

# WORLD HABITAT

England & Wales · Charity number 270987

## Details

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Other names	BUILDING AND SOCIAL HOUSING FOUNDATION, BUILDING AND SOCIAL HOUSING FOUNDATION LIMITED
Status	Registered
Legal form	Charitable company
Company number	<a href="#">01247918</a>
Registered	1976-04-05
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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**Email** [info@world-habitat.org](mailto:info@world-habitat.org)

**Website** [www.world-habitat.org](http://www.world-habitat.org)

## Activities

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**Objects:** TO PROMOTE ENCOURAGE AND ENABLE THE PROVISION OF SAFE AND SECURE HOUSING ACROSS THE WORLD FOR PEOPLE WHO ARE IN NEED BY REASON OF POVERTY, SOCIAL ECONOMIC OR OTHER NECESSITOUS CIRCUMSTANCES, THEREBY HELPING PREVENT OR RELIEVE POVERTY; IN PARTICULAR BUT NOT EXCLUSIVELY BY: (I) UNDERTAKING STUDY AND RESEARCH INTO THE SCIENCE OF THE DEVELOPMENT CONSTRUCTION MANAGEMENT OR ECONOMICS OF RESIDENTIAL HOUSING; AND (II) PUBLISHING THE USEFUL RESULTS OF SUCH RESEARCH.

**Activities:** World Habitat is an independent research organisation that promotes sustainable development and innovation in housing through collaborative research and knowledge transfer, both in the UK and internationally.

## Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Accommodation/housing, Economic/community Development/employment
- **Who:** The General Public/mankind

## Geography

- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,200,591	£1,126,040	£37,725,895	11
2023-12-31	£1,169,426	£1,131,733	£35,471,022	11
2022-12-31	£1,144,525	£1,145,507	£33,709,059	12
2021-12-31	£1,074,735	£1,002,416	£37,848,839	12
2020-12-31	£1,147,178	£1,010,206	£33,623,032	12

## Trustees

Name	Role	Appointed
<b>Adam David Challis</b>	Chair	2019-06-05
Anna Katerina Paillet		2025-06-04
Dr Jess Ayers		2022-05-25
Florence Gisele Therese Bachelard-Bakal		2025-03-05
Nahid Afrin Majid		2025-03-05
Nicholas Kenneth Murphy		2019-06-05
Professor Joanna Richardson		2018-06-06
Rumana Kabir		2022-05-25
Thomas Karl Newby		2022-05-25

**WORLD HABITAT**

England & Wales - Charity number 270987

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# Accounts

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**COMPANY NUMBER: 1247918**

**WORLD HABITAT**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**WORLD HABITAT  
IS A REGISTERED CHARITY**

**CHARITY NUMBER: 270987**

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	<b>Page</b>
Legal and Administrative Information	1
Trustees' Report	2 – 18
Independent Auditor's Report	19 - 22
Statement of Financial Activities	23
Balance Sheet	24
Cashflow	25
Notes to the Financial Statements	26– 40

**LEGAL AND ADMINISTRATIVE INFORMATION**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to submit their forty fifth annual report, together with the audited financial statements for the year ended 31 December 2024.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity number** 270987

**Company number** 1247918

**Principal Office**

Gresham Works  
Office 1  
38 Market Street  
Leicester  
LE1 6DP

Tel 01530 510444

Email [info@world-habitat.org](mailto:info@world-habitat.org)

Web [www.world-habitat.org](http://www.world-habitat.org)

**Auditor**

Forvis Mazars LLP  
Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

**Bankers**

Barclays Bank  
Bishop Meadow Branch, Loughborough

**Solicitors**

Freeths  
One Colton Square, Leicester, LE1 1QH

**DIRECTORS AND TRUSTEES**

The directors of the charitable company (World Habitat) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year, and since the year-end, were as follows:

**Elected trustees**

J Ayers  
A Challis  
R Kabir  
A Kennedy (resigned on the 4<sup>th</sup> December 2024)  
S Macdonald  
N Murphy  
T Newby  
J Richardson

**Management team**

D Ireland – Chief Executive  
J Birch - Head of Finances and Resources  
P Latorre – Head of Communications  
L Winterburn – Deputy CEO

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

World Habitat is a charitable company limited by guarantee incorporated on 9 March 1976. It is governed by a Memorandum and Articles of Association which were amended on the 26 September 2017 to change the name to World Habitat, change the charitable objects and amend the period of time trustees can serve on the board to a maximum of 9 years without special resolution. In the event of it being wound up, members are required to contribute an amount not exceeding £10.00.

**Recruitment, appointment and training of trustees**

As set out in the Articles of Association trustees are appointed for a fixed-term of three years, save where the Board of Trustees sets a shorter period prior to appointment. Trustees shall cease to be members of the Board of Trustees at the end of the fixed-term but may be reappointed at the Annual General Meeting held in June. Trustees may serve as a member of the Board of Trustees for a continuous, or aggregate period, of 9 years without the support of a special resolution at a general meeting of the association. The Articles state that the number of trustees should not exceed nine. The members of the organisation are co-terminus with the trustees. All members of the organisation are circulated with invitations to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM.

All members of the board of trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 in the accounts.

During 2024 the trustees carried out a recruitment process for selecting a new Chair, as Angus Kennedy was coming towards the end of his term. Two internal candidates put their names forward as potential replacements. The board of trustees carried out an interview process with the two candidates, with Adam Challis being successful. Adam Challis was elected Chair of the board of trustees at the September 2024 meeting.

Angus Kennedy resigned from the board of trustees on the 4<sup>th</sup> December 2024. We wish to express our thanks to Angus for his contributions to the board of trustees over the past eight years. Angus has been instrumental in helping us achieve our vision and make improvements to our governance.

The board of trustees also carried out a recruitment process with an external company for recruiting new trustees. Three candidates were selected and will join the board in 2025.

There is a process in place for trustee appraisals to take place every 12 to 18 months. Appraisals are carried out by the Chair and feedback provided for trustees. General themes that emerge from trustee appraisals are reported back to the Board.

Trustees have approved a process for appraising the Chair. The process involves a self-appraisal and an interview carried out by trustees led by the Vice-Chair.

A revised trustee induction policy was approved by trustees in 2023. New trustees are provided with full information to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Opportunities are provided for new trustees to meet all employees and other trustees. Trustees are encouraged to attend appropriate external training events to facilitate the undertaking of their role and to meet regularly with the World Habitat staff team.

