
Depreciation	103,414	48,344
(Gain)/Loss on disposal of fixed assets	(73,786)	55,761
Expense of Work in Progress	66,560	-
(Increase)/Decrease in Debtors and Prepayments	54,838	(40,499)
Increase/(Decrease) in Trade Creditors and Provisions	(11,759)	38,933
	<u>£(96,537)</u>	<u>£2,403</u>

(b) Analysis of Changes in Net Debt

	At 1 st July 2023	Cash Flows	At 30 th June 2024
	£	£	£
Cash	101,843	53,994	155,837
Loans falling due within one year	(28,591)	(1,036)	(29,627)
Loans falling due after more than one year	(103,056)	29,673	(73,383)
	<u>£(29,804)</u>	<u>£82,631</u>	<u>£52,827</u>

The notes on pages 15 to 27 form an integral part of these financial statements.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****1. ACCOUNTING POLICIES****(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" (FRS 102), the Financial Reporting Standard 102 and the Companies Act 2006. The company is a public benefit entity.

The financial statements are prepared in sterling, which is the functional and presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Board has considered the principal risks and uncertainties on the short and long term health of the Charity, and is content that the measures taken, combined with sufficient reserves, provides assurance that the going concern basis is appropriate in preparing the financial statements.

(b) Company Status

The company, which is a registered charity, is limited by guarantee and is controlled by Habitat for Humanity Great Britain who are the sole member. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(c) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

HFHGB (Homes) enters into commercial contracts with a local authority to undertake renovation work on empty local authority properties. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion at the reporting date. The Charity uses the measured valuation method to determine the amounts to be recognised in the period. The value of works is calculated by surveyors by reference to the contract sum breakdowns up to the end of the reporting period for each contract.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****1. ACCOUNTING POLICIES (Continued)**

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key areas of activity. Overheads and other salaries are allocated between the expense headings on the basis of time spent. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and are allocated on the basis of staff cost.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Governance costs are those incurred in connection with enabling the charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

(f) Tangible Fixed Assets and Depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Plant and equipment	-	20% straight line
Computer Equipment	-	33% straight line
Short Term Leasehold Properties	-	Over Life of Lease

(g) Short Term Leases

As part of the empty homes projects, HFHGB (Homes) enters into short term leases with either the local authority or housing association to enable the charity to generate rental income which will fund the cost of the renovation. The costs of the renovation are capitalised and depreciated over the life of the lease to the extent that future rental income will be received. Where the renovation expenditure is funded from grant income, the expenditure is charged to the statement of financial activities.

(h) Programme Related Investments

Programme related investments are stated at cost price at the balance sheet date.

(i) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for projected losses on long term contracts. Cost includes all direct cost and an appropriate proportion of fixed and variable overheads.

(j) VAT

The charity is registered for VAT.

(k) Taxation

HFHGB (Homes) is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****1. ACCOUNTING POLICIES (Continued)****(l) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

(m) Debtors

Debtors are amounts owed to the Charity. They are measured on the basis of their recoverable amount.

(n) Cash at bank and in hand

Cash at bank and in hand is held to meet the day to day running costs of the Charity as they fall due. There are no other cash equivalents held by the Charity.

(o) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

(p) Significant Management Judgements and Estimation Uncertainties

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Empty Homes Project Funding

As part of its primary purpose trading, HFHGB (Homes) enters into commercial contracts with a local authority to undertake renovation work on empty local authority properties. Under the existing contract arrangements, HFHGB (Homes) charges 76% of its renovation costs to the local authority which is invoiced in arrears in accordance with a value of works calculated by surveyors. Funding for the Empty Homes Project is also raised from corporate donors through its parent charity. This restricted funding is usually received in advance of the renovation work and is used to provide working capital for the project. The charity has received legal advice that such use as working capital for the Empty Homes Project expends the restricted funds received from corporate donors, with the resulting accounting policy being to charge the cost of the renovation work to the restricted funds, up to the level of the funds available, notwithstanding that 76% of the costs are recoverable from the local authority. This utilisation of restricted funds is deemed a significant judgement because donors may have an expectation that their funding would not be utilised to fund a project to the extent that the costs of the project are already due to be funded under a commercial contract.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to 'technological obsolescence' with regard to IT equipment/software and any changes to lease terms. The accumulated depreciation at 31 March 2024 was £391,993.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****2. VOLUNTARY INCOME**

	Restricted 2024	Unrestricted 2024	Total 2024
	£	£	£
M&G	14,657	-	14,657
P&G	10,035	-	10,035
Whirlpool	5,017	-	5,017
John Laing Trust	20,319	-	20,319
BP	1,900	-	1,900
LandAid	34,000	-	34,000
Realty	-	7,300	7,300
Tradeweb	6,387	-	6,387
TraskRabbit	5,941	-	5,941
Wells Fargo	13,930	-	13,930
Bank of America	3,188	-	3,188
Wesco	2,509	-	2,509
Northern Trust	12,543	-	12,543
SEI	2,509	-	2,509
Cheniere	6,706	-	6,706
Henkel	2,235	-	2,235
Epsilon	-	439	439
Europa Capital	1,304	-	1,304
Quaker	-	50	50
	<u>143,180</u>	<u>7,789</u>	<u>150,969</u>

	Restricted 2023	Unrestricted 2023	Total 2023
	£	£	£
M&G	46,855	-	46,855
P&G	-	12,895	12,895
Whirlpool	3,757	-	3,757
The Blackstone Group	73,457	-	73,457
Montagu Evans	28,253	-	28,253
Mattel	10,964	-	10,964
LandAid	10,000	-	10,000
Laing Trust	40,000	-	40,000
RBS	2,087	2,384	4,471
SitusAMC	2,762	3,405	6,167
Wells Fargo	6,165	8,290	14,455
Bank of America	25,754	-	25,754
Faegre Drinker	1,043	1,192	2,235
Epsilon	-	1,755	1,755
J P Morgan	-	1,220	1,220
Cheniere	-	7,068	7,068
B&Q and Albert Hunt	10,133	-	10,133
Henkel	6,300	-	6,300
Habitat For Humanity (Parent)	6,119	-	6,119
Other	-	369	369
	<u>£273,649</u>	<u>£38,578</u>	<u>£312,227</u>

HfHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****3. CHARITABLE ACTIVITIES**

	Restricted Funds	Unrestricted Funds	2024 Total	2023 Total
	£	£	£	£
Professional fees	-	23,948	23,948	4,518
Contract works	-	472,440	472,440	216,488
Volunteer facilitation grants	-	5,992	5,992	2,500
Rental Income -Short Leasehold Properties	-	100,811	100,811	96,618
	<u>£-</u>	<u>£603,191</u>	<u>£603,191</u>	<u>£320,124</u>

HfHGB (Homes) retains an equity interest in the properties which are subject to mortgage as set out in note 10. During the year, none of these properties were sold (2023: none).

4. OTHER INCOME

	Restricted Funds	Unrestricted Funds	2024 Total	2023 Total
	£	£	£	£
Gain on disposal of property	-	135,024	135,024	-
	<u>£ -</u>	<u>£135,024</u>	<u>£135,024</u>	<u>£ -</u>

5. COST OF RAISING FUNDS

	2024	2023
	£	£
Staff Costs	10,165	16,681
Other Support Costs	41	86
	<u>£10,206</u>	<u>£16,767</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****6. ANALYSIS OF CHARITABLE ACTIVITIES**

	2024 Restricted £	2024 Unrestricted £	2024 Total £
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	632	632
Nithdale Road	-	1,727	1,727
Broad Street	-	1,289	1,289
Gale Street, Barking & Dagenham	-	4,596	4,596
Friends Meeting House, Tunbridge Wells	-	8,048	8,048
Claudia Jones	-	5,189	5,189
M&G Research Project	-	935	935
Woodward Road	-	5,894	5,894
New Hope, Watford	-	2,799	2,799
Bolton Crescent Maintenance	1,025	-	1,025
Other Project Costs	-	20,000	20,000
Winterisation Programme	-	1,205	1,205
Empty Spaces to Homes (ES2H)	5,894	-	5,894
Upcycling Programme	43,621	-	43,621
MSQ Dumfries	-	1,393	1,393
Royal Parade	100,522	478,850	579,372
Ringstead Road	-	371	371
<i>Amortisation of Project Costs</i>			
Ringstead Road, Lewisham	-	16,964	16,964
Friends Meeting House, Tunbridge Wells	-	14,725	14,725
East Street	-	66,524	66,524
Nithdale Road	-	2,971	2,971
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	1,518	1,518
East Street, Barking & Dagenham	-	2,556	2,556
<i>Development Advisory and Management Services</i>			
Kingsley Hall/Livability	-	2,607	2,607
St. Leonards Church, Chesham Bois	-	1,371	1,371
Choumert Road, Peckham	-	27	27
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	1,900	-	1,900
	<u>152,962</u>	<u>642,191</u>	<u>795,153</u>
Support Costs	-	242,636	242,636
Governance Costs	-	19,889	19,889
	<u>£152,962</u>	<u>£904,716</u>	<u>£1,057,678</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****6. ANALYSIS OF CHARITABLE ACTIVITIES (Continued)**

	2023 Restricted	2023 Unrestricted	2023 Total
	£	£	£
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	560	560
Nithdale Road	-	1,165	1,165
Broad Street	-	2,671	2,671
Gale Street, Barking & Dagenham	4,460	-	4,460
Friends Meeting House, Tunbridge Wells	-	4,080	4,080
Claudia Jones	39,217	1,872	41,089
M&G Research Project	-	6,832	6,832
Woodward Road	176,640	19,640	196,280
Bolton Crescent Maintenance and planning	6,952	5,334	12,286
Other Project Costs	-	5,328	5,328
Gale Street Workshop	31,873	4,287	36,160
Winterisation Programme	-	670	670
Empty Spaces to Homes (ES2H)	-	1,395	1,395
Upcycling Programme	-	28,877	28,877
MSQ Dumfries	-	3,750	3,750
Royal Parade	105,057	3,671	108,728
Ringstead Road	-	329	329
<i>Amortisation of Project Costs</i>			
Broad Street	-	(4,323)	(4,323)
Ringstead Road, Lewisham	-	16,965	16,965
Friends Meeting House, Tunbridge Wells	-	14,725	14,725
East Street	-	14,262	14,262
Nithdale Road	-	4,235	4,235
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	2,133	2,133
East Street, Barking & Dagenham	-	2,956	2,956
<i>Development Advisory and Management Services</i>			
Kingsley Hall/Livability	-	1,189	1,189
St. Leonards Church, Chesham Bois	-	1,882	1,882
Choumert Road, Peckham	-	1,607	1,607
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	28,384	-	28,384
Business Development Costs	-	15,045	15,045
	<u>392,583</u>	<u>161,137</u>	<u>553,720</u>
Support Costs	-	142,428	142,428
Governance Costs	-	25,774	25,774
	<u>£392,583</u>	<u>£329,339</u>	<u>£721,922</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****7. RESOURCES EXPENDED**

	Activities for Raising Funds	Charitable Activities			2024 Total
		Direct Costs	Support Costs	Governance Costs	
	£	£	£	£	£
Staff Costs	10,165	120,245	185,704	12,446	308,887
Outside Labour	-	70	-	-	70
Materials	-	487,651	3,821	-	491,472
Other construction costs	-	4,846	105	-	4,951
Insurance	-	1,708	13,276	-	14,984
Legal & Professional	-	59,585	22,535	7,314	89,434
Other Office Expenses	41	15,790	14,431	129	30,391
Financing Costs	-	4,074	60	-	4,134
Depreciation of fixed assets	-	-	2,230	-	2,230
Amortisation of short-term leases	-	101,184	-	-	101,184
Bad Debts	-	-	474	-	474
	£10,206	£795,153	£242,636	£19,889	£1,067,884

	Activities for Raising Funds	Charitable Activities			2023 Total
		Direct Costs	Support Costs	Governance Costs	
	£	£	£	£	£
Staff Costs	16,681	103,618	66,564	17,829	204,692
Outside Labour	-	8,404	-	-	8,404
Materials	-	276,864	3,291	-	280,155
Other construction costs	-	33,746	223	-	33,969
Insurance	-	2,941	7,292	-	10,233
Legal & Professional	-	64,645	50,373	7,377	122,395
Other Office Expenses	86	11,500	12,141	568	24,295
Financing Costs	-	6,139	63	-	6,202
Depreciation of fixed assets	-	-	2,481	-	2,481
Amortisation of short-term leases	-	45,863	-	-	45,863
Bad Debts	-	-	-	-	-
	£16,767	£553,720	£142,428	£25,774	£738,689

8. NET INCOME/(EXPENDITURE)

The operating result is stated after charging.

	2024	2023
	£	£
Depreciation	103,414	48,344
Payments to auditors in respect of audit services	7,300	7,350
Payments to auditors in respect of other services	-	-

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****9. TANGIBLE FIXED ASSETS**

	Office, Land & Buildings	Plant & Machinery	Short Term Leasehold Properties	Total	Schemes in Development
	£	£	£		£
COST					
At 1 st July 2023	30,160	20,050	1,140,247	1,190,457	73,162
Additions	5,050	1,165	-	6,215	-
Disposals	(35,210)	-	-	(35,210)	(73,162)
At 30 th June 2024	-	21,215	1,140,247	1,161,462	-
DEPRECIATION/ AMORTISATION					
At 1 st July 2023	1,836	16,676	271,903	290,415	-
Charge for the Year	-	2,230	101,184	103,414	-
Disposals	(1,836)	-	-	(1,836)	-
At 30 th June 2024	-	18,906	373,087	391,993	-
NET BOOK VALUE					
At 30 th June 2024	£ -	£2,309	£767,160	£769,469	£ -
At 30 th June 2023	£28,324	£3,374	£868,344	£900,042	£73,162

10. PROGRAMME RELATED INVESTMENTS

Cost or Valuation	2023 £	2023 £
At 1 st July 2023	43,867	75,160
Additional loans in Year	-	-
Repayments	(14,343)	(31,293)
At 30 th June 2024	<u>£29,524</u>	<u>£43,867</u>
Repayable within one year	14,166	12,209
Repayable in more than one year	15,358	31,658
	<u>£29,524</u>	<u>£43,867</u>

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****11. WORK IN PROGRESS**

	2024	2023
	£	£
Building Renovation	-	-
New Building Construction	-	73,162
Total	<u>£ -</u>	<u>£73,162</u>
	2024	2023
	£	£
Balance Brought Forward	73,162	122,321
Additional Costs in the year	5,050	6,602
Disposals	(78,212)	(55,761)
Balance Carried Forward	<u>£ -</u>	<u>£73,162</u>

12. DEBTORS

	2024	2023
	£	£
Trade Debtors	37,167	702
Prepayments	469	5,403
Other Debtors and Accrued Income	73,966	135,680
VAT	7,604	32,260
	<u>£119,206</u>	<u>£174,045</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade Creditors	46,316	61,731
Social Security and Other Taxes	982	4,005
Accruals and Deferred Income	134,669	99,054
VAT	-	-
Sinking Fund	1,976	30,912
Loan – Repayable within one year	29,627	28,591
	<u>£213,570</u>	<u>£224,293</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Loan – balance repayable in 1 – 5 years	69,701	84,884
Loan – balance repayable in more than 5 years	3,682	18,172
	<u>£73,383</u>	<u>£103,056</u>

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****15. NET ASSETS BY FUND
2024**

	Restricted	Unrestricted Designated	Total
	£	£	£
Fixed Assets	-	798,993	798,993
Current Assets	4,384	270,659	275,043
Creditors due within one year	-	(213,570)	(213,570)
Creditors due in more than one year	-	(73,383)	(73,383)
	<u>£4,384</u>	<u>£782,699</u>	<u>£787,083</u>

2023

	Restricted	Unrestricted Designated	Total
	£	£	£
Fixed Assets	-	1,017,071	1,017,071
Current Assets	14,166	261,721	275,887
Creditors due within one year	-	(224,293)	(224,293)
Creditors due in more than one year	-	(103,056)	(103,056)
	<u>£14,166</u>	<u>£951,443</u>	<u>£965,609</u>

**16. RESTRICTED FUNDS
2024**

	Funds as at 1st July 2023	Incoming Resources	Resources Expended	Funds as at 30th June 2024
	£	£	£	£
Adventure Playground	1,167	-	(1,025)	142
Young Persons Training Programme	6,142	-	(1,900)	4,242
Empty Spaces to Homes	6,857	143,180	(150,037)	-
	<u>£14,166</u>	<u>£143,180</u>	<u>£(152,962)</u>	<u>£4,384</u>

2023

	Funds as at 1st July 2022	Incoming Resources	Resources Expended	Funds as at 30th June 2023
	£	£	£	£
Adventure Playground	1,821	6,299	(6,953)	1,167
Young Persons Training Programme	24,526	10,000	(28,384)	6,142
The Claudia Jones Organisation	-	39,217	(39,217)	-
Empty Spaces to Homes	106,753	218,133	(318,029)	6,857
	<u>£133,100</u>	<u>£273,649</u>	<u>£(392,583)</u>	<u>£14,166</u>

The Young Persons Training Programme is a programme being run in conjunction with Barking College for young persons with learning disabilities.

The Claudia Jones Organisation runs a women's centre in East London. The funds are for renovation of the centre.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****16. RESTRICTED FUNDS (continued)**

The Adventure Playground fund represents income received for the development of an adventure playground in Southwark.

The Empty Spaces restricted fund represents the Gale Street, Woodward Road and Royal Parade redevelopment projects to redevelop unoccupied commercial space in Barking and Dagenham into residential spaces for vulnerable young people. This fund also represents income received for the upcycling of unwanted, second-hand goods which are repurposed by HFHGB (Homes) to put into the properties of other projects that they currently undertake.

