



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
	£258,947	£113	£259,060

	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)
	£132,923	£(1,391)	£131,532

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	-
	£-	£326,040	£326,040	£197,326

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
Shaftesburt 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.