**Diversity of the Board**

The diversity of the Board of Trustees is measured and reported on every twelve months, with the information last being collected in September 2024. The results show that women and ethnic minorities are underrepresented on the board. The average age of the Board of Trustees is 53. The results were as follows:

**Results of Trustee Equality and Diversity Monitoring 2024**

<b>Gender</b>	<b>Ethnic group</b>
Female (2) Male (5) Prefer not to say ( )	White English (4) White Scottish (1) Mixed White & Asian (1) Bangladeshi (1)

**Organisation**

The Board of Trustees, which can have up to nine members, administers the charity. The Board meets quarterly and there is one standing sub-committee covering investment and other financial matters. Working groups are established to address particular issues if needed. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and all activity relating to meeting the organisation's objectives. During the year, our Chief Executive was Mr David Ireland, who joined the organisation in June 2014.

**Related parties**

The charity has no closely related parties, although co-operates with a broad range of organisations both in the UK and internationally, in its various housing research and knowledge transfer activities.

### **Risk management**

Risk management is reviewed by trustees at every board meeting.

The trustees have a risk management strategy, which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Health and safety advisers and professional investment managers have been appointed, and a business continuity plan has been prepared to address the need to maintain a normal mode of operation in the event of an emergency. A key element in the management of financial risk is the setting of policies in respect of reserves and investments, which are regularly reviewed by trustees. A major risk identified in previous risk-mapping work is a major collapse of the financial markets and the impact that this would have on the income stream, which relies heavily on dividend income. Whilst the ongoing uncertainties in the global financial system continue to have an impact on our income, we are working closely with our investment advisers to keep the situation under review. The Board of Trustees delegates the Finance and Investment Sub-Committee to meet with our investment managers on a regular basis. The Finance and Investment Sub-Committee meetings normally take place three times a year. A full set of papers from the Finance and Investment Sub-Committee are provided to all trustees in order that there is a broad understanding of the financial position by all members.

### **Risk and Uncertainties**

#### **Geopolitics**

2024 was marked by global uncertainty with significant implications for housing rights. With elections in countries representing almost half the world's population, we observed a trend toward protectionist policies and reduced international cooperation.

Over 70 countries have introduced restrictions on foreign NGO operations and many Western governments reduced international development funding, meaning less funding and resources for housing projects and programmes.

#### **Case study: Fighting homelessness against the odds in Hungary**

The concept of helping people exit homelessness or ending homelessness is completely missing from our system here in Hungary, where people are simply treated as 'homeless', with no clear path out. They are excluded from society. While Hungary signing the homelessness declaration received little international attention, the situation changed dramatically earlier on when the government tightened its criminalisation of homelessness in 2018/19. The current legislation goes beyond banning specific activities associated with homelessness – it criminalises homelessness itself. While this approach exists elsewhere in Europe, Hungary's legislation stands out as the most discriminatory.

Despite Hungary having signed up to the 2021 Lisbon Declaration, no significant systemic changes have yet been implemented nationally to address the root causes of homelessness, while at the same time the laws that turn homeless individuals into criminals are still in place. We need policy change, to enable people to move out of homelessness and integrate them back into society.

There is so much good practice happening around us and becoming a World Habitat's [European End Street Homelessness Campaign](#) partner opened a lot of doors to this. Through the programme, we were taken on study trips to Helsinki, Bratislava and Vienna and last year attended the CRESCER congress in Lisbon. This gave us a chance to learn from Europe's leaders in tackling homelessness, and to share our own points of view.

*Vera Kovacs, founder and CEO of Utcáról Lakásba Egyesület (From Streets to Homes Association)*

#### **Conflict and displacement**

Ongoing conflicts in Ukraine and Gaza have resulted in widespread destruction of homes and massive displacement. World Habitat has supported partners in countries neighbouring conflict zones, where war has had an enormous effect on their work.

For example, we supported partners across the Middle East to establish the Housing Justice Network providing expertise and resources to set up new communications channels, bringing illegal treatment to the attention of global audiences.

In 2024 the World Habitat Awards recognised a Ukrainian project creating decent and safe emergency housing for those displaced by the war. This housing is now being developed into long term homes for those forced to permanently relocate due to the destruction of their previous housing and livelihoods.

#### **Case Study – The safety of home and community during the Ukrainian war**

Olena Polous, a 38-year-old showcase decorator from Kharkiv, had a stable life until the Russian full-scale invasion forced her to evacuate. She was employed and had the financial means to take vacations with her loved ones. Unfortunately, because of the war, she had to leave her home and move to a different city.

“The choice of the city depended on the path of the train. On April 8th, 2022, we arrived in Ivano-Frankivsk,” Olena explained.

They were living in a single small hostel room sparsely furnished with beds, one chair and a table. “We felt despair, overwhelming sadness, and shed many tears,” Olena said. Then they discovered CO-HATY on social media.

“The project sought volunteers to create housing for IDPs. The improved living conditions provided support in a difficult situation. We did not feel abandoned when we desperately needed it,” Olena said gratefully.

Now, Olena has a place to call home, is part of a strong community and has a new profession as a manicurist, which had always been her dream.

#### **DIGITAL TRANSFORMATION AND SECURITY**

Like most charities World Habitat has become more reliant on IT. This has enabled us to collect and store far more information online and communicate with our audience more easily and effectively than ever before. This brings many benefits, reducing the need to travel so frequently for meetings and enabling staff to enjoy more flexibility in their working arrangements, and as a result reducing our carbon emissions. However, as our reliance on digital tools increases, so do the associated risks and costs, potentially introducing vulnerabilities for business continuity and loss of data.

To manage these new risks World Habitat has taken advice and implemented changes to increase its cyber security. This has included a programme of upgrading our hardware and software, improving policies and procedures and a programme of staff training.

In 2024 we achieved Cyber Essentials Plus accreditation. Cyber Essentials is a UK government backed scheme for organisations that helps them to improve their cyber security.

We are aware that the threat is ever increasing. New technologies of AI and quantum computing are likely to be deployed by cyber criminals making attacks more frequent, more sophisticated, and more effective. We will continue to take expert advice and increase our cyber security in line with the risks.

### Our Mission

Our vision is a world in which everyone has a safe and secure home.

Though UN-Habitat reported in 2024 that 2.8 billion people are living without adequate housing and 318 million are homeless – a significant increase from previous assessments – we believe our mission remains achievable. World Habitat's role is to find innovative housing projects that protect people around the world from injustice caused by climate emergency, conflict, and economic instability. We support and raise the profile of these solutions, enabling them to scale up and expand geographically.

By bringing great people and excellent ideas together, we help drive innovation into mainstream housing practice.

### Our strategic objectives are to:

- seek out and develop new and effective solutions to the world's greatest housing challenges;
- support emerging innovative ideas and projects to develop and grow, so they help more people;
- invest in housing projects to help them reach more people;
- promote proven housing solutions and help to transfer them to places where they are needed most; and
- work around the world to develop what works and to discover new solutions to making housing safe and secure.