17. EMPLOYEES

	2024	2023
	£	£
Wages and Salaries	150,771	170,296
Employer's NI	15,955	17,946
Pension Costs	3,634	3,811
	<u>£170,360</u>	<u>£192,053</u>
Capitalised Staff Costs – Short Leasehold Projects	7,118	581
Other Staff Costs	163,242	191,472
	<u>£170,360</u>	<u>£192,053</u>

The total employee benefits of the 2 members of the senior management team amount to £76,847 (2023: £99,592).

Total redundancy benefits amount to £Nil (2023: £Nil).

The average number of employees during the year was 4 (2023: 5).

One employee earned between £60,000 - £70,000.

18. TRUSTEES REMUNERATION AND EXPENSES

None of the trustees received any remuneration and no other expenses have been incurred during both the current and preceding year.

19. CAPITAL COMMITMENTS

	2024	2023
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	4,220	497,218
Total	<u>£4,220</u>	<u>£497,218</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2024****20. RELATED PARTY TRANSACTIONS**

HFHGB (Homes) is a wholly controlled subsidiary of Habitat for Humanity Great Britain, a charitable company registered in England and Wales. The company number of Habitat for Humanity Great Britain is 3012626, and the registered charity number is 1043641 (SCO48638 - Scotland). The principal objective of Habitat for Humanity GB is to alleviate poverty by helping people who live in substandard housing to access better living conditions. Control is exercised by the parent of HFHGB (Homes) via mutual Trustee Board members. During the year under review two Habitat for Humanity Great Britain trustees (Mr Brian Clark and Mr Ian Whitehead) were also trustees of HFHGB (Homes), together with Tum Kazunga (CEO of Habitat for Humanity Great Britain and Ex-officio Trustee of HFHGB (Homes)). The address from which the public can obtain the consolidated accounts of Habitat for Humanity Great Britain, which include the accounts of HFHGB (Homes), is 10 The Grove, Slough, Berkshire, SL1 1QP.

Some of the funding received by HFHGB (Homes) was raised by Habitat for Humanity GB. During the year, £117,841 (2023: £248,858) of funding was received through Habitat for Humanity GB. The amount of funding due from Habitat for Humanity GB at the year-end amounted to £40,511 (2023: £123,682), which is included within other debtors and accrued income.

21. COMPANY LIMITED BY GUARANTEE

The company, which is a registered charity, is limited by guarantee and is controlled by Habitat for Humanity Great Britain who are the sole member. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

22. SUBSEQUENT EVENTS

The following non-adjusting events have occurred since 30 June 2024:

On finalisation of the Transfer Deed between HFHGB (Homes) and Habitat GB on 1 October 2024, the ongoing business of HFHGB (Homes) will focus solely on the management and disposal of the current asset portfolio and corresponding liabilities. These comprise certain properties, leases, mortgages and loans. All other activities of HFHGB (Homes) have been transferred to Habitat GB, which are material to these Financial Statements. A detailed Asset & Liability Management Plan is in place, overseen by the Trustees, which ensures that income, expenditure and disposal strategies continue to keep HFHGB (Homes) as a going concern.

The estimated financial impact is that once activities have been fully transferred, the residual income retained by HFHGB (Homes) will consist of rental income from short leasehold properties amounting to approximately £100k, with mortgage and associated expenditure amounting to approximately £55k p/a.

HFHGB (HOMES)

England & Wales - Charity number 1053213

Accounts



HFHGB (Homes)

(Company Limited by Guarantee)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

Registered Company No: 03155218

Registered Charity No: 1053213

HFHGB (Homes)

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HfHGB (Homes)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2023

The Trustees are pleased to present their report together with the financial statements for the year ended 30th June 2023.

Reference and Administrative details

Registered Office

93 Gordon Road, London, SE15 3RR

**Please note that the above office site is currently being marketed for sale. Post is still being collected periodically there and the building still exists as our registered address. However, a new registered address will be needed once the sale has been completed.*

Bankers

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Auditors

Knox Cropper LLP, 65/68 Leadenhall Street, London, EC3A 2AD

Solicitors

Bates, Wells and Braithwaite London LLP, 2-6 Cannon Street, London, EC4M 6YH

Chief Executive

David Clare

Trustees of the Company

HfHGB (Homes) Trustees serve as directors of the company and members of the Board of Trustees. The following were members of the Board of Trustees during the year:

Allstair Mugford (Chair)

Brian Clark

Sarah Lewis

Ian Whitehead (appointed 03/10/2022)

Gordon Holmes (appointed 03/10/2022)

HfHGB National Director (ex Officio Post)

The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the statement of recommended practice SORP (FRS 102) "accounting and reporting by charities" (effective January 2019).

Structure and Governance and Management

HfHGB (Homes) (registered charity number 1053212) is constituted as a company limited by guarantee (registered number 3155218) and is therefore governed by its memorandum and articles of association. During the year, its sole member Habitat for Humanity Great Britain, and each Trustee had a legal liability of £10 each. Legal responsibility for the management and stewardship of the charity is vested in the Board of Trustees.

Strategic decisions and operational guidelines are made by the Board of Trustees, but the operations are managed by staff overseen by the board. Any decisions that affect the strategic vision of the charity are referred to the Board for a final decision to be taken.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2023

Related Party Transactions

As of 30th June 2012, HfHGB (Homes) became the sole subsidiary of Habitat for Humanity Great Britain, and HfHGB is the sole member and PSC (Person of Significant Control) of the HfHGB (Homes) board, whose national director became an ex officio member of the HfHGB (Homes) board from this date by extension of the sole membership. This relationship affected our accounts in that some of our funding was raised by HfH International (the parent charity in the USA) and passed to HfHGB (Homes) via Habitat for Humanity Great Britain. Where funds are passed through in this way no deduction is made by Habitat for Humanity Great Britain (HfHGB). If HfHGB are actively involved in fundraising for the donation, then a sum will be retained by them to cover fundraising costs. During the year under review three HfHGB trustees (Mr Alistair Mugford, Mr Gordon Holmes and Mr Ian Whitehead) were also trustees of HfHGB (Homes). In October 2019 the trustees of Habitat for Humanity Great Britain decided that a merger of the two charities was strategically desirable. Detailed planning was interrupted by the Covid Pandemic. In October 2020, the boards of HfHGB and HfHGB (Homes) established a sub-committee comprising trustees from both organisations to implement the merger proposal. This proposal is still being discussed and developed at the end of the financial year, and is yet to reach a conclusion, but there is significantly more operational collaboration happening between the staff teams in preparation for the merger, anticipated to take place during calendar year 2024.

Appointment and Recruitment of Trustees

Trustees are appointed by the Board of Trustees based on the skills needed by the board and the skills of potential board members. The trustees currently meet quarterly to review strategy and operational management.

Trustee Induction and Training

New trustees undergo an induction when they are appointed, to brief them on their legal obligations under charity and company law, the aims and procedures of the charity, the content of the memorandum and articles of association, the board and decision-making process, the business plan and recent financial performance of the charity. The trustee body as a whole is kept up to date with legal and statutory requirements via briefings. Updates are circulated of changes that may affect governance and operational best practice (e.g. Charity Commission and charity/company law updates).

Organisation

The Board of Trustees meets four times per year to discuss the current and future strategic development of the charity and any issues affecting the charity's objectives.

The staff structure is as follows: the CEO manages the day to day operations of the charity with the assistance of a Design & Construction Manager (DCM). The CEO is appointed by the trustees who may also be involved in the appointment of other staff together with the CEO. The DCM is employed to develop the relationships needed for new projects to start and manage relationships with key partners, and to manage the programming and future pipeline of projects. The construction sites are closely overseen by an experienced Construction Manager assisted by qualified site staff, who all report to the DCM. There is also a Volunteer Coordinator who oversees the volunteering programme.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2023

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to this guidance when reviewing the charity's aims and objectives and in planning future activities of the charity.

Risk Management

The trustees have overall responsibility for ensuring that appropriate systems of control, financial or otherwise, exist. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that:

- HfHGB (Homes) is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use or disposal
- Proper records are maintained and financial information is reliable
- HfHGB (Homes) complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- Effective planning of the strategic direction of the charity and project development
- Regular review of financial and operational results by the CEO and Board of Trustees
- Robust and independent procedures in place for managing the health and safety regime
- Review by the Board of Trustees with the external auditors of any matters raised for their attention.

As part of its management of risk, the Board of Trustees ensures that a risk register is produced which:

- Identifies the risks which the organisation faces
- Assesses their potential impact and the likelihood of them happening
- Highlights the management action being taken to mitigate and manage them.

Project risks are reviewed at the beginning of each project by the CEO and may be reviewed by the Board of Trustees. Organisational risks are reviewed every year by the Board of Trustees who may take independent professional legal and financial advice to ensure that risks are properly managed.

Objectives, Strategies, Activities and Achievements

Objectives

HfHGB (Homes) has two charitable objects:

- The prevention or relief of poverty by providing or facilitating accommodation and community facilities for the benefit of people in housing need, potential housing need or for other related needs.
- The advancement of religion in accordance with the tenets of the Christian faith.

HfHGB's (Homes) vision is to allow everybody access to a decent, affordable place to call home, particularly in London but looking for opportunities in other parts of Great Britain through empowering local people to meet their own housing needs, building vibrant sustainable communities in the process.

HfHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2023

Strategies

HfHGB (Homes) has three key strategies which enable us to achieve our charitable objects:

The first is to work alongside partners who have underused land or buildings and work with them to develop sustainable routes for increasing the uses and purposes of these buildings and sites. Our aim is to explore with the partner whether all or part of the site would be suitable for the provision of affordable housing or whether the sites would be better suited to provision of enhanced community facilities.

The second strategy is to assist in the implementation of these kinds of projects. This may include project management or oversight, enabling the project to proceed by sourcing the necessary funding (grant, donations and debt), and possibly acting as the main contractor. Our strategy is to use the resources we can access to enable the development of both community facilities and affordable housing.

Our third strategy is to carry out smaller refurbishment and maintenance works on buildings owned by partners utilising support from partners who are able to fund this level of work. This work provides considerable benefit for both the charity partner and more importantly their clients and beneficiaries. We offer a range of volunteer days, mainly with corporate supporters who also donate to the projects to cover core costs, materials and to create a margin for sustainability of the programme.

Achievements and Performance

The highlight of the year has been the Empty Spaces to Homes programme, which we have piloted in close partnership with Habitat for Humanity GB (HfHGB), and with Barking & Dagenham Council. This programme seeks to convert vacant or derelict commercially owned spaces which need significant investment to refurbish to modern standards. These are then repurposed as affordable rented accommodation for young people leaving the care of the Borough. We completed our 3rd property (Woodward Road) on the programme in February 2023, and commenced the 4th property (Royal Parade) on 12th June 2023. These homes are providing shared kitchen and dining facilities, along with a private bedroom and ensuite for each resident (3 to 4-bed homes). The feedback we have had from the tenants, and the Council has been very encouraging. We are pleased to confirm that we also won a National Award for the Partnership at the Empty Homes Network Conference in Birmingham in May.

In collaboration with HfHGB, we also launched the Empty Spaces to Homes Toolkit in June (a free online learning tool) in partnership with our sponsors M&G Plc. They hosted the launch, which was well attended, and there has been considerable interest in the Toolkit since from cross-sector organisations, and especially councils and community groups involved in housing and homelessness.

Consultancy projects have been less prominent, largely due to reduced capacity since Covid-19 and the slow programme recovery, coupled with our former CEO leaving reducing the capacity of our new CEO who was leading on consultancy work previously. However, there are many warm contacts and opportunities for consultancy, especially with churches and councils and this is a growth area that is being targeted in our budget moving forward.

Other successful projects have included: supporting Claudia Jones Organisation in Stoke Newington with improved facilities for their Afro-Caribbean women-led families; and Oasis Play in Kennington with their inclusive playground facility, and a detailed feasibility stage process for enhancements to the site.

Staff pay increases in line with inflation (and where relevant, increased role responsibility) were implemented in June 2022, and will be reviewed next in November 2023.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2023

Partnership - Bringing Sites forward for Development

During the year under review HfHGB Homes obtained substantial funding to support the launch and growth of a wide ranging coalition to bring together partners interested in converting empty spaces to affordable housing. This coalition was formally launched in October 2021 and has brought together the voluntary sector; public sector and private sector to develop a nuanced and appropriate response to the growing problem of retail and commercial space that has limited commercial potential.

A GB Strategy Day took place (on 22nd April) which identified as a primary focus the LB Barking & Dagenham (LBBD) 'Empty Spaces to Homes' programme. There has been a concerted effort from GB Homes and the HFHGB Team towards forming a 'big story' narrative on the social value impact, and on securing the future pipeline. Positive partnership has been well-developed with senior officers and Councillors at LBBD. There is a joint intention to grow pipeline as LBBD release more properties for conversion and renovation. Our further intention is to reach out to other London Boroughs and grow the programme, also spreading risk rather than only having one council partnership. This expansion programme has already begun, and is being aided by the launch of the online Toolkit.

Partnership - Building Out Sites to complete Development

The pilot project in 2019 with Barking and Dagenham Council was judged to be successful and a further three schemes were finally approved in September 2021. The first one (Gale Street) started on site in December 2021 and the second one (Woodward Road) started in June 2022. That was completed in February 2023. There is a further project now on site (Royal Parade) which commenced in June. This is due to be completed in January 2024 and will provide 4 bedrooms for young people leaving care.

Partnership – Community based Projects and Corporate Volunteering

During the first half of FY 2021-22 the whole of our corporate volunteering programme remained cancelled due to the COVID pandemic. However, subsequently, since January 2022 we were able to host volunteers at some of our sites, namely: Bolton Crescent Adventure Playground (Kennington) and Claudia Jones Organisation (Stoke Newington). In addition, since January 2023, we were able to launch our Furniture Upcycling facility in Dagenham, which has proved very attractive to corporate volunteers. We have regular bookings and the start-up costs are being met with the prospect of this being a very successful social enterprise into 2024.

We would like to thank the following companies who supported us with donations and volunteers:

M&G; P&G; Whirlpool; The Blackstone Group; Montagu Evans; Mattell; LandAid; Laing Trust; RBS; SitusAMC; Wells Fargo; Bank of America; Faegre Drinker; Epsilon; J P Morgan; Chenlere; B&Q; Albert Hunt; Henkel; CAF; RSHP; PRP Architects.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2023

Financial Review

We had a deficit for the year to 30 June 2023 of £106,246, compared to the previous year with a surplus of £7,300. Our activities for the year were capital heavy with Woodward Road on site, and the pre-construction phase of Royal Parade taking place. We also had delayed funds from US-based volunteers that could not yet be accrued for – these will be realised in FY24. The £106k deficit for FY23 was due to using restricted funding, recognised in the prior year, within assigned restrictions (c.£119k unrestricted net movement), and therefore unrestricted fund performance was reasonable at £12,688 in surplus. Our Trustees have considered we are a going concern, taking into account potential access to loans, and the sale of Gordon Road. Reserves at 30th June 2023 totalled £965,609 (2022: £1,102,791) of which £14,166 (2022: £133,100) was restricted, and £951,443 (2022 restated: £938,755) was unrestricted. The sale of 93 Gordon Road aims to restore c.£90k-£100k of unrestricted and liquid reserves by the end of FY24.

Mortgage Repayments

Mortgage repayments from existing Habitat homeowners have continued to provide a reliable cash flow, with no material arrears to report. There are non-material arrears with mortgage holders which are related to mortgage holidays granted during the COVID pandemic. These repayments are now being made. As mortgages come to an end, arrangements to remove charges are organised with our solicitors, and updated Land Registry details are filed on behalf of our mortgagors.

Lease and Repair Income

The income streams from the leases that the charity has entered into have been steady through the year and performed in line with our expectations. This is despite the challenges that the Covid Pandemic has brought for HfHGB (Homes) and our partners. Some leases expired during the year and end of lease arrangements were made with the owners for the return of their property, with appropriate dilapidations payments. There has also been the accrual of some income on behalf of owners where it was not possible to end a tenancy until the social housing tenant had been rehoused. These are contained within creditors in the financial statements.

Reserves Policy

The trustees have reviewed the reserves policy for HfHGB (Homes). This policy is meant to apply for general expenditure and does not cover contingencies on individual projects. However, it is not constrained from providing for project contingencies should the need arise. The trustees conduct an annual review of the level of unrestricted reserves by considering the risks associated with various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the reserve levels that should be sufficient to:

- Allow time for reorganisation of HfHGB's (Homes) work in the event of a downturn in income or asset values
- Protect ongoing work programmes
- Allow the charity to meet its objectives.

The risks and issues considered by the trustees in making this judgement on the level of unrestricted reserves will include:

- Level of dependence on any one source of income
- Likelihood of a downturn in any of the various income streams
- Period of time required to re-establish income streams
- Period of time required to downsize or reorganise the charity operations
- Potential decrease in the value of investments
- Requirements for a reasonable level of working capital
- Designated funds to cover unexpected costs on leased property

HfHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2023

Reserves Policy (continued)

Our reserves policy is to retain adequate liquid reserves to continue operations for a minimum of 3 months, and this is currently estimated as £87,000 of unrestricted funds. The trustees' aim, however, is to work towards a general liquid reserves level of 6 months' expenditure. The available liquid reserves are calculated as unrestricted net current assets plus lease receipts and mortgage repayments that would be expected to be received over a six-month period (approximately £50,000 at current levels).

