



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 1st July 2023	Cash Flows	At 30th 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.