### Our values

- **Caring** • We are committed to social justice and equality of opportunity • We are focussed on sustainable outcomes for people, both now and for future generations • We value diversity and strive to achieve equality and inclusion, challenging discrimination and proactively targeting help to those in greatest need.
- **Innovative** • We encourage fresh thinking and practical and scalable solutions to housing policy and practice • We tackle difficult, sometimes unfashionable issues, because they matter • We won't be afraid to fail, and we will learn from our mistakes.
- **Independent** • We are impartial, professional, open and act with integrity • We maintain our freedom to focus on issues that are relevant and important • We nurture community resilience and self-reliance.

### Our Operating Principles

- **Climate focussed** • The climate emergency is the greatest threat to our vision. It disproportionately affects those least responsible for it. We will act to change that in our own work and the wider housing sector
- **Globally minded** • We build connections and understanding between people their homes and the planet. We promote adaption and transfer of concepts across contexts and borders, fostering collaboration and free sharing of knowledge
- **Collaborative** • We work in partnership with others because together we can have more influence. We work with people who have direct experience of the issues we care about knowing they are well positioned to deliver sustainable change
- **An agent for change** • We seek to be a catalyst to bring about positive change by influencing policy and practice. We do this by providing opportunities for creative thinking and action

### THE 2024 WORLD HABITAT AWARDS

For nearly four decades, the World Habitat Awards have recognised the most innovative and effective housing solutions globally. Run in partnership with UN-Habitat since 1985, the awards highlight projects that have the potential to transform housing practices worldwide.

"For almost forty years our organisations have had the privilege of working together on the World Habitat Awards, successfully shining a light on innovative housing solutions globally. The dedication displayed by the World Habitat team has made a significant contribution to our shared success."

*Anacláudia Marinheiro Centeno Rossbach, Under-Secretary-General and Executive Director, UN-Habitat*

#### Gold award winners

##### **Collective Action and Policy Advocacy – Indonesia**

This community-centred housing rights project works with residents of kampungs (traditional villages) in Jakarta who face eviction through gentrification. The programme provides a collective voice for current and former residents, successfully campaigning for legal protections and improved living conditions.

In August 2024, our Deputy CEO Louise Winterburn attended a conference organised by the award winners on Housing Rights in Jakarta, presenting the gold trophy before hundreds of stakeholders, including local people, community organisations, academics local and national government representatives.

We also had the opportunity to meet with government officials and run a workshop as part of the development of a national community-led housing training programme, supported by World Habitat. The training programme is being rolled out in 2025.

##### **Case study: How Kampung Akuarium inspired a national movement in Jakarta**

After the forced eviction of Kampung Akuarium on April 11, 2016, Yani and 40 other families lived amongst rubble for almost two years without water or electricity. During this period, 22 residents died from stress-related illnesses indirectly caused by the eviction.

"We not only lost our house, but we also lost hope," Yani recalls. "Our children experienced serious trauma."

Determined to fight this injustice, residents connected with the Urban Poor Network and partners like the Rujak Center for Urban Studies to rebuild their kampung and prevent further evictions.

Their advocacy led to 103 temporary housing units in 2018, followed by permanent housing in 2021. Today Kampung Akuarium has inspired others to organise, advocate and fight for better housing rights, living conditions and adequate, secure homes.

"Without resorting to violence or forced evictions, there are solutions through collaboration. That is what we want others to see." Yani, Resident of Kampung Akuarium

##### **Energiesprong – The Netherlands**

This revolutionary housing retrofit system for public and social homes creates insulated facades, windows and roofs with integrated renewable energy technologies. The whole solution is manufactured off site and fitted within days, avoiding the need for residents to move out of their homes. The innovative financial model allows retrofit costs to be covered through the savings on energy bills.

Residents are better off and healthier, social landlords upgrade and move towards decarbonising their housing stock, and cities keep more high-quality social homes in circulation.

In November 2024, World Habitat representatives handed over the Gold World Habitat trophy to the Energiesprong team at their convention in Berlin, Germany. World Habitat also provided funding to support the creation of new materials addressing their need to onboard new global partners into the Energiesprong programme more effectively.

“The fact that Energiesprong is an open innovation movement allows for cooperation and exchange in the supply chain, between demand and offer, finance and market regulators, but also, as I was saying, between regions and countries. You could say that Energiesprong is an international learning community committed to a just transition to net-zero housing, and especially social housing.”

*Thomas Miorin, Energiesprong, Italy*

#### The World Habitat Awards on a global stage

World Habitat ended 2024 by attending the UN-Habitat World Urban Forum in Cairo, Egypt, drawing attention to the forthcoming 40th anniversary of the World Habitat Awards, with presentations from current and former award-winning initiatives.

We also collaborated with a number of close partners, including IIED and members of the CoHabitat Network to host a booth called ‘Habitat Village’ in the WUF12 Urban Expo exhibition hall. The space was a gathering point for informal panel sessions, networking, collaboration and partnership building.

#### 2024's Silver award winners were:

**Rural Habitability Programme – Chile:** High volume government-led housing construction and improvement in rural areas

**La Ciguë, Student Housing Cooperative – Switzerland:** Affordable co-housing for students in one of the world's most expensive cities, Geneva.

#### 2024's Bronze award winners were:

**CO-HATY Emergency Housing Project:** Shelter for Internally Displaced People in Ukraine

**DARAJA Weather Forecasting Service:** Saving Lives in Informal Settlements

**Nettelbeckplatz:** Sustainable, Affordable, and Accessible Housing in Berlin

**New Ground Cohousing Community:** A Supportive Environment for Older Adults

#### TACKLING STREET HOMELESSNESS IN 2024: BUILDING MOMENTUM ACROSS EUROPE

Homelessness remains a critical challenge across Europe, with nearly one million people experiencing it nightly across the EU and the UK. Rising living costs and a persistent shortage of affordable housing continue to underscore the urgency for systemic change.

In 2024, World Habitat's Homelessness Programme worked to advance housing-led solutions that prioritise prevention, permanence, and dignity.

Our work supported and aligned with Europe-wide efforts, including the European Platform for Combatting Homelessness and the FEANTSA-led initiative to share national and local best practices.

World Habitat's European End Street Homelessness Campaign (EESHG), established in 2015, continued to demonstrate the power of partnership, evidence-based practice, and innovation. In Central and Eastern Europe, we focused on strengthening capacity and boosting awareness.

In July, World Habitat joined its Croatian partners, the new NGO Aja (What About Me), as they hosted a successful three-day study visit for 26 stakeholders from six countries. The event brought together the Mayor of the city of Pula and municipal, regional and national government officials, to learn about and promote their positive and coordinated work to deliver the first Housing First project in Croatia.

“It has been great to learn about Housing First in practice here in Pula. When you see it, you can really understand how it works and how others could do it too.”