Unrestricted funds at 30th June 2023 shows a net current asset position of £31,309 which together with lease and mortgage payments due (aggregate amount would be a current asset position of about £81,000), does not achieve the required unrestricted reserves target of £87,000. However, the Trustees are satisfied that unrestricted funds in the last couple of years have been in surplus and anticipate this to be the case going forward which should gradually restore the liquid reserves position and progress towards the target reserves balance. In addition, the planned sale of the 93 Gordon Road site provides risk mitigation in respect of maintaining increasing liquid reserves by the end of FY24.

This is supported by the fact that the overall unrestricted reserves at year end were £951,443 (as laid out on page 6, which incorporates the £900,042 of tangible fixed assets). This figure includes both liquid and illiquid reserves and is an amount well in excess of operational funding requirements.

Investment Policy

In order to comply with the provisions of the SORP (FRS 102), the trustees conduct an annual review of the investment policy for the financial reserves held by HfHGB (Homes). The investment policy enables the trustees to make the best judgements about how and where the reserves should be invested, taking into consideration the return against the risk of investment, the need for growth and the ease of access to the funds. The trustees would expect to place large sums of capital which are not needed for significant periods of time with qualified investment advisors with an instruction to pursue medium risk growth. The trustees would expect to place smaller sums of capital which were required to be readily accessible in a high-income earning account such as CCLA.

Ethical Investments

Whilst HfHGB (Homes) does not have a formal ethical investment policy, it will endeavour to follow ethical guidelines when investing money.

Plans for the Future

We will continue to work closely with HfHGB's Fundraising team and Impact team to strengthen the 'Big Story' and case for support around our joint 'Empty Spaces to Homes' programme. We will also continue to provide good quality volunteering opportunities for our Corporate supporters via the recently established Upcycling Workshop at Gale Street (Dagenham). The 'charitable contractor' model is proving to be a more successful one than the 'lease and repair' in that no lease is required, and no long-term financing is required. Importantly, a proportion of grant can also be recycled to achieve more through the programme. Discussions have been further progressed around merging staff with HfHGB throughout the latter part of the year. The practicalities of merging two organisations with the same ethos but different functions and varied systems has proven demanding. Operationally the two staff and trustee teams are in closer collaboration which sets things up well for an intended merger during calendar year 2024. Coupled with this there is the strategic intention to grow the charitable work geographically in line with securing increased grant, consultancy and project work. HfHGB have plans to open their first 'ReStore' in London in 2024, and HfHGB Homes are supporting them with advice and expertise. This will be an exciting new programme of Charity retail, receiving donated construction goods and selling them on at a discount to generate unrestricted funds.

HFHGB (HOMES)**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2023****Housing Update**

The housing situation in Great Britain is still marked by demand significantly exceeding supply, with the inevitable consequence of prices rising, along with unprecedented rises in costs of construction labour and materials. These pressures are particularly acute in London and the southeast. There are numerous policies in place that aim to alleviate the situation, but we are not seeing the huge increase in house building that would be needed for people on or around average wages to afford decent accommodation. We are working within very tight parameters to address this, and most of our London-based projects address the urgent need for move-on accommodation for people who have been in supported accommodation and are ready for the next stage. Clearly in a very expensive market, in which costs are still rising, this group is one that is hugely disadvantaged and tends to be priced out of the market. We are still waiting to see what longer-lasting effects the pandemic, and Brexit, have on the housing market and the construction industry. Changes are being increasingly felt, and the effects of inflation and rising fuel costs are having a major impact on housing and household budgets. HFHGB Homes and HFHGB are continually working together to look at ways to mitigate this and further support beneficiaries and charity partners in ways that are meaningful and sustainable.

Responsibilities In Relation to the Financial Statements

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Generally Accepted Accounting Practice.

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with relevant legislation and the trust deed. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 26/01/2024 and signed on its behalf by:



Alistair Mugford
(Trustee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

HFHGB (Homes)

FOR THE YEAR ENDED 30TH JUNE 2023

Opinion

We have audited the financial statements of HFHGB (Homes) (the 'charitable company') for the year ended 30th June 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th June 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

HFHGB (Homes)

FOR THE YEAR ENDED 30TH JUNE 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

HFHGB (Homes)

FOR THE YEAR ENDED 30TH JUNE 2023

Auditor's responsibilities for the audit of the financial statements (continued)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls, and legal correspondence.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations include the risk of management override.
- Our approach was to check that the income from donations and charitable activities were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed journal adjustments and unusual transactions for management override and considered the identification and disclosure of related party transactions.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members as a body, for our audit work, for this report or for the opinion we have formed.



James Holland-Leader FCA (Senior Statutory Auditor)
 For and on behalf of Knox Cropper LLP, Statutory Auditor
 65 Leadenhall Street
 London
 EC3A 2AD
 Date: 13th March 2024

HFHGB (Homes)
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30th JUNE 2023

	Notes	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £	Restricted 2022 Restated £	Unrestricted 2022 Restated £	Total 2022 Restated £
INCOME FROM							
Donations and Legacies	2	273,649	38,578	312,227	258,947	113	259,060
Investments		-	-	-	-	-	-
Charitable Activities	3	-	320,216	320,216	-	326,040	326,040
TOTAL INCOME		<u>273,649</u>	<u>358,794</u>	<u>632,443</u>	<u>258,947</u>	<u>326,153</u>	<u>585,100</u>
EXPENDITURE ON							
Raising Funds	4	-	16,767	16,767	-	14,991	14,991
Charitable Activities	5	392,583	329,339	721,922	281,617	281,192	562,809
TOTAL EXPENDITURE		<u>392,583</u>	<u>346,106</u>	<u>738,689</u>	<u>281,617</u>	<u>296,183</u>	<u>577,800</u>
Net Income/(Expenditure)		(118,934)	12,688	(106,246)	(22,670)	29,970	7,300
NET MOVEMENT IN FUNDS		<u>(118,934)</u>	<u>12,688</u>	<u>(106,246)</u>	<u>(22,670)</u>	<u>29,970</u>	<u>7,300</u>
TOTAL FUNDS BROUGHT FORWARD							
As originally reported		133,100	969,691	1,102,791	155,770	939,721	1,095,491
Prior year adjustment	21	-	(30,936)	(30,936)	-	-	-
As restated		<u>133,100</u>	<u>938,755</u>	<u>1,071,855</u>	<u>155,770</u>	<u>939,721</u>	<u>1,095,491</u>
TOTAL FUNDS CARRIED FORWARD	14	<u>£14,166</u>	<u>£951,443</u>	<u>£965,609</u>	<u>£133,100</u>	<u>£969,691</u>	<u>£1,102,791</u>

All the activities reported above relate to continuing operations.

The Notes on pages 15 to 26 form an integral part of these financial statements.

HFHGB (Homes)**BALANCE SHEET AS AT 30th JUNE 2023**

		2023		2022 Restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	8	900,042		945,003	
Programme Related Investments	9	43,867		75,160	
Work in Progress	10	<u>73,162</u>		<u>122,321</u>	
			1,017,071		1,142,484
CURRENT ASSETS					
Debtors	11	174,044		133,545	
Cash at Bank and In Hand		<u>101,843</u>		<u>111,863</u>	
		275,887		245,408	
CREDITORS : Amounts falling due within one year	12	<u>(224,293)</u>		<u>(184,331)</u>	
NET CURRENT ASSETS			51,594		61,077
CREDITORS: Amounts falling due after more than one year	13		(103,056)		(131,706)
NET ASSETS			<u>£965,609</u>		<u>£1,071,855</u>
RESTRICTED FUNDS	15		14,166		133,100
UNRESTRICTED FUNDS					
Designated Funds	14		-		-
General Funds			<u>951,443</u>		<u>938,755</u>
TOTAL FUNDS			<u>£965,609</u>		<u>£1,071,855</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on 26/01/2024 and signed on their behalf by:

A. Mugford

Alistair Mugford
(Trustee)

Company No: 03155218

The notes on pages 15 to 26 form an integral part of these financial statements.

HFHGB (Homes)**CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2023**

	2023		2022 Restated	
	£	£	£	£
Cash flows from Operating Activities (a) below				
Net cash provided by/(used in) operating activities		2,495		24,042
Cash flows from Investing Activities				
Investment Income	-		-	
Payments to acquire tangible fixed assets	(9,985)		(43,646)	
Repayment of Programme Related Investments	31,293		35,435	
Net cash provided by/(used in) Investing activities		21,308		(8,211)
Cash flows from Financing Activities				
Loan Drawdowns	-		-	
Loan Repayments	(27,621)		(26,705)	
Interest Paid	(6,202)		(6,182)	
Net cash provided by/(used in) financing activities		(33,823)		(32,887)
Change in Cash and Cash Equivalents In the Year		(10,020)		(17,056)
Cash and Cash Equivalents at 1st July 2022		111,863		128,919
Cash and Cash Equivalents at 30 June 2023		<u>£101,843</u>		<u>£111,863</u>

(a) Reconciliation of Net Income/(Expenditure) to Net Cash flow from Operating Activities

	2023	2022 Restated
	£	£
Net Income/(Expenditure)	(106,246)	7,300
Interest Income Received	-	-
Interest Paid	6,202	6,182
Depreciation	48,344	72,371
Loss on disposal of fixed assets	55,761	-
(Increase)/Decrease in Debtors and Prepayments	(40,499)	(95,180)
Increase/(Decrease) in Trade Creditors and Provisions	38,933	33,369
	<u>£2,495</u>	<u>£24,042</u>

(b) Analysis of Changes In Net Debt

	At 1st July 2022	Cash Flows	At 30th June 2023
	£	£	£
Cash	111,863	(10,020)	101,843
Loans falling due within one year	(27,562)	(1,029)	(28,591)
Loans falling due after more than one year	(131,706)	28,650	(103,056)
	<u>£(47,405)</u>	<u>£(17,601)</u>	<u>£(29,804)</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****1. ACCOUNTING POLICIES****(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" (FRS 102), the Financial Reporting Standard 102 and the Companies Act 2006. The company is a public benefit entity.

The financial statements are prepared in sterling, which is the functional and presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Board has considered the principal risks and uncertainties on the short and long term health of the Charity, and is content that the measures taken, combined with sufficient reserves, provides assurance that the going concern basis is appropriate in preparing the financial statements.

(b) Company Status

The company, which is a registered charity, is limited by guarantee and is controlled by Habitat for Humanity Great Britain who are the sole member. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(c) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key areas of activity. Overheads and other salaries are allocated between the expense headings on the basis of time spent. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and are allocated on the basis of staff cost.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****1. ACCOUNTING POLICIES (Continued)**

Governance costs are those incurred in connection with enabling the charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

(f) Tangible Fixed Assets and Depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Plant and equipment	-	20% straight line
Computer Equipment	-	33% straight line
Short Term Leasehold Properties	-	Over Life of Lease

(g) Short Term Leases

As part of the empty homes projects, HFHGB (Homes) enters into short term leases with either the local authority or housing association to enable the charity to generate rental income which will fund the cost of the renovation. The costs of the renovation are capitalised and depreciated over the life of the lease to the extent that future rental income will be received. Where the renovation expenditure is funded from grant income, the expenditure is charged to the statement of financial activities.

(h) Programme Related Investments

Programme related Investments are stated at cost price at the balance sheet date.

(i) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for projected losses on long term contracts. Cost includes all direct cost and an appropriate proportion of fixed and variable overheads.

(j) VAT

The charity is registered for VAT.

(k) Taxation

HFHGB (Homes) is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

(l) Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****1. ACCOUNTING POLICIES (Continued)****(m) Debtors**

Debtors are amounts owed to the Charity. They are measured on the basis of their recoverable amount.

(n) Cash at bank and in hand

Cash at bank and in hand is held to meet the day to day running costs of the Charity as they fall due. There are no other cash equivalents held by the Charity.

(o) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

(p) Significant Management Judgements and Estimation Uncertainties

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Empty Homes Project Funding

As part of its primary purpose trading, HFHGB (Homes) enters into commercial contracts with a local authority to undertake renovation work on empty local authority properties. Under the existing contract arrangements, HFHGB (Homes) charges 76% of its renovation costs to the local authority which is invoiced in arrears in accordance with a value of works calculated by surveyors. Funding for the Empty Homes Project is also raised from corporate donors through its parent charity. This restricted funding is usually received in advance of the renovation work and is used to provide working capital for the project. The charity has received legal advice that such use as working capital for the Empty Homes Project expends the restricted funds received from corporate donors, with the resulting accounting policy being to charge the cost of the renovation work to the restricted funds, up to the level of the funds available, notwithstanding that 76% of the costs are recoverable from the local authority. This utilisation of restricted funds is deemed a significant judgement because donors may have an expectation that their funding would not be utilised to fund a project to the extent that the costs of the project are already due to be funded under a commercial contract.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to 'technological obsolescence' with regard to IT equipment/software and any changes to lease terms. The accumulated depreciation at 31 March 2023 was £290,415.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****2. VOLUNTARY INCOME**

	Restricted 2023	Unrestricted 2023	Total 2023
	£	£	£
M&G	46,855	-	46,855
P&G	-	12,895	12,895
Whirlpool	3,757	-	3,757
The Blackstone Group	73,457	-	73,457
Montagu Evans	28,253	-	28,253
Mattel	10,964	-	10,964
LandAid	10,000	-	10,000
Laing Trust	40,000	-	40,000
RBS	2,087	2,384	4,471
SitusAMC	2,762	3,405	6,167
Wells Fargo	6,165	8,290	14,455
Bank of America	25,754	-	25,754
Faegre Drinker	1,043	1,192	2,235
Epsilon	-	1,755	1,755
J P Morgan	-	1,220	1,220
Cheniere	-	7,068	7,068
B&Q and Albert Hunt	10,133	-	10,133
Henkel	6,300	-	6,300
Habitat For Humanity (Parent)	6,119	-	6,119
Other	-	369	369
	£273,649	£38,578	£312,227
	Restated Restricted 2022	Restated Unrestricted 2022	Restated Total 2022
	£	£	£
M&G	42,000	-	42,000
P&G	5,067	-	5,067
Whirlpool	30,328	-	30,328
SEI Investments Europe	10,000	-	10,000
COINs Foundation	8,000	-	8,000
Europa Capital	50,000	-	50,000
The Blackstone Group	73,552	-	73,552
Lloyds of London	40,000	-	40,000
Other	-	113	113
	£258,947	£113	£259,060

3. CHARITABLE ACTIVITIES

	Restricted Funds	Unrestricted Funds	2023 Total	Restated 2022 Total
	£	£	£	£
Professional fees	-	4,518	4,518	58,379
Contract works	-	216,488	216,488	153,302
Volunteer facilitation grants	-	2,500	2,500	10,170
Rental Income -Short Leasehold Properties	-	96,618	96,618	98,150
Government furlough scheme grant	-	-	-	5,432
Other Income	-	92	92	607
	£-	£320,124	£320,124	£326,040

HfHGB (Homes) retains an equity interest in the properties which are subject to mortgage as set out in note 9. During the year, none of these properties were sold (2022: none).

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****4. COST OF RAISING FUNDS**

	2023	Restated 2022
	£	£
Staff Costs	16,681	14,974
Other Support Costs	86	17
	<u>£16,767</u>	<u>£14,991</u>

5. ANALYSIS OF CHARITABLE ACTIVITIES

	2023 Restricted	2023 Unrestricted	2023 Total
	£	£	£
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	560	560
Nithdale Road	-	1,165	1,165
Broad Street	-	2,671	2,671
Gale Street, Barking & Dagenham	4,460	-	4,460
Friends Meeting House, Tunbridge Wells	-	4,080	4,080
Claudia Jones	39,217	1,872	41,089
M&G Research Project	-	6,832	6,832
Woodward Road	176,640	19,640	196,280
Bolton Crescent Maintenance and planning	6,952	5,334	12,286
Other Project Costs	-	5,328	5,328
Gale Street Workshop	31,873	4,287	36,160
Winterisation Programme	-	670	670
Empty Spaces to Homes (ES2H)	-	1,396	1,396
Upcycling Programme	-	28,877	28,877
MSQ Dumfries	-	3,750	3,750
Royal Parade	105,057	3,671	108,728
Ringstead Road	-	329	329
<i>Amortisation of Project Costs</i>			
Broad Street	-	(4,323)	(4,323)
Ringstead Road, Lewisham	-	16,965	16,965
Friends Meeting House, Tunbridge Wells	-	14,725	14,725
East Street	-	14,262	14,262
Nithdale Road	-	4,235	4,235
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	2,133	2,133
East Street, Barking & Dagenham	-	2,956	2,956
<i>Development Advisory and Management Services</i>			
Kingsley Hall/Livability	-	1,189	1,189
St. Leonards Church, Chesham Bois	-	1,882	1,882
Choumert Road, Peckham	-	1,607	1,607
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	28,384	-	28,384
Business Development Costs	-	15,045	15,045
	<u>392,583</u>	<u>161,137</u>	<u>553,720</u>
Support Costs	-	142,428	142,428
Governance Costs	-	25,774	25,774
	<u>£392,583</u>	<u>£329,339</u>	<u>£721,922</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****5. ANALYSIS OF CHARITABLE ACTIVITIES (Continued)**

	Restated 2022 Restricted £	Restated 2022 Unrestricted £	Restated 2022 Total £
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	192	192
Nithdale Road	-	3,113	3,113
Broad Street	-	3,113	3,113
Gale Street, Barking & Dagenham	197,219	-	197,219
Friends Meeting House, Tunbridge Wells	-	2,243	2,243
Claudia Jones	23,771	5,612	29,383
M&G Research Project	-	6,303	6,303
Woodward Road	36,334	-	36,334
Bolton Crescent Maintenance	10,179	-	10,179
Other Project Costs	-	11,014	11,014
<i>Amortisation of Project Costs</i>			
Broad Street	-	20,840	20,840
Ringstead Road, Lewisham	-	16,965	16,965
Friends Meeting House, Tunbridge Wells	-	15,083	15,083
East Street	-	13,876	13,876
Nithdale Road	-	4,235	4,235
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	2,695	2,695
East Street, Barking & Dagenham	-	3,311	3,311
Choumert Road, Peckham	-	934	934
<i>Development Advisory and Management Services</i>			
Kingsley Hall/Livability	-	15,373	15,373
St. Leonards Church, Chesham Bois	-	1,108	1,108
Hornsey Parish Church	-	107	107
Shaftesbury Battersea	-	8	8
Choumert Road, Peckham	-	12,588	12,588
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	14,114	-	14,114
Business Development Costs	-	20,666	20,666
	<u>281,617</u>	<u>159,379</u>	<u>440,996</u>
Support Costs	-	99,012	99,012
Governance Costs	-	22,801	22,801
	<u>£281,617</u>	<u>£281,192</u>	<u>£562,809</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****6. RESOURCES EXPENDED**

	Activities for Raising Funds	Charitable Activities			2023 Total
		Direct	Support	Governance	
		Costs	Costs	Costs	
	£	£	£	£	£
Staff Costs	16,681	103,620	66,563	17,829	204,692
Outside Labour	-	8,404	-	-	8,404
Materials	-	276,864	3,291	-	280,155
Other construction costs	-	33,746	223	-	33,969
Insurance	-	2,941	7,292	-	10,233
Legal & Professional	-	64,645	50,373	7,377	122,395
Other Office Expenses	86	11,500	12,141	568	24,295
Financing Costs	-	6,139	63	-	6,202
Depreciation of fixed assets	-	-	2,481	-	2,481
Amortisation of short-term leases	-	45,863	-	-	45,863
Bad Debts	-	-	-	-	-
	£16,767	£553,720	£142,429	£25,774	£738,688

Activities for Raising Funds	Charitable Activities			Restated 2022 Total	
	Direct Costs	Support Costs	Governance Costs		
£	£	£	£	£	
Staff Costs	14,974	84,979	67,508	15,209	182,670
Outside Labour	-	4,650	-	-	4,650
Materials	-	209,771	-	-	209,771
Other construction costs	-	8,808	214	-	9,022
Insurance	-	1,888	6,366	-	8,254
Legal & Professional	-	34,697	17,455	7,134	59,286
Other Office Expenses	17	17,243	8,625	458	26,343
Financing Costs	-	6,940	176	-	7,116
Depreciation of fixed assets	-	-	1,372	-	1,372
Amortisation of short-term leases	-	70,999	-	-	70,999
Bad Debts	-	1,021	(2,704)	-	(1,683)
	£14,991	£440,996	£99,012	£22,801	£577,800

7. NET INCOME/(EXPENDITURE)

The operating result is stated after charging.

	2023	Restated 2022
	£	£
Depreciation	48,344	72,371
Payments to auditors in respect of audit services	7,350	7,000
Payments to auditors in respect of other services	-	-

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****8. TANGIBLE FIXED ASSETS**

	Office, Land & Buildings	Plant & Machinery	Short Term Leasehold Properties	Total	Schemes In Development
	£	£	£		£
COST					
At 1 st July 2022	30,160	17,287	1,352,998	1,400,445	122,321
Additions	-	3,383	-	3,383	6,602
Disposals	-	(620)	(212,751)	(213,371)	(55,761)
At 30 th June 2023	30,160	20,050	1,140,247	1,190,457	73,162
DEPRECIATION/ AMORTISATION					
At 1 st July 2022	1,734	14,917	438,791	455,442	-
Charge for the Year	102	2,379	45,863	48,344	-
Disposals	-	(620)	(212,751)	(213,371)	-
At 30 th June 2023	1,836	16,676	271,903	290,415	-
NET BOOK VALUE					
At 30 th June 2022	£28,426	£2,370	£914,207	£945,003	£122,321
At 30 th June 2023	£28,324	£3,374	£868,344	£900,042	£73,162

9. PROGRAMME RELATED INVESTMENTS

	2023 £	Restated 2022 £
Cost or Valuation		
At 1 st July 2022	75,160	110,595
Additional loans in Year	-	-
Repayments	(31,293)	(35,435)
At 30 th June 2023	£43,867	£75,160
Repayable within one year	12,209	32,653
Repayable in more than one year	31,658	42,507
	£43,867	£75,160

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****10. WORK IN PROGRESS**

	2023	Restated 2022
	£	£
Building Renovation	-	55,761
New Building Construction	73,162	66,560
Total	<u>£73,162</u>	<u>£122,321</u>

	2023	Restated 2022
	£	£
Balance Brought Forward	122,321	80,229
Additional Costs In the year	6,602	42,092
Disposals	(55,761)	-
Balance Carried Forward	<u>£73,162</u>	<u>£122,321</u>

11. DEBTORS

	2023	Restated 2022
	£	£
Trade Debtors	702	67,865
Prepayments	5,403	4,974
Other Debtors and Accrued Income	135,680	56,392
VAT	32,260	4,314
	<u>£174,045</u>	<u>£133,545</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	Restated 2022
	£	£
Trade Creditors	61,731	22,780
Social Security and Other Taxes	4,005	2,465
Accruals and Deferred Income	99,054	100,588
VAT	-	-
Sinking Fund	30,912	30,936
Loan – Repayable within one year	28,591	27,562
	<u>£224,293</u>	<u>£184,331</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	Restated 2022
	£	£
Loan – balance repayable in 1 – 5 years	84,884	99,507
Loan – balance repayable in more than 5 years	18,172	32,199
	<u>£103,056</u>	<u>£131,706</u>

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****14. NET ASSETS BY FUND
2023**

	Restricted	Unrestricted Designated	Total
	£	£	£
Fixed Assets	-	1,017,071	1,017,071
Current Assets	14,166	255,602	269,768
Creditors due within one year	-	(224,293)	(224,293)
Creditors due in more than one year	-	(103,056)	(103,056)
	<u>£14,166</u>	<u>£945,324</u>	<u>£959,490</u>

2022 - Restated

	Restricted	Unrestricted Designated	Total
	£	£	£
Fixed Assets	-	1,142,484	1,142,484
Current Assets	133,100	112,308	245,408
Creditors due within one year	-	(184,331)	(184,331)
Creditors due in more than one year	-	(131,706)	(131,706)
	<u>£133,100</u>	<u>£938,755</u>	<u>£1,071,855</u>

**15. RESTRICTED FUNDS
2023**

	Funds as at 1st July 2022	Incoming Resources	Resources Expended	Funds as at 30th June 2023
	£	£	£	£
Adventure Playground	1,821	6,299	(6,953)	1,167
Young Persons Training Programme	24,526	10,000	(28,384)	6,142
Gale Street Redevelopment (now Empty Spaces) Project	-	-	-	-
The Claudia Jones Organisation	-	39,217	(39,217)	-
Gale Street Workshop Upcycling Empty Spaces	106,753	218,133	(318,029)	6,857
Woodward Road Redevelopment Project (now Empty Spaces)	-	-	-	-
	<u>£133,100</u>	<u>£273,649</u>	<u>£(392,583)</u>	<u>£14,166</u>

2022 - Restated

	Funds as at 1st July 2021	Incoming Resources	Resources Expended	Funds as at 30th June 2022
	£	£	£	£
Adventure Playground	7,000	5,000	(10,179)	1,821
Young Persons Training Programme	38,640	-	(14,114)	24,526
Gale Street Redevelopment Project	103,042	163,713	(197,219)	69,536
Claudia Jones Organisation	7,088	16,683	(23,771)	-
Woodward Road Redevelopment Project	-	73,551	(36,334)	37,217
	<u>£155,770</u>	<u>£258,947</u>	<u>£(281,617)</u>	<u>£133,100</u>

The Young Persons Training Programme is a programme being run in conjunction with Barking College for young persons with learning disabilities.

The Gale Street, and Woodward Road are development projects to redevelop unoccupied commercial space in Barking and Dagenham into residential spaces for vulnerable young people.

The Claudia Jones Organisation runs a women's centre in East London. The funds are for renovation of the centre.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****15. RESTRICTED FUNDS (continued)**

The Adventure Playground fund represents income received for the development of an adventure playground in Southwark.

The Empty Spaces restricted fund represents the Gale Street and Woodward Road redevelopment projects to redevelop unoccupied commercial space in Barking and Dagenham into residential spaces for vulnerable young people. This fund also represents income received for the upcycling of unwanted, second-hand goods which are repurposed by HFHGB (Homes) to put into the properties of other projects that they currently undertake.

16. EMPLOYEES

	2023	Restated 2022
	£	£
Wages and Salaries	170,296	167,278
Employer's NI	17,946	18,000
Pension Costs	3,811	4,548
	<u>£192,053</u>	<u>£189,826</u>
Capitalised Staff Costs – Short Leasehold Projects	581	7,118
Other Staff Costs	191,472	182,708
	<u>£192,053</u>	<u>£189,826</u>

The total employee benefits of the 2 members of the senior management team amount to £99,592 (2022: £126,032).

Total redundancy benefits amount to £Nil (2022: £Nil).

The average number of employees during the year was 5 (2022: 5).

One employee earned between £60,000 - £70,000.

17. TRUSTEES REMUNERATION AND EXPENSES

None of the trustees received any remuneration and no other expenses have been incurred during both the current and preceding year.

18. CAPITAL COMMITMENTS

	2023	Restated 2022
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	497,218	183,666
Total	<u>£497,218</u>	<u>£183,666</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2023****19. RELATED PARTY TRANSACTIONS**

HFHGB (Homes) is a wholly controlled subsidiary of Habitat for Humanity Great Britain, a charitable company registered in England and Wales. The company number of Habitat for Humanity Great Britain is 3012626, and the registered charity number is 1043641 (SCO48638 - Scotland). The principal objective of Habitat for Humanity GB is to alleviate poverty by helping people who live in substandard housing to access better living conditions. Control is exercised by the parent of HFHGB (Homes) via mutual Trustee Board members. During the year under review three Habitat for Humanity Great Britain trustees (Mr Brian Clark, Mr Gordon Holmes and Mr Ian Whitehead) were also trustees of HFHGB (Homes), together with Tum Kazunga (CEO of Habitat for Humanity Great Britain and Ex-officio Trustee of HFHGB (Homes)). The address from which the public can obtain the consolidated accounts of Habitat for Humanity Great Britain, which include the accounts of HFHGB (Homes), is 10 The Grove, Slough, Berkshire, SL1 1QP.

Some of the funding received by HFHGB (Homes) was raised by Habitat for Humanity GB. During the year, £248,858 (2022: £248,947) of funding was received through Habitat for Humanity GB. The amount of funding due from Habitat for Humanity GB at the year-end amounted to £123,682 (2022: £11,683), which is included within other debtors and accrued income.

20. COMPANY LIMITED BY GUARANTEE

The company, which is a registered charity, is limited by guarantee and is controlled by Habitat for Humanity Great Britain who are the sole member. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

21. PRIOR YEAR ADJUSTMENT

The arrangement for three leased properties, at Kings Grove, Nithdale, and Ringstead Road, is that HFHGB (Homes) are required to set aside 10% of lease receipts for the purpose of bringing the properties up to a standard in which the properties are in a satisfactory condition to be re-let at the end of the lease. Required maintenance costs are to be deducted from these funds. During the year it was identified that HFHGB (Homes) is required to pay any excess funds not spent on maintenance costs to the landlord. A prior year adjustment has therefore been processed in the accounts to include this liability to the landlords. The adjustment amounted to an increase in creditors at 30th June 2022 amounting to £30,926, with a corresponding reduction in reserves.

HFHGB (HOMES)

England & Wales - Charity number 1053213

Accounts



HFHGB (Homes)

(Company Limited by Guarantee)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

Registered Company No: 03155218

Registered Charity No: 1053213

HFHGB (Homes)

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HFHGB (Homes)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

The Trustees are pleased to present their report together with the financial statements for the year ended 30th June 2022.

Reference and Administrative details

Registered Office

93 Gordon Road, London, SE15 3RR

**Please note that the above office site is currently due for redevelopment. Post is still being collected periodically there and the building still exists as our registered address.*

Bankers

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Auditors

Knox Cropper LLP, 65/68 Leadenhall Street, London, EC3A 2AD

Solicitors

Bates, Wells and Braithwaite London LLP, 2-6 Cannon Street, London, EC4M 6YH

Chief Executive

David Clare (appointed as Acting CEO – 01/04/2022, and full CEO – 03/10/2022)

Gareth Hepworth (resigned – 20/05/2022)

Trustees of the Company

HfHGB (Homes) Trustees serve as directors of the company and members of the Board of Trustees. The following were members of the Board of Trustees during the year:

Brian Clark (resigned as Chair - May 2022)

Devika Shah (resigned as Treasurer - May 2022)

Alistair Mugford

Ian Whitehead

Sarah Lewis

HfHGB National Director (ex Officio Post)

The following were appointed after the year ended 30th June 2022 but prior to the signing of this report:

Gordon Holmes (appointed 3rd October 2022)

The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the statement of recommended practice SORP (FRS 102) "accounting and reporting by charities" (effective January 2019).

Structure and Governance and Management

HfHGB (Homes) (registered charity number 1053212) is constituted as a company limited by guarantee (registered number 3155218) and is therefore governed by its memorandum and articles of association. During the year each director had a legal liability of £1. Legal responsibility for the management and stewardship of the charity is vested in the Board of Trustees.

Strategic decisions and operational guidelines are made by the Board of Trustees, but the operations are managed by staff overseen by the board. Any decisions that affect the strategic vision of the charity are referred to the Board for a final decision to be taken.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

Related Party Transactions

As of 30th June 2012, HfHGB (Homes) became the sole subsidiary of Habitat for Humanity Great Britain, and HfHGB is the sole member and PSC of the HfHGB (Homes) board, whose national director became an ex officio member of the HfHGB (Homes) board from this date by extension of the sole membership. This relationship affected our accounts in that some of our funding was raised by HfH International (the parent charity in the USA) and passed to HfHGB (Homes) via Habitat for Humanity Great Britain. Where funds are passed through in this way no deduction is made by Habitat for Humanity Great Britain (HfHGB). If HfHGB are actively involved in fundraising for the donation, then a sum will be retained by them to cover fundraising costs. During the year under review two HfHGB trustees (Mr Brian Clark and Mr Ian Whitehead) were also trustees of HfHGB (Homes). In October 2019 the trustees of Habitat for Humanity Great Britain decided that a merger of the two charities was strategically desirable. Detailed planning was interrupted by the Covid Pandemic and at the close of the year the merger was still under discussion. In October 2020, the boards of HfHGB and HfHGB (Homes) established a sub-committee comprising trustees from both organisations to implement the merger proposal. This proposal is still being discussed and developed and is yet to reach a conclusion, but there is significantly more operational collaboration happening between the staff teams in preparation for the merger.

Appointment and Recruitment of Trustees

Trustees are appointed by the Board of Trustees based on the skills needed by the board and the skills of potential board members. The trustees currently meet quarterly to review strategy and operational management.

Trustee Induction and Training

New trustees undergo an induction when they are appointed, to brief them on their legal obligations under charity and company law, the aims and procedures of the charity, the content of the memorandum and articles of association, the board and decision-making process, the business plan and recent financial performance of the charity. The trustee body as a whole is kept up to date with legal and statutory requirements via briefings. Updates are circulated of changes that may affect governance and operational best practice (e.g. Charity Commission and charity/company law updates).

Organisation

The Board of Trustees meets four times per year to discuss the current and future strategic development of the charity and any issues affecting the charity's objectives.

The staff structure is as follows: the CEO manages the day to day operations of the charity with the assistance of a Design & Construction Manager (DCM). The CEO is appointed by the trustees who may also be involved in the appointment of other staff together with the CEO. The DCM is employed to develop the relationships needed for new projects to start and manage relationships with key partners, and to manage the programming and future pipeline of projects. The construction sites are closely overseen by an experienced Construction Manager assisted by qualified site staff, who all report to the DCM. There is also a Volunteer Coordinator who oversees the volunteering programme.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to this guidance when reviewing the charity's aims and objectives and in planning future activities of the charity.

Risk Management

The trustees have overall responsibility for ensuring that appropriate systems of control, financial or otherwise, exist. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that:

- HfHGB (Homes) is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use or disposal
- Proper records are maintained and financial information is reliable
- HfHGB (Homes) complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- Effective planning of the strategic direction of the charity and project development
- Regular review of financial and operational results by the CEO and Board of Trustees
- Robust and independent procedures in place for managing the health and safety regime
- Review by the Board of Trustees with the external auditors of any matters raised for their attention.

As part of its management of risk, the Board of Trustees ensures that a risk register is produced which:

- Identifies the risks which the organisation faces
- Assesses their potential impact and the likelihood of them happening
- Highlights the management action being taken to mitigate and manage them.

Project risks are reviewed at the beginning of each project by the CEO and may be reviewed by the Board of Trustees. Organisational risks are reviewed every year by the Board of Trustees who may take independent professional legal and financial advice to ensure that risks are properly managed.

Objectives, Strategies, Activities and Achievements

Objectives

HfHGB (Homes) has two charitable objects:

- The prevention or relief of poverty by providing or facilitating accommodation and community facilities for the benefit of people in housing need, potential housing need or for other related needs.
- The advancement of religion in accordance with the tenets of the Christian faith.

HfHGB's (Homes) vision is to allow everybody access to a decent, affordable place to call home, particularly in London but looking for opportunities in other parts of Great Britain through empowering local people to meet their own housing needs, building vibrant sustainable communities in the process.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

Strategies

HfHGB (Homes) has three key strategies which enable us to achieve our charitable objects:

The first is to work alongside partners who have underused land or buildings and work with them to develop sustainable routes for increasing the uses and purposes of these buildings and sites. Our aim is to explore with the partner whether all or part of the site would be suitable for the provision of affordable housing or whether the sites would be better suited to provision of enhanced community facilities.