*Marijana Penava, Croatia's Ministry of Labour, Pension System, Family and Social Policy*

During 2024, across Europe, we also provided expertise, funding and support for:

- The first large-scale city street count in Bucharest, Romania supported by the municipality.
- A new short film about Housing First in Pula, Croatia, launched on World Homeless Day.
- Promotional and educational campaigning about Slovakian NGO STOPA's successful housing projects and person-centred approaches.
- A pilot energy efficiency project for flats in Budapest.
- Peer exchanges in Barcelona, Lisbon and Bratislava to share proven practices and strengthen cross-border collaboration.

### TRUSTEES' REPORT

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- Three online 'open space' gatherings, held with 28 participants from 7 countries, organised by World Habitat.
- A specialist training session on how to introduce and gain support for Harm Reduction approaches.
- Our partners to participate in the Housing First Europe Hub's New Horizons in Housing First conference in Dublin.
- Capacity building and strengthening consultancy focused on our partners' future planning, fundraising and income generation.

We also used our channels to communicate about:

- Vital partnership-working between municipal government and NGOs through a joint interview with the Budapest Mayor's Advisor on Homelessness and ULE's Vera Kovacs
- The practical approaches and tangible impacts of a 'co-production' approach to homelessness services, developed by our legacy partner Westminster Homeless Partnership, with World Habitat Innovation Funding.
- Our homelessness partners and their work through a coordinated World Homelessness Day campaign throughout October.

#### **Case study: A sanctuary from homelessness and addiction in Slovakia**

Jan knew he needed to protect his loved ones from his destructive relationship with alcohol and medication abuse, and removing himself from the family home was the only door that seemed open to him. He arrived in Bratislava with no friends, no place to stay and no options to improve his situation. That is until he found STOPA.

Through the organisation's Crossroads' programme, Jan accessed therapy that helped him understand the root causes of his addiction. STOPA also provided stable housing and employment at the Solidarity Café, creating a crucial pathway for his recovery journey.

"It's important for my mental health to feel accepted and safe," Jan explains. Now he has the understanding and support he needs, he has developed healthier coping mechanisms and is approaching eight years sober.

Jan's transformation demonstrates how targeted funding for homes and support services can break the cycle of homelessness and addiction, restoring dignity and independence to vulnerable individuals.

### COMMUNITY-LED HOUSING INITIATIVES

#### **Informal settlements in a changing urban landscape**

Informal settlements—home to over 1.1 billion people globally—are at the forefront of the urbanisation and climate crises. As highlighted in UN-Habitat's *World Cities Report 2024*, these communities are often situated in environmentally sensitive areas and lack protective infrastructure, making them particularly vulnerable to climate-related disasters and extreme events.

The rapid expansion of urban populations, projected to grow by 2.4 billion by 2050, demands a shift towards more sustainable and people-centred urban development. Unplanned urban sprawl, caused primarily by mounting housing needs and the growth of informal settlements, amplifies climate risks such as flooding, landslides, heat stress, water scarcity, air pollution and storm damage.

Despite their vulnerabilities, informal settlements are key to urban economies, particularly in the Global South, where they account for a significant portion of employment. Recognising and supporting informal settlements is vital to the health and wellbeing of all urban inhabitants.

That is why in 2024, World Habitat continued to support two key programmes that answer the needs of residents in informal communities and provide climate-responsible solutions to adequate, safe and secure housing.

#### **Growing CLTs in Rio de Janeiro's favelas**

Since 2020, we've partnered with Catalytic Communities to introduce the Community Land Trust model to Rio's favelas. In 2024, our grants and support expanded to:

- Community engagement work in Terra Prometida, bringing the total to five favela communities
- Federal-level campaigning for community land ownership rights
- A National Seminar on Community Land Trusts
- A webinar on collective property models in Latin America

**Supporting the Bihari community in Bangladesh**

Since 2019, we've worked with the Council for Minorities and Al Falah to help the formerly stateless Bihari community develop community-led housing solutions. In 2024, our grant supported:

- Community meetings and workshops
- Documentation of living conditions in Bogura camp
- Production of an advocacy documentary
- Research on historical documents supporting land claims

**PLACING COMMUNITIES AT THE HEART OF HOUSING**

**Housing cooperatives in Central and South-eastern Europe**

Following housing privatisation after the fall of communist regimes, Central and South-eastern Europe faces severe affordable housing shortages. MOBA Housing SCE brings together initiatives from five countries to develop cooperative housing solutions.

In 2024, our support for MOBA focused on strengthening the organisation and helping them secure financial independence through:

- Capacity building activities
- Development of the MOBA Accelerator financial product
- Connecting them with other institutional funders, which in turn enabled staff recruitment

**Ten Years of the CoHabitat Network**

The CoHabitat Network supports community-led housing globally through knowledge exchange and advocacy. In 2024, we supported the network's 10-year anniversary celebrations in Geneva, showcasing World Habitat Award winners and bringing together network members from around the world. The network, comprising nearly 30 civil society organisations, promotes housing models where residents lead on development and management.

Over 80 participants shared experiences from Brazil, Nepal, Zambia, and beyond, showcasing how community-led housing (CLH) fosters democratic participation, social cohesion, infrastructure development, and inclusion of marginalised groups.

A session co-hosted by World Habitat and IIED highlighted housing as “infrastructure of care” and a people- and planet-first model. Discussions focused on three key enablers:

- community organisation and partnerships;
- public policy support and legal recognition;
- and access to finance, land, and resources.

“By joining local experiences with global advocacy, partners in the network will continue to collaborate to advance a worldwide movement of community-led solutions to our global housing crisis”.

*Alexandre Apsan Frediani, International Institute for Environment and Development (IIED).*

**Collecting evidence to advance community led housing**

Our 2024 research project with the International Institute for Environment and Development (IIED) examined the benefits of CLH across six countries, demonstrating how it can be scaled to meet the global housing challenge.

Drawing on case studies from Switzerland, Slovenia, Brazil, Malawi, Zambia, and Nepal, the findings highlighted shared challenges —such as limited recognition of CLH by decision-makers, restricted funding options and access to land and the importance of strong community partnerships.

The research has informed targeted advocacy strategies and generated practical outputs, including policy recommendations, toolkits, and shared learning resources which will be shared throughout 2025 to influence funders, planners, and policymakers globally.

This work was supported by the re:arc Institute.

### OUR INVESTMENT IN UK COMMUNITIES

#### Funding affordable homes in Leeds

Leeds Community Homes (LCH), founded by World Habitat Award winners Canopy and Lilac, supports community-led housing across Leeds. Through a share offer, in which World Habitat invested £25,000, LCH raised £360,000 to buy 16 permanently affordable eco-homes in the Climate Innovation District.

The homes, completed in January 2024 after a redesign due to fire safety regulations, meet Passivhaus standards. Nine are discounted rentals; seven are sold at 60% of market value. LCH is now developing its next project and working to become a Registered Provider to scale its impact.