The second strategy is to assist in the implementation of these kinds of projects. This may include project management or oversight, enabling the project to proceed by sourcing the necessary funding (grant, donations and debt), and possibly acting as the main contractor. Our strategy is to use the resources we can access to enable the development of both community facilities and affordable housing.

Our third strategy is to carry out smaller refurbishment and maintenance works on buildings owned by partners utilising support from partners who are able to fund this level of work. This work provides considerable benefit for both the charity partner and more importantly their clients and beneficiaries. We offer a range of volunteer days, mainly with corporate supporters who also donate to the projects to cover core costs, materials and to create a margin for sustainability of the programme.

Achievements and Performance

During the first half of the year under review the activities of the charity were dominated by COVID and the need to comply with regulations and lockdowns in order to keep people safe. This impacted our programmes and in particular our ability to work with the volunteers from all sections of society that has been a hallmark of HFHGB Homes work in the past.

The partnership with Oasis Play has been maintained through the pandemic period and active volunteering has been able to take place due to it being an external playground space. The name of the site has also changed to Bolton Crescent Adventure Playground (from Charlie Chaplin's Adventure Playground). During the year we received a grant that has enabled us to work with Oasis Play in developing a vision for the playground. It has allowed us to provide a document envisioning funding partners about the development of the playground and expanding the ability of the playground to serve local children, especially those with complex additional needs.

The Kingsley Hall Project completed its second phase in June 2022 which was so good to celebrate, and this has become a flagship community project in LB Barking & Dagenham.

Consultancy projects have been less prominent, largely due to reduced capacity from Covid-19 and the former CEO leaving. The Acting CEO was previously Business Development Manager and therefore his capacity became reduced for consultancy until a Design & Construction Manager is recruited (recruited and due to join in November 2022). However, there are many warm contacts and opportunities for consultancy, especially with churches and this should be an area that could easily grow once increased resources are in place.

Staff pay increases in line with inflation (and where relevant, increased role responsibility) were implemented in June 2022.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

Partnership - Bringing Sites forward for Development

During the year under review HfHGB obtained substantial funding to support the launch and growth of a wide ranging coalition to bring together partners interested in converting empty spaces to affordable housing. This coalition was formally launched in October 2021 and has brought together the voluntary sector; public sector and private sector to develop a nuanced and appropriate response to the growing problem of retail and commercial space that has limited commercial potential.

A GB Strategy Day took place (on 22nd April) which identified as a primary focus the LB Barking & Dagenham 'Empty Spaces to Homes' programme. There has been a concerted effort from GB Homes and the HFHGB Team towards forming a 'big story' narrative on the social value impact, and on securing the future pipeline. Positive meetings have taken place with senior officers at LBBDD, with further good engagement following the Stakeholder event at Kingsley Hall opening event (23rd March). The intention is to grow pipeline as LBBDD release more properties, potentially up to 6 per year (18-20 bedrooms).. HFHGB Homes' further intention is to reach out to other London Boroughs and grow the programme, also spreading risk rather than only having one council partnership.

Partnership - Building Out Sites to complete Development

The pilot project in 2019 with Barking and Dagenham Council was judged to be successful and a further three schemes were finally approved in September 2021. The first one (Gale Street) started on site in December 2021 and the second one (Woodward Road) started in June 2022. There is one further project in the pipeline which has been stripped out and will commence on site in January 2023.

Partnership – Community based Projects and Corporate Volunteering

During the first half of the year under review the whole of our corporate volunteering programme remained cancelled due to the COVID pandemic. However, subsequently, since January 2022 we have been able to host volunteers at some of our sites, namely: Bolton Crescent Adventure Playground (Kennington) and Claudia Jones Organisation (Stoke Newington).

We would like to thank the following companies who supported us with donations and volunteers:

SEI Investments; P&G; Wells Fargo; Nationwide Foundation; Land Aid and SEGRO; along with M&G, Blackstone, Lloyds of London, Cisco, Montague Evans, Whirlpool, COINS and Europa Capital, (all via Habitat for Humanity Great Britain)

Covid 19 Pandemic

As noted throughout this report, the Covid 19 pandemic has had a significant impact on the operations of the charity during the first half of the year. All volunteering and refurbishment projects were postponed. However, these started again once outstanding funding issues were resolved. We remained very committed to our on-site training programme for young people, in partnership with the REACH programme (Barking & Dagenham College). We were pleased to recommence this project in the latter half of the year. The advisory work continued throughout but the market environment was not very conducive to starting new projects, and resources were limited prior to taking on a new Design & Construction Manager role.

We took advantage of the government support schemes to retain staff (via Furlough) up until October 2021. This approach ensured the charity's survival without the loss of staff members. We remained committed to our mission and were able to return to a reasonable level of activity from January 2022 onwards.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

Financial Review

HfHGB (Homes) had a surplus for the year to 30 June 2022 of £7,300 which is significantly improved on the previous year when the deficit was £54,122. The charity's activities for the year were significantly disrupted by the impact of the COVID pandemic throughout the first half of the year under review. Although the advisory work was able to continue, albeit at reduced levels throughout this period owing to caution or the inability of clients to proceed, all site work was stopped until November 2021. The charity continued to take advantage of the government's support scheme, placing staff on furlough where appropriate. Throughout the pandemic, the charity's cash position has remained satisfactory. Lease income has all been paid in full and advisory income has continued to flow. Reserves at 30th June 2022 totalled £1,102,791 (2021: £1,095,491) of which £133,100 (2021: £155,770) was restricted, and £969,691 (2021: £939,721) was unrestricted.

Mortgage Repayments

Mortgage repayments from existing Habitat homeowners have continued to provide a reliable cash flow, with no material arrears to report. There are non-material arrears with mortgage holders which are related to mortgage holidays granted during the COVID pandemic. These repayments are now being made. As mortgages come to an end, arrangements to remove charges are organised with our solicitors, and updated Land Registry details are filed on behalf of our mortgagors.

Lease and Repair Income

The income streams from the leases that the charity has entered into have been steady through the year and performed in line with our expectations. This is despite the challenges that the Covid Pandemic has brought for HfHGB (Homes) and our partners. Some leases expired during the year and end of lease arrangements were made with the owners for the return of their property, with appropriate dilapidations payments. There has also been the accrual of some income on behalf of owners where it was not possible to end a tenancy until the social housing tenant had been rehoused. This has been clearly identified in HFHGB's accounts as "lease income payable".

Reserves Policy

The trustees have reviewed the reserves policy for HfHGB (Homes). This policy is meant to apply for general expenditure and does not cover contingencies on individual projects. However, it is not constrained from providing for project contingencies should the need arise. The trustees conduct an annual review of the level of unrestricted reserves by considering the risks associated with various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the reserve levels that should be sufficient to:

- Allow time for reorganisation of HfHGB's (Homes) work in the event of a downturn in income or asset values
- Protect ongoing work programmes
- Allow the charity to meet its objectives.

The risks and issues considered by the trustees in making this judgement on the level of unrestricted reserves will include:

- Level of dependence on any one source of income
- Likelihood of a downturn in any of the various income streams
- Period of time required to re-establish income streams
- Period of time required to downsize or reorganise the charity operations
- Potential decrease in the value of investments
- Requirements for a reasonable level of working capital
- Designated funds to cover unexpected costs on leased property

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

Reserves Policy (continued)

Our reserves policy is to retain adequate liquid reserves to continue operations for a minimum of 3 months, and this is currently estimated as £75,000 of unrestricted funds. The trustees' aim, however, is to work towards a general liquid reserves level of 6 months' expenditure. The available liquid reserves are calculated as unrestricted net current assets plus lease receipts and mortgage repayments that would be expected to be received over a six-month period (approximately £60,000 at current levels).

Unrestricted funds at 30th June 2022 shows a net current liability position of £(41,087) which together with lease and mortgage payments due (aggregate amount would be a current asset position of about £20,000), does not achieve the required unrestricted reserves target of £75,000. However, the Trustees are satisfied that the return to more normal operations with the easing of pandemic restrictions will restore the liquid reserves position and that the shortfall at the year-end date is temporary in nature.

This is supported by the fact that the overall unrestricted reserves at year end were £969,691 (as laid out on page 6, which incorporates the £945,003 of tangible fixed assets). This figure includes both liquid and illiquid reserves and is an amount well in excess of operational funding requirements.

Investment Policy

In order to comply with the provisions of the SORP (FRS 102), the trustees conduct an annual review of the investment policy for the financial reserves held by HfHGB (Homes). The investment policy enables the trustees to make the best judgements about how and where the reserves should be invested, taking into consideration the return against the risk of investment, the need for growth and the ease of access to the funds. The trustees would expect to place large sums of capital which are not needed for significant periods of time with qualified investment advisors with an instruction to pursue medium risk growth. The trustees would expect to place smaller sums of capital which were required to be readily accessible in a high-income earning account such as CCLA.

Ethical Investments

Whilst HfHGB (Homes) does not have a formal ethical investment policy, it will endeavour to follow ethical guidelines when investing money.

Plans for the Future

We will continue to work closely with HFHGB's Fundraising team and Impact team to strengthen the 'Big Story' and case for support around our joint 'Empty Spaces to Homes' programme. We are also seeking to provide good quality volunteering opportunities for our Corporate supporters via a new Upcycling workshop at Gale Street (Dagenham). The 'charitable contractor' model is proving to be a more successful one than the 'lease and repair' in that no lease is required, and no long-term financing is required. Importantly, a proportion of grant can also be recycled to achieve more through the programme. Discussion have been on hold around merging with Habitat for Humanity Great Britain through much of the year. The practicalities of merging two organisations with the same ethos but different functions and varied systems has proven demanding, with further hesitation also caused by delays and financial uncertainties to projects during the pandemic. Whilst we have still moved forward with the development pipeline it has meant that further sustainability and resilience is needed prior to a fuller merger of the two charities. Operationally the two staff and trustee teams are in closer collaboration which sets things up well for an intended merger after June 2023. Coupled with this there is the strategic intention to grow the charitable work geographically in line with securing increased grant, consultancy and project work.

HFHGB (HOMES)**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022****Housing Update**

The housing situation in Great Britain is still marked by demand exceeding supply with the inevitable consequence of prices rising, along with unprecedented rises in costs of construction labour and materials. These pressures are particularly acute in London and the southeast. There are numerous policies in place that should help the situation, but we are not seeing the huge increase in house building that would be needed for people on or around average wages to afford decent accommodation. We are working within very tight parameters to address this, and most of our London-based projects address the urgent need for move-on accommodation for people who have been in supported accommodation and are ready for the next stage. Clearly in a very expensive market, in which costs are still rising, this group is one that is hugely disadvantaged and tends to be priced out of the market. We are still waiting to see what lasting effect the pandemic, and Brexit, have on the housing market and the construction industry. Changes are being increasingly felt, and the effects of inflation and rising fuel costs are having a major impact on housing and household budgets. HfHGB and HfHGB Homes are continually working together to look at ways to mitigate this and support beneficiaries and charity partners further.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 19/01/2023 and signed on its behalf by:



Alistair Mugford
(Trustee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**HFHGB (Homes)****FOR THE YEAR ENDED 30TH JUNE 2022****Opinion**

We have audited the financial statements of HFHGB (Homes) (the 'charitable company') for the year ended 30th June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th June 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

HFHGB (Homes)

FOR THE YEAR ENDED 30TH JUNE 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**HFHGB (Homes)****FOR THE YEAR ENDED 30TH JUNE 2022****Auditor's responsibilities for the audit of the financial statements (continued)**

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls, and legal correspondence.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations include the risk of management override.
- Our approach was to check that the income from donations and charitable activities were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed journal adjustments and unusual transactions for management override and considered the identification and disclosure of related party transactions.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members as a body, for our audit work, for this report or for the opinion we have formed.



James Holland-Leader FCA (Senior Statutory Auditor)
For and on behalf of Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD
Date: **25/01/2023**

HFHGB (Homes)

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30th JUNE 2022

	Notes	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £
INCOME FROM							
Donations and Legacies	2	258,947	113	259,060	132,923	(1,391)	131,532
Investments		-	-	-	-	-	-
Charitable Activities	3	-	326,040	326,040	-	197,326	197,326
TOTAL INCOME		<u>258,947</u>	<u>326,153</u>	<u>585,100</u>	<u>132,923</u>	<u>195,935</u>	<u>328,858</u>
EXPENDITURE ON							
Raising Funds	4	-	14,991	14,991	-	7,218	7,218
Charitable Activities	5	<u>281,617</u>	<u>281,192</u>	<u>562,809</u>	<u>15,774</u>	<u>359,988</u>	<u>375,762</u>
TOTAL EXPENDITURE		<u>281,617</u>	<u>296,183</u>	<u>577,800</u>	<u>15,774</u>	<u>367,206</u>	<u>382,980</u>
Net Income/(Expenditure)		(22,670)	29,970	7,300	117,149	(171,271)	(54,122)
NET MOVEMENT IN FUNDS		<u>(22,670)</u>	<u>29,970</u>	<u>7,300</u>	<u>117,149</u>	<u>(171,271)</u>	<u>(54,122)</u>
RECONCILIATION OF FUNDS:							
TOTAL FUNDS BROUGHT FORWARD		<u>£155,770</u>	<u>£939,721</u>	<u>£1,095,491</u>	<u>£38,621</u>	<u>£1,110,992</u>	<u>£1,149,613</u>
TOTAL FUNDS CARRIED FORWARD	14	<u>£133,100</u>	<u>£969,691</u>	<u>£1,102,791</u>	<u>£155,770</u>	<u>£939,721</u>	<u>£1,095,491</u>

All the activities reported above relate to continuing operations.

The Notes on pages 15 to 26 form an integral part of these financial statements.

HFHGB (Homes)**BALANCE SHEET AS AT 30th JUNE 2022**

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible Fixed Assets	8	945,003		1,015,820	
Programme Related Investments	9	75,160		110,595	
Work in Progress	10	<u>122,321</u>		<u>80,229</u>	
			1,142,484		1,206,644
CURRENT ASSETS					
Debtors	11	133,545		38,365	
Cash at Bank and In Hand		<u>111,863</u>		<u>128,919</u>	
		245,408		167,284	
CREDITORS : Amounts falling due within one year	12	<u>(153,395)</u>		<u>(119,120)</u>	
NET CURRENT ASSETS			92,013		48,164
CREDITORS: Amounts falling due after more than one year	13		(131,706)		(159,317)
NET ASSETS			<u>£1,102,791</u>		<u>£1,095,491</u>
RESTRICTED FUNDS	15		133,100		155,770
UNRESTRICTED FUNDS					
Designated Funds	14		-		-
General Funds			<u>969,691</u>		<u>939,721</u>
TOTAL FUNDS			<u>£1,102,791</u>		<u>£1,095,491</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on 19-01-2023 and signed on their behalf by:



Alistair Mugford
(Trustee)

Company No: 03155218

The notes on pages 15 to 26 form an integral part of these financial statements.

HFHGB (Homes)**CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2022**

	2022	2021
	£	£
Cash flows from Operating Activities (a) below		
Net cash provided by/(used in) operating activities	24,041	97,440
Cash flows from Investing Activities		
Investment Income	-	-
Payments to acquire tangible fixed assets	(43,645)	(25,148)
Repayment of Programme Related Investments	35,435	31,829
Net cash provided by/(used in) investing activities	(8,210)	6,681
Cash flows from Financing Activities		
Loan Drawdowns	-	-
Loan Repayments	(26,705)	(25,737)
Interest Paid	(6,182)	(7,146)
Net cash provided by/(used in) financing activities	(32,887)	(32,883)
Change in Cash and Cash Equivalents in the Year	(17,056)	71,238
Cash and Cash Equivalents at 1st July 2021	128,919	57,681
Cash and Cash Equivalents at 30 June 2022	<u>£111,863</u>	<u>£128,919</u>

(a) Reconciliation of Net Income/(Expenditure) to Net Cash flow from Operating Activities

	2022	2021
	£	£
Net Income/(Expenditure)	14,822	(54,122)
Interest Income Received	-	-
Interest Paid	6,182	7,146
Depreciation	72,371	72,521
(Increase)/Decrease in Debtors and Prepayments	(95,180)	51,470
Increase/(Decrease) in Trade Creditors and Provisions	25,846	20,425
	<u>£24,041</u>	<u>£97,440</u>

(b) Analysis of Changes in Net Debt

	At 1 st July 2021	Cash Flows	At 30 th June 2022
	£	£	£
Cash	128,919	(17,056)	111,863
Loans falling due within one year	(26,656)	(906)	(27,562)
Loans falling due after more than one year	(159,317)	27,611	(131,706)
	<u>£(57,054)</u>	<u>£9,649</u>	<u>£(47,405)</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****1. ACCOUNTING POLICIES****(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" (FRS 102), the Financial Reporting Standard 102 and the Companies Act 2006. The company is a public benefit entity.

The financial statements are prepared in sterling, which is the functional and presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Board has considered the impact of Covid-19 on the short and long term health of the Charity, and is content that the measures taken, combined with sufficient reserves, provides assurance that the going concern basis is appropriate in preparing the financial statements.

(b) Company Status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

(c) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key areas of activity. Overheads and other salaries are allocated between the expense headings on the basis of time spent. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and are allocated on the basis of staff cost.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****1. ACCOUNTING POLICIES (Continued)**

Governance costs are those incurred in connection with enabling the charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

(f) Tangible Fixed Assets and Depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Plant and equipment	-	20% straight line
Computer Equipment	-	33% straight line
Short Term Leasehold Properties	-	Over Life of Lease

(g) Short Term Leases

As part of the empty homes projects, HFHGB (Homes) enters into short term leases with either the local authority or housing association to enable the charity to generate rental income which will fund the cost of the renovation. The costs of the renovation are capitalised and depreciated over the life of the lease to the extent that future rental income will be received. Where the renovation expenditure is funded from grant income, the expenditure is charged to the statement of financial activities.

(h) Programme Related Investments

Programme related investments are stated at cost price at the balance sheet date.

(i) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for projected losses on long term contracts. Cost includes all direct cost and an appropriate proportion of fixed and variable overheads.

(j) VAT

The charity is registered for VAT.

(k) Taxation

HFHGB (Homes) is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

(l) Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****1. ACCOUNTING POLICIES (Continued)****(m) Debtors**

Debtors are amounts owed to the Charity. They are measured on the basis of their recoverable amount.

(n) Cash at bank and in hand

Cash at bank and in hand is held to meet the day to day running costs of the Charity as they fall due. There are no other cash equivalents held by the Charity.

(o) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

(p) Significant Management Judgements and Estimation Uncertainties

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Empty Homes Project Funding

As part of its primary purpose trading, HFHGB (Homes) enters into commercial contracts with a local authority to undertake renovation work on empty local authority properties. Under the existing contract arrangements, HFHGB (Homes) charges 76% of its renovation costs to the local authority which is invoiced in arrears in accordance with a value of works calculated by surveyors. Funding for the Empty Homes Project is also raised from corporate donors through its parent charity. This restricted funding is usually received in advance of the renovation work and is used to provide working capital for the project. The charity has received legal advice that such use as working capital for the Empty Homes Project expends the restricted funds received from corporate donors, with the resulting accounting policy being to charge the cost of the renovation work to the restricted funds, up to the level of the funds available, notwithstanding that 76% of the costs are recoverable from the local authority. This utilisation of restricted funds is deemed a significant judgement because donors may have an expectation that their funding would not be utilised to fund a project to the extent that the costs of the project are already due to be funded under a commercial contract.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to 'technological obsolescence' with regard to IT equipment/software and any changes to lease terms. The accumulated depreciation at 31 March 2022 was £455,442.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****2. VOLUNTARY INCOME**

	Restricted 2022	Unrestricted 2022	Total 2022
	£	£	£
M&G	42,000	-	42,000
P&G	5,067	-	5,067
Whirlpool	30,328	-	30,328
SEI Investments Europe	10,000	-	10,000
COINs Foundation	8,000	-	8,000
Europa Capital	50,000	-	50,000
The Blackstone Group	73,552	-	73,552
Lloyds of London	40,000	-	40,000
Other	-	113	113
	<u>£258,947</u>	<u>£113</u>	<u>£259,060</u>

	Restricted 2021	Unrestricted 2021	Total 2021
	£	£	£
M&G	80,000	-	80,000
P&G	21,540	-	21,540
Wells Fargo	26,206	-	26,206
SEI Investments Europe	7,000	-	7,000
P66 Ltd (Phillips)	-	1,000	1,000
Other	(1,823)	(2,391)	(4,214)
	<u>£132,923</u>	<u>£(1,391)</u>	<u>£131,532</u>

3. CHARITABLE ACTIVITIES

	Restricted Funds	Unrestricted Funds	2022 Total	2021 Total
	£	£	£	£
Professional fees	-	58,379	58,379	38,666
Contract works	-	153,302	153,302	1,254
Volunteer facilitation grants	-	10,170	10,170	-
Rental Income -Short Leasehold Properties	-	98,150	98,150	103,382
Government furlough scheme grant	-	5,432	5,432	54,024
Other income	-	607	607	-
	<u>£-</u>	<u>£326,040</u>	<u>£326,040</u>	<u>£197,326</u>

HfHGB (Homes) retains an equity interest in the properties which are subject to mortgage as set out in note 9. During the year, none of these properties were sold (2021: none).

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****4. COST OF RAISING FUNDS**

	2022	2021
	£	£
Staff Costs	14,974	7,218
Other Support Costs	17	-
	<u>£14,991</u>	<u>£7,218</u>

5. ANALYSIS OF CHARITABLE ACTIVITIES

	2022 Restricted £	2022 Unrestricted £	2022 Total £
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	192	192
Nithdale Road	-	3,113	3,113
Broad Street	-	3,113	3,113
Gale Street, Barking & Dagenham	197,219	-	197,219
Friends Meeting House, Tunbridge Wells	-	2,243	2,243
Claudia Jones	23,771	5,612	29,383
M&G Research Project	-	6,303	6,303
Woodward Road	36,334	-	36,334
Bolton Crescent Maintenance	10,179	-	10,179
Other Project Costs	-	11,014	11,014
<i>Amortisation of Project Costs</i>			
Broad Street	-	20,840	20,840
Ringstead Road, Lewisham	-	16,965	16,965
Friends Meeting House, Tunbridge Wells	-	15,083	15,083
East Street	-	13,876	13,876
Nithdale Road	-	4,235	4,235
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	2,695	2,695
East Street, Barking & Dagenham	-	3,311	3,311
Choumert Road, Peckham	-	934	934
<i>Development Advisory and Management Services</i>			
Kingsley Hall/Livability	-	15,373	15,373
St. Leonards Church, Chesham Bois	-	1,108	1,108
Hornsey Parish Church	-	107	107
Shaftesbury Battersea	-	8	8
Choumert Road, Peckham	-	12,588	12,588
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	14,114	-	14,114
Business Development Costs	-	20,666	20,666
	<u>281,617</u>	<u>159,379</u>	<u>440,996</u>
Support Costs	-	99,012	99,012
Governance Costs	-	22,801	22,801
	<u>£281,617</u>	<u>£281,192</u>	<u>£562,809</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****5. ANALYSIS OF CHARITABLE ACTIVITIES (Continued)**

	2021 Restricted £	2021 Unrestricted £	2021 Total £
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	3,392	3,392
RUSS Community Land Trust	-	1,511	1,511
Christ Church, Brixton	-	7	7
Gale Street, Barking & Dagenham	11,215	-	11,215
Friends Meeting House, Tunbridge Wells	-	9,182	9,182
Claudia Jones	1,000	-	1,000
M&G Research Project	-	9,373	9,373
Other Project Costs	-	4,645	4,645
<i>Amortisation of Project Costs</i>			
Broad Street	-	19,104	19,104
Ringstead Road, Lewisham	-	16,964	16,964
Friends Meeting House, Tunbridge Wells	-	14,546	14,546
East Street	-	15,007	15,007
Nithdale Road, Royal Borough of Greenwich	-	4,235	4,235
Choumert Road, Peckham	-	1,733	1,733
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	3,267	3,267
East Street, Barking & Dagenham	-	3,707	3,707
<i>Development Advisory and Management Services</i>			
Livability/Kingsley Hall	-	16,513	16,513
St. Leonards Church, Chesham Bois	-	3,128	3,128
Hornsey Parish Church	-	3,370	3,370
Bethnal Green Methodist Church	-	1,460	1,460
Shaftesbury Battersea	-	1,032	1,032
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	3,559	-	3,559
Business Development Costs	-	14,221	14,221
	<u>15,774</u>	<u>146,397</u>	<u>162,171</u>
Support Costs	-	188,290	188,290
Governance Costs	-	25,301	25,301
	<u>£15,774</u>	<u>£359,988</u>	<u>£375,762</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****6. RESOURCES EXPENDED**

	Activities for Raising Funds	Charitable Activities			2022 Total
		Direct Costs	Support Costs	Governance Costs	
	£	£	£	£	£
Staff Costs	14,974	84,979	67,508	15,209	182,670
Outside Labour	-	4,650	-	-	4,650
Materials	-	209,771	-	-	209,771
Other construction costs	-	8,808	214	-	9,022
Insurance	-	1,888	6,366	-	8,254
Legal & Professional	-	34,697	17,455	7,134	59,286
Other Office Expenses	17	17,243	8,625	458	26,343
Financing Costs	-	6,940	176	-	7,116
Depreciation of fixed assets	-	-	1,372	-	1,372
Amortisation of short-term leases	-	70,999	-	-	70,999
Bad Debts	-	1,021	(2,704)	-	(1,683)
	£14,991	£440,996	£99,012	£22,801	£577,800

	Activities for Raising Funds	Charitable Activities			2021 Total
		Direct Costs	Support Costs	Governance Costs	
	£	£	£	£	£
Staff Costs	7,218	47,072	154,804	19,223	228,317
Outside Labour	-	420	-	-	420
Materials	-	7,011	-	-	7,011
Other construction costs	-	1,034	-	-	1,034
Insurance	-	3,032	5,571	-	8,603
Legal & Professional	-	24,676	11,613	6,078	42,367
Other Office Expenses	-	336	7,910	-	8,246
Financing Costs	-	7,002	144	-	7,146
Depreciation of fixed assets	-	-	933	-	933
Amortisation of short-term leases	-	71,588	-	-	71,588
Bad Debts	-	-	7,315	-	7,315
	£7,218	£162,171	£188,290	£25,301	£382,980

7. NET INCOME/(EXPENDITURE)

The operating result is stated after charging.

	2022	2021
	£	£
Depreciation	72,371	72,521
Payments to auditors in respect of audit services	7,000	6,000
Payments to auditors in respect of other services	-	-

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****8. TANGIBLE FIXED ASSETS**

	Office, Land & Buildings	Plant & Machinery	Short Term Leasehold Properties	Total	Schemes in Development
	£	£	£		£
COST					
At 1 st July 2021	30,160	15,733	1,352,998	1,398,891	80,229
Additions	-	1,554	-	1,554	42,092
Disposals	-	-	-	-	-
At 30 th June 2022	30,160	17,287	1,352,998	1,400,445	122,321
DEPRECIATION/ AMORTISATION					
At 1 st July 2021	1,632	13,647	367,792	383,071	-
Charge for the Year	102	1,270	70,999	72,371	-
Disposals	-	-	-	-	-
At 30 th June 2022	1,734	14,917	438,791	455,442	-
NET BOOK VALUE					
At 30 th June 2021	£28,528	£2,086	£985,206	£1,015,820	£80,229
At 30 th June 2022	£28,426	£2,370	£914,207	£945,003	£122,321

9. PROGRAMME RELATED INVESTMENTS

Cost or Valuation	2022 £	2021 £
At 1 st July 2021	110,595	142,424
Additional loans in Year	-	-
Repayments	(35,435)	(31,829)
At 30 th June 2022	£75,160	£110,595
Repayable within one year	32,653	32,107
Repayable in more than one year	42,507	78,488
	£75,160	£110,595

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****10. WORK IN PROGRESS**

	2022	2021
	£	£
Building Renovation	55,761	24,522
New Building Construction	66,560	55,707
Total	<u>£122,321</u>	<u>80,229</u>
	2022	2021
	£	£
Balance Brought Forward	80,229	56,936
Additional Costs in the year	42,092	23,293
Transfer to Short Term Leasehold Properties	-	-
Balance Carried Forward	<u>£122,321</u>	<u>80,229</u>

11. DEBTORS

	2022	2021
	£	£
Trade Debtors	67,865	15,355
Prepayments	4,974	4,762
Other Debtors and Accrued Income	56,392	18,248
VAT	4,314	-
	<u>£133,545</u>	<u>£38,365</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade Creditors	22,780	9,252
Social Security and Other Taxes	2,465	10,101
Accruals and Deferred Income	100,588	63,035
VAT	-	10,076
Loan – Repayable within one year	27,562	26,656
	<u>£153,395</u>	<u>£119,120</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Loan – balance repayable in 1 – 5 years	99,507	113,517
Loan – balance repayable in more than 5 years	32,199	45,800
	<u>£131,706</u>	<u>£159,317</u>

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****14. NET ASSETS BY FUND
2022**

	Restricted	Unrestricted Designated	Total
	£	£	£
Fixed Assets	-	1,142,484	1,142,484
Current Assets	133,100	112,308	245,408
Creditors due within one year	-	(153,395)	(153,395)
Creditors due in more than one year	-	(131,706)	(131,706)
	<u>£133,100</u>	<u>£969,691</u>	<u>£1,102,791</u>

2021

	Restricted	Unrestricted Designated	Total
	£	£	£
Fixed Assets	-	1,206,644	1,206,644
Current Assets	155,770	11,514	167,284
Creditors due within one year	-	(119,120)	(119,120)
Creditors due in more than one year	-	(159,317)	(159,317)
	<u>£155,770</u>	<u>£939,721</u>	<u>£1,095,491</u>

**15. RESTRICTED FUNDS
2022**

	Funds as at 1st July 2021	Incoming Resources	Resources Expended	Funds as at 30th June 2022
	£	£	£	£
Adventure Playground	7,000	5,000	(10,179)	1,821
Young Persons Training Programme	38,640	-	(14,114)	24,526
Gale Street Redevelopment Project	103,042	163,713	(197,219)	69,536
Claudia Jones Organisation	7,088	16,683	(23,771)	-
Woodward Road Redevelopment Project	-	73,551	(36,334)	37,217
	<u>£155,770</u>	<u>258,947</u>	<u>£(281,617)</u>	<u>£133,100</u>

2021

	Funds as at 1st July 2020	Incoming Resources	Resources Expended	Funds as at 30th June 2021
	£	£	£	£
Charlie Chaplin Adventure Playground, Southwark	-	7,000	-	7,000
Young Persons Training Programme	42,199	-	(3,559)	38,640
Gale Street Redevelopment Project	(11,666)	125,923	(11,215)	103,042
Claudia Jones Organisation	8,088	-	(1,000)	7,088
	<u>£38,621</u>	<u>£132,923</u>	<u>£(15,774)</u>	<u>£155,770</u>

The Young Persons Training Programme is a programme being run in conjunction with Barking College for young persons with learning disabilities.

The Gale Street, and Woodward Road are development projects to redevelop unoccupied commercial space in Barking and Dagenham into residential spaces for vulnerable young people.

The Claudia Jones Organisation runs a women's centre in East London. The funds are for renovation of the centre.

The Adventure Playground fund represents income received for the development of an adventure playground in Southwark.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****16. EMPLOYEES**

	2022	2021
	£	£
Wages and Salaries	167,278	217,126
Employer's NI	18,000	20,476
Pension Costs	4,548	5,225
	<u>£189,826</u>	<u>£242,827</u>
Capitalised Staff Costs – Short Leasehold Projects	7,118	14,512
Other Staff Costs	182,708	228,315
	<u>£189,826</u>	<u>£242,827</u>

The total employee benefits of the 2 members of the senior management team amount to £126,032 (2021: £126,944).

Total redundancy benefits amount to £Nil (2021: £20,092).

The average number of employees during the year was 5 (2021: 5).

No employee earned £60,000 p.a. or more.

17. TRUSTEES REMUNERATION AND EXPENSES

None of the trustees received any remuneration and no other expenses have been incurred during both the current and preceding year.

18. CAPITAL COMMITMENTS

	2022	2021
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	183,666	-
Total	<u>£183,666</u>	<u>£-</u>

19. RELATED PARTY TRANSACTIONS

HFHGB (Homes) is a wholly controlled subsidiary of Habitat for Humanity Great Britain, a charitable company registered in England and Wales. The company number of Habitat for Humanity Great Britain is 3012626, and the registered charity number is 1043641 (SCO48638 - Scotland). The principal objective of Habitat for Humanity GB is to alleviate poverty by helping people who live in substandard housing to access better living conditions. Control is exercised by the parent of HFHGB (Homes) via mutual Trustee Board members. During the year under review two Habitat for Humanity Great Britain trustees (Mr Brian Clark and Mr Ian Whitehead) were also trustees of HFHGB (Homes), together with Tum Kazunga (CEO of Habitat for Humanity Great Britain and Ex-officio Trustee of HFHGB (Homes)). The address from which the public can obtain the consolidated accounts of Habitat for Humanity Great Britain, which include the accounts of HFHGB (Homes), is 10 The Grove, Slough, Berkshire, SL1 1QP.

Some of the funding received by HFHGB (Homes) was raised by Habitat for Humanity GB. During the year, £248,947 (2021: £148,145) of funding was received through Habitat for Humanity GB. The amount of funding due from Habitat for Humanity GB at the year-end amounted to £11,683 (2021: £10,540), which is included within other debtors and accrued income.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2022****20. COMPANY LIMITED BY GUARANTEE**

The company, which is a registered charity, is limited by guarantee and is controlled by Habitat for Humanity GB who are the sole member. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

HFHGB (HOMES)

England & Wales - Charity number 1053213

Accounts



HFHGB (Homes)

(Company Limited by Guarantee)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2021

Registered Company No: 03155218

Registered Charity No: 1053213

HFHGB (Homes)

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HFHGB (Homes)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2021

The Trustees are pleased to present their report together with the financial statements for the year ended 30th June 2021.

Reference and Administrative details

Registered Office
93 Gordon Road, London, SE15 3RR

Bankers
CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Auditors
Knox Cropper LLP, 65/68 Leadenhall Street, London, EC3A 2AD

Solicitors
Bates, Wells and Braithwaite London LLP, 2-6 Cannon Street, London, EC4M 6YH

Chief Executive
Gareth Hepworth

Trustees of the Company
HfHGB (Homes) Trustees serve as directors of the company and members of the Board of Trustees. The following were members of the Board of Trustees during the year:

Brian Clark (Chair)
Devika Shah (Treasurer – Appointed Sept 2019)
Ian Wilson (resigned May 2021)
Phil Beeson (resigned May 2021)
Alistair Mugford
Dominique Johns (resigned Sept 2020)
Ian Whitehead
Sarah Lewis
HfHGB National Director (ex Officio Post)

The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the statement of recommended practice SORP (FRS 102) "accounting and reporting by charities" (effective January 2019).