#### A legacy for the community of Coalville

Although World Habitat is no longer based in the Leicestershire town of Coalville, the community will continue to have important significance for us, and we aim to leave a positive legacy there.

During 2024 we continued to tend to the large piece of land that we developed in 2019 for community use, which we called the Peter Elderfield Memorial Wood, after our founder. This beautiful, natural and biodiverse area can be freely used by the local population of Coalville and nearby town of Whitwick.

We also continued to lease our old Coalville headquarters building at a below market rent to a local social enterprise Coalville CAN (CCAN). In 2024 CCAN launched a community share offer to raise funds to buy the building. World Habitat invested £25,000 in the share offer, which achieved its target, and in early 2025 we handed ownership over to CCAN for the long-term benefit of the people of Coalville.

#### Our land

World Habitat owns a small portfolio of land near Coalville. The land was bequeathed to the organisation when it was established in 1976. It is largely rented to local farmers and used for agricultural purposes. In the past some land has been sold and the proceeds invested to provide income to fund the charity's activities.

In 2024 we tested the viability of developing one of these pieces of land for an exemplar housing project. The aim is to develop environmentally excellent social housing as an exemplar for the social housing sector. We are working with a social housing partner and a series of advisors to develop this project.

### TACKLING THE CLIMATE CRISIS: OUR PROGRESS IN 2024

World Habitat recognises the climate crisis as a major threat to safe and secure housing. In 2024, we deepened our commitment to carbon reduction, climate justice, and ethical investment.

We approved a new carbon reduction policy, committing to cut emissions by at least 5% annually while maintaining strategic outcomes. We calculated our 2024 carbon footprint at 30 tonnes, down from 121 tonnes in 2016. A carbon consultant helped establish our base emissions at 24.52 tonnes, guiding future reduction efforts. We continue to offset unavoidable emissions via the Nubian Vault Association and the Gold Standard-accredited Kenya Biogas Programme.

We maintained Planet Mark certification for the fifth year and remained signatories to the Funder Commitment on Climate Change. These frameworks ensure accountability, continuous improvement, and collaboration across the philanthropic sector.

On investment, we upheld our ethical policy by maintaining our portfolio in the Cazenove Sustainable Multi-Asset Fund and Sarasin Climate Active Endowments Fund. While we do not control these funds' emissions, we continue to report on them transparently—3,154 tCO<sub>2</sub>e and 2,276 tCO<sub>2</sub>e respectively—and advocate for further decarbonisation.

Finally, we recognise that those most affected by climate change are often least responsible. In 2024, we prioritised support for climate-vulnerable communities, balancing carbon reductions with housing resilience. This included preparing to adjust methods where lower-carbon solutions might not meet local needs.

World Habitat will continue to reduce emissions, align our work with climate justice, and support affordable housing solutions that also protect the planet.

### GOVERNANCE

In 2023 World Habitat commissioned an independent external board effectiveness review. The review was carried out by The Centre for Charity Effectiveness at Bayes Business School. The review comprised interviews with all trustees and senior management, observations of board meetings and a review of all of World Habitat's policies and procedures. The review made a number of recommendations for improvements which were accepted by the board and developed into an action plan. During 2024 all of the recommendations of the action plan were implemented.

In 2018 World Habitat signed up to the Charity Code of Governance. This code is a practical tool to help charities and their trustees develop high standards of governance. The principles are based on, but go beyond, legal requirements. This code was used as the basis of the board effectiveness review. The trustees and Senior Management Team review our compliance with the code annually and will continue to do so to ensure that good governance is maintained and continually improved. Trustees agreed that we will publish any areas where we do not meet the standard in the annual report. Our 2024 internal review showed that there were no areas where we do not meet the standard.

### AREAS OF LEARNING

Not everything went according to plan in 2024. Our values say that we won't be afraid to fail, and we will learn from our mistakes.

We planned to carry out an evaluation of the World Habitat Awards in 2023. However, a focus on implementing the new strategy meant that the evaluation did not take place and was deferred for a second year in 2024. The evaluation is planned to take place in 2025.

### LOOKING FORWARD

2025 is a significant year for World Habitat. It is the first of two successive anniversary years that mark important milestones in the charity's history. 2025 marks the 40th anniversary of the World Habitat Awards. 2026 will mark the 50th anniversary of World Habitat itself.

The World Habitat Awards competition is a central pillar of World Habitat's work. Apart from recognising the world's best housing projects and programmes, it provides the means for World Habitat to research and find examples of best housing practice from around the world. World Habitat will mark the anniversary with a number of activities that highlight the impact of the awards over their history. We will publish a book which details the achievements of award winners and the difference they have made to people's lives. We will also be running events including our first ever conference that will highlight in particular solutions to homelessness and housing affordability. We will implement our ambitious new strategy that will guide our work for the next decade.

In an uncertain and rapidly changing world, it may seem difficult to plan so far ahead, but we aim to set broad principles that will apply the charity's objectives into the 2030s. We will revisit the strategy regularly to plan how the strategy will be applied in practice. This strategy will build on our previous successes and seek to help us identify more housing solutions, with greater impact, for more people in housing need.

A key part of our next strategy is an acknowledgement that the world is in a climate emergency. The impacts will have a profound effect on housing and the way people live. New thinking and solutions will be necessary to protect people from the risks and to accelerate the road towards net zero so the worst effects can be averted.

**How our activities deliver public benefit**

When planning activities for the year World Habitat's trustees had due regard to guidance on public benefit produced by the Charity Commission. Our charitable activities focus on the prevention or relief of poverty, and the advancement of education for the public benefit.

In particular our programmes aim to increase the provision of adequate housing for people with few housing choices. Our work in operating and promoting the World Habitat Awards aims to fuel innovation and inspires others to adopt and adapt the best housing practice. The Awards also enable the best housing projects to scale up, expand and be replicated where they are needed most. This, we believe, will enable more people in housing-need to live in safe and secure homes.

Our Community-Led Housing work aims to create the conditions in which community led-housing can be implemented in new areas, scale-up and expand. This will provide greater provision and greater choice of low-cost housing benefiting people on low incomes.

Our European End Street Homelessness campaign aims to first reduce, and then end, street homelessness in participating cities in Europe. Street homelessness is the most extreme form of social exclusion. People living on the streets have dramatically worse health, lower life expectancy and poorer life chances than others in society. This campaign aims to create the conditions in which people living on the streets are quickly and permanently housed.

Trustees believe undertaking our main activities described above fully meets the requirements of section 17 of The Charities Act 2011 to deliver public benefit.

### FINANCIAL REVIEW

#### Overview of the year

In 2024, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following ten years (until December 2033). The implementation of the plan started during 2024.

The total income for the year was **£1,200,591**. This represents a 2.7 per cent increase on the income in 2023 of **£1,169,426**. The increase is primarily due to £19k from Re.Arch for the advocacy project. The principal funding source is income received from financial investments (**£1,142,290** i.e. 95.1 per cent), with the remaining 4.9 per cent secured from grants, rental income, advocacy project and interest. Expenditure in the year was **£1,126,040**. This was lower than income by **£74,551**. This included costs for renting the office at Gresham Works.

Funds have been applied in respect of research costs and in the governance and administration of the organisation, with 92 per cent of funds expended relating to research and 8 per cent to governance and administration.

#### Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. Investments are held to provide an income to further the objectives of the Foundation, both now and in the future. The investment policy has been amended to reflect the slight shift in emphasis towards income, rather than capital growth.

Capital appreciation of the investments continues to ensure that the value of the original gift is maintained in real terms, in the longer term, recognising that there will be short-term fluctuations due to changes in stock market values. World Habitat seeks to ensure that a sufficient income stream is generated to cover its current activities without incurring undue financial risk for the charity.

The income from the charity's investments increased by 0.80 per cent from **£1,167,358** in 2023 to **£1,176,691** in 2024. There was an increase of **£2,321,884** in the valuation of the World Habitat total investment portfolio at the year end from **£34,822,606** in 2023 to **£37,144,490** in 2024. This increase was mainly due to a recovery in the markets after the ongoing conflict between Russia and the Ukraine.

#### Key management personnel remuneration

Key management personnel are defined in the Charity SORP as *'those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any Directors of the charity'*. World Habitat trustees consider that key management personnel of the charity are: the trustees, the Chief Executive and all other members of the senior management team.

All trustees give up their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 8 to the accounts. One employee received remuneration above £60,000.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises. The pay of the senior management personnel is reviewed annually and normally increased in accordance with average earnings and set at market rates. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

**DIVERSITY, EQUALITY AND INCLUSION**

We are passionate about challenging the chronic injustice of the one in seven people across the world who live without a proper home. Our mission is to help those who live on the streets; those who have lost their homes due to war and disasters; and those who simply cannot afford to live where they need to. Everything we do is focused on understanding what works and getting solutions to the people who need them most.

As just one organisation operating across the entire planet, we know our staff and board of trustees can never be as diverse as the multiplicity of people we serve, but we are on a journey that aims to bring us closer. We are building an organisation and a work culture where difference is valued; where the views and insights of the growing network of people around the world we work with, enhance and enrich what we do, and ultimately make us more successful at achieving our mission.

**What we are doing about it**

**Commitment to improvement**

We are committed to improving diversity. We have agreed to increase diversity on the board, and introduced a ratchet so that diversity will not decrease again in the future. All staff and trustees have received diversity training. Our commitment to increasing our diversity will continue to be published on our website and reflected in our delivery plans with a set of clear actionable steps. We will ensure that our website and social media reflect this commitment.

**A good employer**

We will update and commit to annual diversity monitoring. We will strengthen our recruitment process in line with good practice. We will commit to regular diversity training for all staff (at least once a year). We will investigate a range of diversity accreditation schemes and consider how they could help us continue to strengthen our work.

**Improving how we work with others**

As a global charity we will take a range of actions to more effectively develop our approach to diversity and inclusion through our partnerships and the work we deliver. We will take active steps to improve our diversity and improve the impact of our programme delivery. We will increase our accountability and our understanding by building on the diverse nature of our networks to improve our work by actively involving them in shaping our work and actively seeking feedback.

In 2024 we carried out our diversity monitoring for staff and trustees, made further improvements to our recruitment processes to appeal to areas where we are underrepresented.

We implemented an action plan based on the information gathered from the National Centre for Diversity, this has been shared with staff and is currently being completed. Trustees received diversity training in 2023. Staff received diversity training in 2024.

### Reserves policy

World Habitat operates within a comparatively low-risk funding environment, as it does not rely on any external financial support in delivering its charitable objectives. We fund virtually all of our activities from the revenue generated from the financial investments, land and property that we received as a gift in 1976.

As at 31<sup>st</sup> December 2024 the World Habitat investment portfolio is currently managed by two investment managers, Sarasin (43.1 per cent) and Schroders (56.9 per cent). World Habitat is committed to maintaining the value of the original gift in real terms.

This reserves policy has been developed as part of an ongoing integrated financial governance process which includes development of a strategic plan, a risk management policy and an investment policy.

In 2024, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following ten years (until December 2033). Implementation of the plan started during 2024.

In the event of a collapse of the international financial markets, the organisation retains sufficient resources in readily accessible funds to meet its current operating obligations.

The value of reserves held by World Habitat as of 31<sup>st</sup> December 2024 was **£37,725,895**. This consisted of the following:

• Designated Funds	<b>£35,758,716</b>
• Revaluation Reserve	<b>£0</b>
• General Unrestricted Funds	<b>£1,967,179</b>
• Restricted Funds	<b>£0</b>

### Designated Funds

Designated funds are made up of the income maintenance fund and gift maintenance. An income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives.

Transfers are made to this reserve of surpluses, generated from activities after providing for a level of unrestricted reserves reflecting six-months planned activity. The gift maintenance fund has been created to maintain the original gift from East Midlands Housing Association in real terms value.

### Revaluation Reserve

A revaluation reserve is maintained in respect of those amounts by which investments and other assets exceed their historical cost.

### General Unrestricted Funds

General unrestricted funds should represent approximately six-months planned activity. The balance of the funds as of 31<sup>st</sup> December 2024 is **£1,967,179**. This currently represents just over twelve months planned activity. This is acceptable in the current time due to the uncertainty around the impact on our investments from the ongoing war in Ukraine.

The reserves of World Habitat are held as a form of endowment in order to generate income for the organisation. The income provided should be sufficient to cover the charitable activities of the organisation so the capital is not diminished. World Habitat requires a minimum level of reserves of **£25m** to allow the charity to fund its core activities, any additional income generated above the required level will increase the money spent on the charitable aims of the organisation.

If the reserves of the organisation go below **£25m** then we would need to adjust our spending. If this was a short-term dip, then we would review the dividends we receive, if the dip was long-term, we would look to review our future budget and strategy.

The Business Plan is reviewed on an annual basis, with both income and expenditure projected forward on an on-going basis. This reserves policy is also subject to review on an annual basis and the World Habitat trustees will carry out this review after giving due consideration to its planned programme of activity and the advice of its financial advisers as to likely income levels, any associated risks and the broader investment climate.

## TRUSTEES' REPORT

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Under the provisions of the Companies Act 2006, a resolution is no longer required at the Annual General Meeting to nominate the auditors for the coming year.