Structure and Governance and Management

HfHGB (Homes) (registered charity number 1053212) is constituted as a company limited by guarantee (registered number 3155218) and is therefore governed by its memorandum and articles of association. During the year each director had a legal liability of £1. Legal responsibility for the management and stewardship of the charity is vested in the Board of Trustees.

Strategic decisions and operational guidelines are made by the Board of Trustees, but the operations are managed by staff overseen by the board. Any decisions that affect the strategic vision of the charity are referred to the Board for a final decision to be taken.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2021

Related Party Transactions

As of 30th June 2012 HfHGB (Homes) became the sole subsidiary of Habitat for Humanity Great Britain, whose national director became part of the HfHGB (Homes) board from this date. This relationship affected the accounts of HfHGB (Homes) in that some of HfHGB (Homes) funding was raised by HfHI (the parent charity in the USA) and passed to HfHGB (Homes) via Habitat for Humanity Great Britain. Where funds are passed through in this way no deduction is made by Habitat for Humanity Great Britain. If Habitat for Humanity Great Britain are actively involved in fundraising for the donation then a sum will be retained by them to cover fundraising costs. During the year under review two Habitat for Humanity Great Britain trustees (Mr Brian Clark and Mr Ian Whitehead) were also trustees of HfHGB (Homes). In October 2019 the trustees of Habitat for Humanity Great Britain decided that a merger of the two charities was strategically desirable. Detailed planning was interrupted by the Covid Pandemic and at the close of the year the merger was still under discussion. In October 2020, the boards of Habitat for Humanity Great Britain and HfHGB (Homes) established a sub-committee comprising trustees from both organisations to implement the merger proposal. This proposal is still being discussed and developed and is yet to reach a conclusion.

Appointment and Recruitment of Trustees

Trustees are appointed by the Board of Trustees based on the skills needed by the board and the skills of potential board members. The trustees currently meet quarterly to review strategy and operational management.

Trustee Induction and Training

New trustees undergo an induction when they are appointed, to brief them on their legal obligations under charity and company law, the aims and procedures of the charity, the content of the memorandum and articles of association, the board and decision-making process, the business plan and recent financial performance of the charity. Trustees are encouraged to attend external training events where these will facilitate the undertaking of their role.

The trustee body as a whole is kept up to date with legal and statutory requirements via briefings.

Organisation

The Board of Trustees meets four times per year to discuss the current and future strategic development of the charity and any issues affecting the charity's objectives.

The staff structure is as follows: the CEO manages the day to day operations of the charity with the assistance of an operations co-ordinator; the CEO is appointed by the trustees who may also be involved in the appointment of other staff together with the CEO. The construction sites are closely managed by an experienced Construction Manager assisted by qualified site staff. The business development manager is employed to develop the relationships needed for new projects to start and manage relationships with key partners, and to manage the programming and future pipeline of projects

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2021

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to this guidance when reviewing the charity's aims and objectives and in planning future activities of the charity.

Risk Management

The trustees have overall responsibility for ensuring that appropriate systems of control, financial or otherwise, exist. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that:

- HfHGB (Homes) is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use or disposal
- Proper records are maintained and financial information is reliable
- HfHGB (Homes) complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- Effective planning of the strategic direction of the charity and project development
- Regular review of financial and operational results by the CEO and Board of Trustees
- Robust and independent procedures in place for managing the health and safety regime
- Review by the Board of Trustees with the external auditors of any matters raised for their attention.

As part of its management of risk, the Board of Trustees ensures that a risk register is produced which:

- Identifies the risks which the organisation faces
- Assesses their potential impact and the likelihood of them happening
- Highlights the management action being taken to mitigate and manage them.

Project risks are reviewed at the beginning of each project by the CEO and may be reviewed by the Board of Trustees. Organisational risks are reviewed every year by the Board of Trustees who may take independent professional legal and financial advice to ensure that risks are properly managed.

Objectives, Strategies, Activities and Achievements

Objectives

HfHGB (Homes) has two charitable objects:

- The prevention or relief of poverty by providing or facilitating accommodation and community facilities for the benefit of people in housing need, potential housing need or for other related needs.
- The advancement of religion in accordance with the tenets of the Christian faith.

HfHGB's (Homes) vision is to allow everybody access to a decent, affordable place to call home, particularly in London but looking for opportunities in other parts of Great Britain through empowering local people to meet their own housing needs, building vibrant sustainable communities in the process.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2021

Strategies

HfHGB (Homes) has three key strategies which enable us to achieve our charitable objects:

The first is to work alongside partners who have underused land or buildings and work with them to develop sustainable routes for increasing the uses and purposes of these buildings and sites. Our aim is to explore with the partner whether all or part of the site would be suitable for the provision of affordable housing or whether the sites would be better suited to provision of enhanced community facilities.

The second strategy is to assist in the implementation of these kinds of projects. This may include project management or oversight, enabling the project to proceed by sourcing the necessary funding (grant, donations and debt), and possibly acting as the main contractor. Our strategy is to use the resources we can access to enable the development of both community facilities and affordable housing.

Our third strategy is to carry out smaller refurbishment and maintenance works on buildings owned by partners utilising support from partners who are able to fund this level of work. This work provides considerable benefit for both the charity partner and more importantly their clients and beneficiaries.

Achievements and Performance

During the year under review the activities of the charity were dominated by COVID and the need to comply with regulations and lockdowns in order to keep people safe. This has seriously impacted our programmes and in particular our ability to work with the volunteers from all sections of society that has been a hallmark of HFHGB Homes work in the past.

The partnership with Charlie Chaplin Playground has been maintained through the pandemic and also through the change in management to Oasis Play. The name of the site has also changed to Bolton Crescent Adventure Playground. During the year we received a grant that has enabled us to work with Oasis Play in developing a vision for the playground and providing a document which will allow HfH to envision funding partners about the development of the playground and expanding the ability of the playground to serve local children, especially those with complex additional needs.

Partnership - Bringing Sites forward for Development

These partnership schemes have also, like so much during the year, been affected by COVID. One project was cancelled by the church partner; one is subject to a planning appeal following a situation where the planning committee chose to go against the advice of the planners; one is moving forwards through the construction phase, with delays caused by COVID and possibly Brexit, and the final project still proceeding but very slowly. We moved to a position where a partner organisation would buy medium term leases from HfHGB Homes to release funds for future development, the local authority client decided to obtain funding itself and the cycle of approvals was set back by six months. We are hoping to see a return to the level of work in previous years but appreciate that the funding received by our partners, who are mostly churches, has been negatively affected over the last year by the pandemic.

During the year under review HfHGB obtained substantial funding to support the launch of a wide ranging coalition to bring together partners interested in converting empty spaces to affordable housing. This coalition was formally launched in October 2021 and bring together the voluntary sector; public sector and private sector to develop a nuanced and appropriate response to the growing problem of retail and commercial space that has limited commercial potential.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2021

Partnership - Building Out Sites to complete Development

The pilot project with Barking and Dagenham Council was judged to be successful and a further three schemes were finally approved in September 2021. The first one is due to start on site in early November 2021 with the next two starting in 2022.

Partnership – Community based Projects

During the year under review the whole of our corporate volunteering programme was cancelled due to the COVID pandemic. We would like to thank the following companies who supported us despite there being no volunteering activity for the staff to help with the projects:

Philips 66 (P66); SEI Investments; P & G; Wells Fargo; Nationwide Foundation and M & G (via Habitat for Humanity Great Britain).

Covid 19 Pandemic

As noted throughout this report, the Covid 19 pandemic has had a very significant impact on the operations of the charity. All volunteering projects have stopped and are highly unlikely to restart in the next few months. Refurbishment projects have also stopped but we are hopeful these will recommence once outstanding funding issues have been resolved. We remain very committed to the Nationwide Foundation/ Europa Capital training programme for young people and although there are challenges with social distancing, we do hope to recommence this project in the next few months. The advisory work continues but the current environment is not very conducive to getting new assignments started.

We have taken advantage of the government support schemes to retain staff. These have ensured the charity's survival. We remain committed to our mission and are hopeful of a return to a reasonable level of activity in the next few months. Clearly, volunteer based projects will not recommence until the pandemic has ended, but we are building a pipeline that could give us 'first mover advantage' in providing such opportunities when more normal conditions are restored.

Financial Review

HfHGB (Homes) had a deficit for the year to 30 June 2021 of £54,122 which is comparable to the prior year when the deficit was £34,797. The charity's activities for the year were significantly disrupted by the nationwide restrictions caused by the COVID pandemic throughout the year under review. Although the advisory work was able to continue, albeit at reduced levels throughout this period owing to caution or the inability of clients to proceed during lockdown, all site work was stopped. The lock down has resulted in a considerable restricted fund balance at year end by the standards of previous years. The works planned to start in November in Barking and Dagenham will use these funds in accordance with the donors' wishes and unrestricted income will continue to be generated as in previous years. The charity took advantage of the government's support scheme, placing staff on furlough where appropriate. Throughout the pandemic, the charity's cash position has remained satisfactory. Lease income has all been paid in full and advisory income has continued to flow.

HFHGB (HOMES)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2021

Mortgage Repayments

Mortgage repayments from existing Habitat homeowners have continued to provide a reliable cash flow, with no material arrears to report. There are non-material arrears with mortgage holders which are related to mortgage holidays granted during the COVID pandemic. These repayments are now being made.

Lease and Repair Income

The income streams from the leases that the charity has entered into have been steady through the year and performed in line with our expectations. This is despite the challenges that the Covid Pandemic has brought for HfHGB (Homes) and our partners.

Reserves Policy

The trustees have reviewed the reserves policy for HfHGB (Homes). This policy is meant to apply for general expenditure and does not cover contingencies on individual projects. However, it is not constrained from providing for project contingencies should the need arise.

The trustees conduct an annual review of the level of unrestricted reserves by considering the risks associated with various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the reserve levels that should be sufficient to:

- Allow time for reorganisation of HfHGB's (Homes) work in the event of a downturn in income or asset values
- Protect ongoing work programmes
- Allow the charity to meet its objectives.

The risks and issues considered by the trustees in making this judgement on the level of unrestricted reserves will include:

- Level of dependence on any one source of income
- Likelihood of a downturn in any of the various income streams
- Period of time required to re-establish income streams
- Period of time required to downsize or reorganise the charity operations
- Potential decrease in the value of investments
- Requirements for a reasonable level of working capital

The trustees have established that the level of reserves in the general fund (that is funds that are freely available) that HfHGB (Homes) ought to have is six months of general expenditure which is approximately £140,000. This equates to £80,000 in cash and working capital, with the balance of £60,000 coming from lease receipts and mortgage repayments that we would expect to receive over a six-month period. This is sufficient to permit an orderly transition should this be needed. Designated funds are being put in place to cover the expected costs that are likely to be incurred when leased property is handed back to owners on the expiry of the leases.

HFHGB (HOMES)**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2021****Investment Policy**

In order to comply with the provisions of the SORP (FRS 102), the trustees conduct an annual review of the investment policy for the financial reserves held by HfHGB (Homes). The investment policy enables the trustees to make the best judgements about how and where the reserves should be invested, taking into consideration the return against the risk of investment, the need for growth and the ease of access to the funds. The trustees would expect to place large sums of capital which are not needed for significant periods of time with qualified investment advisors with an instruction to pursue medium risk growth. The trustees would expect to place smaller sums of capital which were required to be readily accessible in a high income earning account such as CCLA.

Ethical Investments

Whilst HfHGB (Homes) does not have a formal ethical investment policy, it will endeavour to follow ethical guidelines when investing money.

Plans for the Future

Our planning for the future has been markedly affected by two factors. Firstly, the Covid pandemic and subsequent lockdown affected areas of our work which are reliant on volunteers and the income that we raise from them. In the current place of uncertainty about what restriction may or may not apply and how long these restrictions will be in place, it means that plans around this area of our work are currently on hold. The other factor has been that discussions around merging with Habitat for Humanity Great Britain have been ongoing through most of the year. The practicalities of merging two organisations with the same ethos but different functions and varied systems has proven demanding, with further hesitation also caused by delays and financial uncertainties to projects during lockdowns. Whilst we have still moved forward with the development pipeline it has increased the uncertainty around some of these planned projects. We are still finalising the partnerships needed to start construction works repurposing empty spaces to become homes in Barking and Dagenham.

Housing Update

The housing situation in Great Britain is still marked by demand exceeding supply with the inevitable consequence of prices rising. These pressures are particularly acute in London and the south east. There are numerous policies in place that should help the situation, but we are not seeing the huge increase in house building that would be needed for people on or around average wages to afford decent accommodation. We are working within very tight parameters to address this, and most of our London-based projects address the urgent need for move on accommodation for people who have been in supported accommodation and are ready for the next stage. Clearly in a very expensive market, in which costs are still rising, this group is one that is hugely disadvantaged and tends to be priced out of the market. We are still waiting to see what effect the pandemic has on the housing market. Currently there appears to only be small changes but with a large projected rise in unemployment, this may change.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

This report was approved by the Trustees on and signed on its behalf by :

Trustee

Date

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

HFHGB (Homes)

FOR THE YEAR ENDED 30TH JUNE 2021

Opinion

We have audited the financial statements of HFHGB (Homes) (the 'charitable company') for the year ended 30th June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th June 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**HFHGB (Homes)****FOR THE YEAR ENDED 30TH JUNE 2021****Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**HFHGB (Homes)****FOR THE YEAR ENDED 30TH JUNE 2021****Auditor's responsibilities for the audit of the financial statements (continued)**

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations include the risk of management override.
- Our approach was to check that the income from donations and charitable activities were properly identified and accurately disclosed, that expenditure complied with the control procedures and was appropriately charged. We also reviewed journal adjustments and unusual transactions for management override, and considered the identification and disclosure of related party transactions.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members as a body, for our audit work, for this report or for the opinion we have formed.

James Holland-Leader FCA (Senior Statutory Auditor)
For and on behalf of Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD
Date:

HFHGB (Homes)**STATEMENT OF FINANCIAL ACTIVITIES****(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)****FOR THE YEAR ENDED 30th JUNE 2021**

	Notes	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £
INCOME FROM							
Donations and Legacies	2	132,923	(1,391)	131,532	69,906	11,938	81,844
Investments		-	-	-	-	133	133
Charitable Activities	3	-	197,326	197,326	26,626	369,138	395,764
TOTAL INCOME		<u>132,923</u>	<u>195,935</u>	<u>328,858</u>	<u>96,532</u>	<u>381,209</u>	<u>477,741</u>
EXPENDITURE ON							
Raising Funds	4	-	7,218	7,218	-	10,069	10,069
Charitable Activities	5	15,774	359,988	375,762	63,445	439,024	502,469
TOTAL EXPENDITURE		<u>15,774</u>	<u>367,206</u>	<u>382,980</u>	<u>63,445</u>	<u>449,093</u>	<u>512,538</u>
Net Income/(Expenditure)		117,149	(171,271)	(54,122)	33,087	(67,884)	(34,797)
NET MOVEMENT IN FUNDS		<u>117,149</u>	<u>(171,271)</u>	<u>(54,122)</u>	<u>33,087</u>	<u>(67,884)</u>	<u>(34,797)</u>
RECONCILIATION OF FUNDS:							
TOTAL FUNDS BROUGHT FORWARD		<u>38,621</u>	<u>1,110,992</u>	<u>1,149,613</u>	<u>5,534</u>	<u>1,178,876</u>	<u>1,184,410</u>
TOTAL FUNDS CARRIED FORWARD	14	<u>155,770</u>	<u>939,721</u>	<u>1,095,491</u>	<u>38,621</u>	<u>1,110,992</u>	<u>1,149,613</u>

All the activities reported above relate to continuing operations.

The Notes on pages 14 to 23 form an integral part of these financial statements.

HFHGB (Homes)**BALANCE SHEET AS AT 30th JUNE 2021**

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible Fixed Assets	8	1,015,820		1,086,486	
Programme Related Investments	9	110,595		142,424	
Work in Progress	10	<u>80,229</u>		<u>56,936</u>	
			1,206,644		1,285,846
CURRENT ASSETS					
Debtors	11	38,365		89,835	
Cash at Bank and In Hand		<u>128,919</u>		<u>57,681</u>	
		167,284		147,516	
CREDITORS : Amounts falling due within one year	12	<u>(119,120)</u>		<u>(91,271)</u>	
NET CURRENT ASSETS			48,164		56,245
CREDITORS: Amounts falling due after more than one year	13		(159,317)		(192,478)
NET ASSETS			<u>£1,095,491</u>		<u>£1,149,613</u>
RESTRICTED FUNDS	15		155,770		38,621
UNRESTRICTED FUNDS					
Designated Funds	14		-		-
General Funds			<u>939,721</u>		<u>1,110,992</u>
TOTAL FUNDS			<u>£1,095,491</u>		<u>£1,149,613</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on

and signed on their behalf by:

Brian Clark
(Trustee)

Company No: 03155218

The notes on pages 14 to 23 form an integral part of these financial statements.