The trustees who held office at the date of approval of this Annual Report, as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information required by the charity's auditor in connection with preparing their report) of which the charity's auditors are unaware; and
- as the directors of the charity the trustees have taken all the steps they ought to have taken, in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### EMPLOYEE INVOLVEMENT AND APPRECIATION

All members of staff have been regularly consulted on issues of concern with regular staff meetings being held and have been kept informed on specific matters where necessary by the Chief Executive. The trustees meet with members of staff at the quarterly board meetings and staff members present their work to trustees at the meetings. Sincere thanks are expressed to all members of our staff for their dedicated service to the organisation during the year and to the excellent results that are being achieved as a result of their work.

This report has been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)) and in accordance with the provisions applicable to companies entitled to smaller companies exemption.

**By order of the trustees**



Adam Challis (Jun 4, 2025 15:11 GMT+1)

**Mr Adam Challis (Chair)**  
**4 June 2025**

**Independent auditor's report to the trustees of World Habitat**

**Opinion**

We have audited the financial statements of World Habitat (the 'charity') for the year ended 31 December 2024 which comprise of 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 FRS 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 charity's affairs as at 31 December 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 charity 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 charity'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 other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 AUDITOR'S REPORT**

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**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 Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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 and proper 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' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 18, 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 charity'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 charity 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

**INDEPENDENT AUDITOR'S REPORT**

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Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Charities Act 2011, the Charities Statement of Recommended Practice, employment regulation and health and safety regulation, anti-money laundering regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and the use of restricted funds, significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

**INDEPENDENT AUDITOR'S REPORT**

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**Use of the audit report**

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



[David Hoose \(Jun 5, 2025 13:23 GMT+1\)](#)

**David Hoose**

(Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 05/06/2025

Forvis Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024**  
**(Incorporating the income and expenditure account)**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
<b>INCOME FROM</b>					
Donations and legacies:					
General grants		-	-	-	-
Charitable activities:					
Grant income	3	4,900	-	4,900	913
Investments	4	1,176,691	-	1,176,691	1,167,358
Other trading activities:		19,000	-	19,000	1,155
<b>TOTAL</b>		<u>1,200,591</u>	<u>-</u>	<u>1,200,591</u>	<u>1,169,426</u>
<b>EXPENDITURE ON:</b>					
Raising funds		80,875	-	80,875	95,102
Charitable activities		1,045,165	-	1,045,165	1,036,631
<b>TOTAL</b>	5	<u>1,126,040</u>	<u>-</u>	<u>1,126,040</u>	<u>1,131,733</u>
<b>NET INCOME</b>		74,551	-	74,551	37,693
<b>Transfers between funds</b>		-	-	-	-
<b>Other recognised gains/(losses):</b>					
<i>Gains and losses on investment assets:</i>					
Realised Profit/(Loss) on disposal of Fixed Assets		(2,025)		(2,025)	(27)
Revaluation on Investment Property	10	-	-	-	448,501
Gains/(losses) on investment assets	12	2,182,347		2,182,347	1,275,796
					-
<b>Net movement in funds for the year</b>		<u>2,254,873</u>	<u>-</u>	<u>2,254,873</u>	<u>1,761,963</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>35,471,022</u>	<u>-</u>	<u>35,471,022</u>	<u>33,709,059</u>
<b>Total funds carried forward</b>		<u>37,725,895</u>	<u>-</u>	<u>37,725,895</u>	<u>35,471,022</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on page 26-40 form part of these financial statements.

**BALANCE SHEET – COMPANY REGISTRATION NUMBER: 1247918**

	Note	£	2024 £	£	2023 £
<b>Fixed Assets</b>					
Tangible Fixed Assets	11		10,382		10,184
Investments	12		37,144,490		34,822,606
			<u>37,154,872</u>		<u>34,832,790</u>
<b>Current Assets</b>					
Investments	13	291,657		326,999	
Debtors	14	26,283		33,716	
Cash in hand		481,342		346,524	
		<u>799,282</u>		<u>707,239</u>	
<b>Creditors:</b>					
Amounts falling due within one year	15	<u>(228,259)</u>		<u>(69,007)</u>	
<b>Net Current Assets</b>			571,023		638,232
<b>Total Assets Less Current Liabilities</b>			<u>37,725,895</u>		<u>35,471,022</u>
<b>Capital and Income Funds:</b>					
<i>Unrestricted funds:</i>					
Designated funds	17	35,758,716		33,578,394	
Revaluation reserve	17	-		-	
General unrestricted funds	17	<u>1,967,179</u>		<u>1,892,628</u>	
					35,471,022
<i>Restricted funds</i>					
			<u>37,725,895</u>		<u>35,471,022</u>

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime under the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)).

The financial statements on pages 23 to 40 were approved by the board of trustees on 4 June 2025 and signed on its behalf by:



Adam Challis (Jun 4, 2025 15:11 GMT+1)

**ADAM CHALLIS** - **CHAIR**

**CASHFLOW TO THE FINANCIAL STATEMENTS**

	Notes	2024 £	2023 £
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities	(a)	(929,374)	(1,128,149)
<b>Cash flows from investing activities:</b>			
<b>Returns on investments</b>			
Dividends, interest and rents from investments		1,176,691	1,167,358
Purchase of property, plant and equipment		(6,978)	(2,320)
Proceeds from sale of investments		45,647	57,442
(Increase) / decrease on cash held on investment		35,342	(283,198)
Purchase of investments		(186,650)	(15,355)
Proceeds from sale of property, plant and equipment		141	-
<b>Net cash provided by/ (used in) investing activities</b>		<b>1,064,193</b>	<b>923,927</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>134,818</b>	<b>(204,222)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>346,524</b>	<b>550,746</b>
Cash and cash equivalents at the end of the reporting period		481,342	346,524

**FOOTNOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of net outgoing resources for the year to net inflow/(outflow) from operating activities**

Net income/expenditure for the reporting period as per the statement of financial activities		2,254,873	1,761,963
<i>Adjustments for:</i>			
(Gains)/Losses on investments		(2,182,347)	(1,724,297)
Less: dividends, interest & rents from investments		(1,176,691)	(1,167,358)
Add: depreciation charges		6,082	5,497
Loss/(profit) on fixed asset disposal		2,025	23
(Increase)Decrease in debtors		7,433	(1,394)
Increase/(Decrease) in creditors			
Less: revaluation of investment property		159,251	(2,583)
			-
<b>Net cash inflow from operating activities</b>		<b>(929,374)</b>	<b>(1,128,149)</b>

**(b) Increase/(Decrease) in Cash**

## WORLD HABITAT

### CASHFLOW TO THE FINANCIAL STATEMENTS

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Opening balance	346,524	550,746
Balance as at 31 December	<u>481,342</u>	<u>346,524</u>
Increase/(Decrease) in year	<u>134,818</u>	<u>(204,222)</u>

## 1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

### **Basis of Preparation and assessment of going concern**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

World Habitat meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees and Senior Management Team of World Habitat are aware of the risks associated with uncertainty in the stock market including a reduction in the value of our investments and dividend income. We will look to mitigate the risks by reviewing our future budgets and strategy where necessary. As a result, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### **Funds Structure**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Within unrestricted funds are a number of designated funds.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Included within designated funds is a revaluation reserve representing the restatement of investments and other assets at market values.
- Restricted funds are those funds where restrictions are imposed by the donor in respect of how the funds can be expended.