HFHGB (Homes)**CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2021**

	2021	2020
	£	£
Cash flows from Operating Activities (a) below		
Net cash provided by/(used in) operating activities	97,440	35,115
Cash flows from Investing Activities		
Investment Income	-	133
Payments to acquire tangible fixed assets	(25,148)	(118,233)
Repayment of Programme Related Investments	31,829	27,521
Net cash provided by/(used in) investing activities	6,681	(90,579)
Cash flows from Financing Activities		
Loan Drawdowns	-	23,500
Loan Repayments	(25,737)	(15,427)
Interest Paid	(7,146)	(5,582)
Net cash provided by/(used in) financing activities	(32,883)	2,491
Change in Cash and Cash Equivalents in the Year	71,238	(52,973)
Cash and Cash Equivalents at 1st July 2020	57,681	110,654
Cash and Cash Equivalents at 30 June 2021	<u>£128,919</u>	<u>£57,681</u>

(a) Reconciliation of Net Income/(Expenditure) to Net Cash flow from Operating Activities

	2021	2020
	£	£
Net Income/(Expenditure)	(54,122)	(34,797)
Interest Income Received	-	(133)
Interest Paid	7,146	5,582
Depreciation	72,521	76,122
(Increase)/Decrease in Debtors and Prepayments	51,470	31,073
Increase/(Decrease) in Trade Creditors and Provisions	20,425	(42,732)
	<u>£97,440</u>	<u>£35,115</u>

(b) Analysis of Changes in Net Debt

	At 1 st July 2020	Cash Flows	At 30 th June 2021
	£	£	£
Cash	57,681	71,238	128,919
Loans falling due within one year	(19,232)	(7,424)	(26,656)
Loans falling due after more than one year	(192,478)	33,161	(159,317)
	<u>£(154,029)</u>	<u>£96,775</u>	<u>£(57,054)</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****1. ACCOUNTING POLICIES****(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" (FRS 102), the Financial Reporting Standard 102 and the Companies Act 2006. The company is a public benefit entity.

The financial statements are prepared in sterling, which is the functional and presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Board has considered the impact of Covid-19 on the short and long term health of the Charity, and is content that the measures taken, combined with sufficient reserves, provides assurance that the going concern basis is appropriate in preparing the financial statements.

(b) Company Status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

(c) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key areas of activity. Overheads and other salaries are allocated between the expense headings on the basis of time spent. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and are allocated on the basis of staff cost.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****1. ACCOUNTING POLICIES (Continued)**

Governance costs are those incurred in connection with enabling the charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

(f) Tangible Fixed Assets and Depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Plant and equipment	-	20% straight line
Computer Equipment	-	33% straight line
Short Term Leasehold Properties	-	Over Life of Lease

(g) Short Term Leases

As part of the empty homes projects, HFHGB (Homes) enters into short term leases with either the local authority or housing association to enable the charity to generate rental income which will fund the cost of the renovation. The costs of the renovation are capitalised and depreciated over the life of the lease to the extent that future rental income will be received. Where the renovation expenditure is funded from grant income, the expenditure is charged to the statement of financial activities.

(h) Programme Related Investments

Programme related investments are stated at cost price at the balance sheet date.

(i) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for projected losses on long term contracts. Cost includes all direct cost and an appropriate proportion of fixed and variable overheads.

(j) VAT

The charity is registered for VAT.

(k) Taxation

HFHGB (Homes) is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

(l) Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****1. ACCOUNTING POLICIES (Continued)****(m) Debtors**

Debtors are amounts owed to the Charity. They are measured on the basis of their recoverable amount.

(n) Cash at bank and in hand

Cash at bank and in hand is held to meet the day to day running costs of the Charity as they fall due. There are no other cash equivalents held by the Charity.

(o) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

2. VOLUNTARY INCOME

	Restricted 2021	Unrestricted 2021	Total 2021
	£	£	£
M&G	80,000	-	80,000
P&G	21,540	-	21,540
Wells Fargo	26,206	-	26,206
SEI Investments Europe	7,000	-	7,000
P66 Ltd (Phillips)	-	1,000	1,000
Other	(1,823)	(2,391)	(4,214)
	<u>£132,923</u>	<u>£(1,391)</u>	<u>£131,532</u>

	Restricted 2020	Unrestricted 2020	Total 2020
	£	£	£
Nationwide Charitable Trust	39,437	-	39,437
Europa Capital	10,000	-	10,000
Legacy	15,000	-	15,000
Other	5,469	11,938	17,407
	<u>£69,906</u>	<u>£11,938</u>	<u>£81,844</u>

3. CHARITABLE ACTIVITIES

	Restricted Funds	Unrestricted Funds	2021 Total	2020 Total
	£	£	£	£
Professional fees	-	38,666	38,666	75,423
Contract works	-	1,254	1,254	106,795
Volunteer facilitation grants	-	-	-	69,660
Rental Income -Short Leasehold Properties	-	103,382	103,382	117,343
Government furlough scheme grant	-	54,024	54,024	26,543
	<u>£-</u>	<u>£197,326</u>	<u>£197,326</u>	<u>£395,764</u>

HfHGB (Homes) retains an equity interest in the properties which are subject to mortgage as set out in note 9. During the year, none of these properties were sold (2020: none).

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****4. COST OF RAISING FUNDS**

	2021	2020
	£	£
Staff Costs	7,218	10,036
Other Support Costs	-	33
	<u>7,218</u>	<u>£10,069</u>

5. ANALYSIS OF CHARITABLE ACTIVITIES

	2021 Restricted	2021 Unrestricted	2021 Total
	£	£	£
<i>Construction & Renovation Project Expenditure</i>			
East Street	-	3,392	3,392
RUSS Community Land Trust	-	1,511	1,511
Christ Church, Brixton	-	7	7
Gale Street, Barking & Dagenham	11,215	-	11,215
Friends Meeting House, Tunbridge Wells	-	9,182	9,182
Claudia Jones	1,000	-	1,000
M&G Research Project	-	9,373	9,373
Other Project Costs	-	4,645	4,645
<i>Amortisation of Project Costs</i>			
Broad Street	-	19,104	19,104
Ringstead Road, Lewisham	-	16,964	16,964
Friends Meeting House, Tunbridge Wells	-	14,546	14,546
East Street	-	15,007	15,007
Nithdale Road, Royal Borough of Greenwich	-	4,235	4,235
Choumert Road, Peckham	-	1,733	1,733
<i>Interest Expense</i>			
Ringstead Road, Lewisham	-	3,267	3,267
East Street, Barking & Dagenham	-	3,707	3,707
<i>Development Advisory and Management Services</i>			
Livability/Kingsley Hall	-	16,513	16,513
St. Leonards Church, Chesham Bois	-	3,128	3,128
Hornsey Parish Church	-	3,370	3,370
Bethnal Green Methodist Church	-	1,460	1,460
Shaftesbury Battersea	-	1,032	1,032
<i>Other Project costs</i>			
Nationwide Sponsored Training Scheme	3,559	-	3,559
Business Development Costs	-	14,221	14,221
	<u>15,774</u>	<u>146,397</u>	<u>162,171</u>
Support Costs	-	188,290	188,290
Governance Costs	-	25,301	25,301
	<u>£15,774</u>	<u>£359,988</u>	<u>£375,762</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****5. ANALYSIS OF CHARITABLE ACTIVITIES (Continued)**

	2020 Restricted £	2020 Unrestricted £	2020 Total £
<i>Construction & Renovation Project Expenditure</i>			
East Street, Barking & Dagenham	-	-	-
RUSS Community Land Trust	-	84,950	84,950
Charlie Chaplin Adventure Playground, Southwark	5,534	1,568	7,102
Claudia Jones Organisation	2,381	-	2,381
Housing for Women Refuge	-	-	-
Christ Church, Brixton	-	48,708	48,708
Gale Street, Barking & Dagenham	21,666	5,390	27,056
Other Project Costs	-	11,134	11,134
<i>Development Advisory and Management Services</i>			
Livability/Kingsley Hall	-	21,811	21,811
St. Leonards Church, Chesham Bois	-	9,645	9,645
Hornsey Parish Church	-	7,282	7,282
Bethnal Green Methodist Church	-	6,137	6,137
<i>Amortisation of Project Costs</i>			
Broad Street, Barking & Dagenham	-	20,847	20,847
Ringstead Road, Lewisham	-	16,964	16,964
Quaker Meeting House, Tunbridge Wells	-	14,545	14,545
Kings Grove Southwark	-	8,194	8,194
Nithdale Road, Royal Borough of Greenwich	-	4,235	4,235
Sunray Avenue, Royal Borough of Kingston	-	-	-
Choumert Road, Peckham	-	2,786	2,786
East Street, Barking & Dagenham	-	7,503	7,503
<i>Financing Costs</i>			
Ringstead Road, Lewisham	-	3,683	3,683
East Street, Barking & Dagenham	-	1,864	1,864
<i>Other Project costs</i>			
Young Persons Training Programme	7,238	-	7,238
Business Development Costs	-	19,097	19,097
	<u>36,819</u>	<u>296,343</u>	<u>333,162</u>
Support Costs	26,626	123,149	149,775
Governance Costs	-	19,532	19,532
	<u>£63,445</u>	<u>£439,024</u>	<u>£502,469</u>

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****6. RESOURCES EXPENDED**

	Activities for Raising Funds	Charitable Activities			2021 Total
		Direct Costs	Support Costs	Governance Costs	
	£	£	£	£	£
Staff Costs	7,218	47,072	154,804	19,223	228,317
Outside Labour	-	420	-	-	420
Materials	-	7,011	-	-	7,011
Other construction costs	-	1,034	-	-	1,034
Insurance	-	3,032	5,571	-	8,603
Legal & Professional	-	24,676	11,613	6,078	42,367
Other Office Expenses	-	336	7,910	-	8,246
Financing Costs	-	7,002	144	-	7,146
Depreciation of fixed assets	-	-	933	-	933
Amortisation of short term leases	-	71,588	-	-	71,588
Bad Debts	-	-	7,315	-	7,315
	£7,218	£162,171	£188,290	£25,301	£382,980

	Activities for Raising Funds	Charitable Activities			2020 Total
		Direct Costs	Support Costs	Governance Costs	
	£	£	£	£	£
Staff Costs	10,036	90,807	106,960	15,025	222,828
Outside Labour	-	81,092	504	-	81,596
Materials	-	33,667	235	-	33,902
Other direct costs	-	20,476	2,314	-	22,790
Insurance	-	2,493	7,381	-	9,874
Legal & Professional	15	21,350	16,624	4,303	42,292
Depreciation & Impairment	-	-	1,054	-	1,054
Other Office Expenses	18	2,627	14,703	204	17,552
Financing Costs	-	5,582	-	-	5,582
Amortisation of short term leases	-	75,068	-	-	75,068
Bad Debts	-	-	-	-	-
	£10,069	£333,162	£149,775	£19,532	£512,538

7. NET INCOME/(EXPENDITURE)

The operating result is stated after charging.

	2021	2020
	£	£
Depreciation	72,521	76,122
Payments to auditors in respect of audit services	6,000	4,303
Payments to auditors in respect of other services	-	-

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****8. TANGIBLE FIXED ASSETS**

	Office, Land & Buildings	Plant & Machinery	Short Term Leasehold Properties	Total	Schemes in Development
	£	£	£		£
COST					
At 1 st July 2020	30,160	16,806	1,352,998	1,399,964	56,936
Additions	-	1,855	-	1,855	23,293
Disposals	-	(2,928)	-	(2,928)	-
At 30 th June 2021	30,160	15,733	1,352,998	1,398,891	80,229
DEPRECIATION/ AMORTISATION					
At 1 st July 2020	1,530	15,744	296,204	313,478	-
Charge for the Year	102	831	71,588	72,521	-
Disposals	-	(2,928)	-	(2,928)	-
At 30 th June 2021	1,632	13,647	367,792	383,071	-
NET BOOK VALUE					
At 30 th June 2020	£28,630	£1,062	£1,056,794	£1,086,486	£56,936
At 30 th June 2021	£28,528	£2,086	£985,206	£1,015,820	£80,229

9. PROGRAMME RELATED INVESTMENTS

Cost or Valuation	2021 £	2020 £
At 1 st July 2020	142,424	169,945
Additional loans in Year	-	-
Repayments	(31,829)	(27,521)
At 30 th June 2021	£110,595	£142,424
Repayable within one year	32,107	36,693
Repayable in more than one year	78,488	105,731
	£110,595	£142,424

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

HfHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****10. WORK IN PROGRESS**

	2021	2020
	£	£
Building Renovation	24,522	17,089
New Building Construction	55,707	39,847
Total	<u>80,229</u>	<u>£56,936</u>
	2021	2020
	£	£
Balance Brought Forward	56,936	223,179
Additional Costs in the year	23,293	118,233
Transfer to Short Term Leasehold Properties	-	(284,476)
Balance Carried Forward	<u>80,229</u>	<u>£56,936</u>

11. DEBTORS

	2021	2020
	£	£
Trade Debtors	15,355	41,535
Prepayments	4,762	3,969
Other Debtors and Accrued Income	18,248	44,331
	<u>£38,365</u>	<u>£89,835</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade Creditors	9,252	17,654
Social Security and Other Taxes	10,101	10,756
Accruals and Deferred Income	63,035	35,136
VAT	10,076	8,493
Loan – Repayable within one year	26,656	19,232
	<u>£119,120</u>	<u>£91,271</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Loan – balance repayable in 1 – 5 years	113,517	111,490
Loan – balance repayable in more than 5 years	45,800	80,988
	<u>£159,317</u>	<u>£192,478</u>

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

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****14. FUNDS**

2021	Restricted	Unrestricted Designated	Unrestricted General	Total
	£	£	£	£
Funds brought forward	38,621	-	1,110,992	1,149,613
Income	132,923	-	195,935	328,858
Expenditure	(15,774)	-	(367,206)	(382,980)
Funds carried forward	<u>£155,770</u>	<u>£ -</u>	<u>£939,721</u>	<u>£1,095,491</u>

2020	Restricted	Unrestricted Designated	Unrestricted General	Total
	£	£	£	£
Funds brought forward	5,534	-	1,178,876	1,184,410
Income	96,532	-	381,209	477,741
Expenditure	(63,445)	-	(449,093)	(512,538)
Funds carried forward	<u>£38,621</u>	<u>£ -</u>	<u>£1,110,992</u>	<u>£1,149,613</u>

15. RESTRICTED FUNDS

2021	Funds as at 1st July 2020	Incoming Resources	Resources Expended	Funds as at 30th June 2021
	£	£	£	£
Charlie Chaplin Adventure Playground, Southwark	-	7,000	-	7,000
Young Persons Training Programme	42,199	-	(3,559)	38,640
Gale Street Redevelopment Project	(11,666)	125,923	(11,215)	103,042
Claudia Jones Organisation	8,088	-	(1,000)	7,088
	<u>£38,621</u>	<u>£132,923</u>	<u>£(15,774)</u>	<u>£155,770</u>

2020	Funds as at 1st July 2019	Incoming Resources	Resources Expended	Funds as at 30th June 2020
	£	£	£	£
Charlie Chaplin Adventure Playground, Southwark	5,534	-	(5,534)	-
Young Persons Training Programme	-	49,437	(7,238)	42,199
Gale Street Redevelopment Project	-	10,000	(21,666)	(11,666)
Claudia Jones Organisation	-	10,469	(2,381)	8,088
Government Furlough Scheme	-	26,626	(26,626)	-
	<u>£5,534</u>	<u>£96,532</u>	<u>£(63,445)</u>	<u>£38,621</u>

The Young Persons Training Programme is a programme being run in conjunction with Barking College for young persons with learning disabilities.

The Gale Street development project is a project to redevelop unoccupied commercial space in Barking and Dagenham into residential space for vulnerable young people.

The Claudia Jones Organisation runs a women's centre in East London. The funds are for renovation of the centre.

The Charlie Chaplin fund represents income received for the development of an adventure playground in Southwark.

HFHGB (Homes)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30th JUNE 2021****16. EMPLOYEES**

	2021	2020
	£	£
Wages and Salaries	217,126	219,233
Employer's NI	20,476	23,069
Pension Costs	5,225	6,450
	<u>£242,827</u>	<u>£248,752</u>
Capitalised Staff Costs – Short Leasehold Projects	14,512	25,924
Other Staff Costs	215,299	222,828
	<u>£229,811</u>	<u>£248,752</u>

The total employee benefits of the 2 members of the senior management team amount to £110,759 (2020: £126,915).

Total redundancy benefits amount to £20,092 (2020: nil).

The average number of employees during the year was 5 (2020: 6).

No employee earned £60,000 p.a. or more.

17. TRUSTEES REMUNERATION AND EXPENSES

None of the trustees received any remuneration and no other expenses have been incurred during both the current and preceding year.

18. RELATED PARTY TRANSACTIONS

HFHGB (Homes) is a wholly controlled subsidiary of Habitat for Humanity Great Britain, a charitable company registered in England and Wales. The company number of Habitat for Humanity Great Britain is 3012626, and the registered charity number is 1043641 (SCO48638 - Scotland). The principal objective of Habitat for Humanity GB is to alleviate poverty by helping people who live in substandard housing to access better living conditions. Control is exercised by the parent of HFHGB (Homes) via mutual Trustee Board members. During the year under review two Habitat for Humanity Great Britain trustees (Mr Brian Clark and Mr Ian Whitehead) were also trustees of HFHGB (Homes), together with Tum Kazunga (CEO of Habitat for Humanity Great Britain and Ex-officio Trustee of HFHGB (Homes)). The address from which the public can obtain the consolidated accounts of Habitat for Humanity Great Britain, which include the accounts of HFHGB (Homes), is 10 The Grove, Slough, Berkshire, SL1 1QP.

Some of the funding received by HFHGB (Homes) was raised by Habitat for Humanity GB. During the year, £148,145 (2020: £98,566) of funding was received through Habitat for Humanity GB. During the year, £127,745 (2020: £82,581) of funding was raised by Habitat for Humanity GB of which £10,540 (2020: £32,689) was outstanding at the year end and included within other debtors and accrued income.

19. COMPANY LIMITED BY GUARANTEE

The company, which is a registered charity, is limited by guarantee and is controlled by Habitat for Humanity GB who are the sole member. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.