### **Incoming Resources**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Interest on funds held is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Resources Expended**

Expenditure is recognised once there is a legal constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs associated with generating income, consisting of investment manager's fees, plus a proportion of support costs.
- Charitable expenditure comprises those costs incurred by the charity in achieving its charitable objectives, and their associated support costs. Research expenditure is included within the year in which it is incurred. Governance costs including those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity are included within charitable expenditure.
- Other expenditure represents those items not falling into any other heading.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Where research is commissioned over a period of time, the costs incurred are estimated based on the time elapsed as at the year end.

**Grant Making**

Grants are made to third parties in furtherance of the charitable objectives of the Foundation. The grants are made after signing a grant agreement and accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Support costs are allocated to monitoring grant activities as 10% of salary, employers NI and employers' pension. All grant expenditure is recognised in the year and any unpaid at the year-end is recognised as a liability at the balance sheet date.

**Allocation of Support Costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative costs, finance, personnel and premises expenses. Those costs that are not specific to an activity are apportioned on the basis of the time spent in the different categories as set out in note 6.

**Termination Benefits**

Termination costs are included in the period in which the decision has been made and communicated to employees. The terminated costs are paid based on statutory levels.

**Fixed Assets and Depreciation**

Freehold buildings are stated at market value less depreciation. There have been no indications that impairment has occurred and no impairment review has been carried out. All other fixed assets are stated at purchase price less depreciation. Depreciation is calculated to write off fixed assets over their estimated useful lives at the following annual rates:

Office and other equipment	25% of cost
Motor vehicles	25% of cost

**Investment Property**

Investment properties are included in the balance sheet at their market value. Depreciation is not charged on investment properties.

NOTES TO THE FINANCIAL STATEMENTS

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**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Mixed Use Property**

The charity has mixed use property, where it occupies part of the property and rents out the remainder. The proportion of the building that is considered to be investment property, is based on the number of floors occupied by the charity in relation to the number of floors rented out.

**Fixed Asset Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Cash Flow Statement**

World Habitat has prepared a cashflow statement in accordance with FRS 102.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

**Contributions to pension funds**

The company is a member of a defined contribution pension scheme. The amount charged through the statement of financial activities in respect of pension costs is the contributions payable in the year. In the past, the company also contributed to the Pensions Trust's Flexible Retirement Plan further details of which are included in note 20.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the statement of financial activities on a straight line basis over the period of the lease.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

NOTES TO THE FINANCIAL STATEMENTS

**CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will by definition, seldom equal the related actual results. The Trustees have identified the valuation of investment properties as an area which involves critical accounting judgement or key sources of estimation uncertainty when determining the fair value of the investment properties.

In preparing these financial statements the Trustees have considered the valuation of all the investment properties and the estimations with regards to the carrying value of the investment properties. The Trustees have taken into account a number of factors including the age of the property/land, its marketability and the regional commercial market. All investment properties were valued by an external property and land valuer, Fisher German, who have appropriate experience and RICS registered qualifications to undertake the valuations.

**2 LEGAL STATUS**

The charity is a company limited by guarantee registered in England and has no share capital. 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. The registered office is stated on the Legal and Administrative page.

**3 CHARITABLE ACTIVITIES**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Grant Income:</b>		
Rural Payments Agency	702	913
National Forest	4,198	-
	<u>4,900</u>	<u>913</u>

In 2023, all of the income was to unrestricted funds.

**4 INVESTMENT INCOME**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Listed:</b>		
Dividends on unit trusts and Common Investment Funds	1,142,290	1,138,082
<b>Cash on Deposit:</b>		
Interest received	16,853	4,960
<b>Other:</b>		
Rental income	17,548	24,316
	<u>1,176,691</u>	<u>1,167,358</u>

In 2023, all income from investments was unrestricted.

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

5 RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	2024 £	2023 £
<b>Raising funds:</b>				
Professional & investment fees	62,847	-	62,847	78,785
Support costs (see note 6)	18,028	-	18,028	16,317
	80,875	-	80,875	95,102
<b>Charitable activities:</b>				
Awards	26,345	-	26,345	28,198
Salaries and pensions	514,319	-	514,319	558,258
Research travel (overseas)	10,450	-	10,450	14,824
Research travel (UK)	8,748	-	8,748	6,708
Recruitment and training	25,484	-	25,484	11,120
Subscriptions	7,239	-	7,239	6,763
External research meetings –WH	225,936	-	225,936	201,478
External research meetings – Others	850	-	850	351
WH research meetings	7,052	-	7,052	6,197
Publication of research	36,694	-	36,694	37,900
Auditor’s remuneration and related costs	19,786	-	19,786	17,999
Support costs (see note 6)	162,262	-	162,262	146,835
	1,045,165	-	1,045,165	1,036,631
	1,126,040	-	1,126,040	1,131,733

In 2023, the unrestricted expenditure was £1,131,733.

6 SUPPORT COSTS

The Charity allocates its support costs (all of which are unrestricted) as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Raising funds £	Charitable activities £	2024 Total £	2023 Total £
<b>Overheads:</b>				
Administrative salaries	7,723	69,503	77,226	73,962
Stationery, postage and telephone	168	1,513	1,681	3,403
Motor and travelling expenses	229	2,064	2,293	2,008
Miscellaneous expenses	175	1,579	1,754	2,007
Carbon Offsetting	164	1,474	1,638	(9,404)
Lease charges	-	-	-	-
Bank charges	63	566	629	570
Exchange Rate Variance	0	4	4	(412)
<b>Premises Expenses:</b>				
Rent, Rates, heat and light	2,796	25,163	27,959	29,371
Repairs	4,908	44,173	49,081	44,805
Insurance	1,194	10,749	11,943	11,346
Depreciation	608	5,474	6,082	5,496
	18,028	162,262	180,290	163,152

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

7 STAFF COSTS

	2024 £	2023 £
Wages and salaries	499,731	544,754
Social security costs	46,504	48,034
Employer pension costs	45,309	39,432
	<u>591,544</u>	<u>632,220</u>

	2024 £	2023 £
Staff restructuring costs comprise:		
Settlement payments	0	0
Severance payments	0	0
Redundancy payments	0	1
	<u>0</u>	<u>1</u>

**Redundancy Payments**

The redundancy payments in 2023 totalled £8,572. There were no amounts payable at 31 December 2024.

**Employee numbers**

The average number of persons directly employed during the year was:

	No.	No.
Research and development	9	9
Administration and support	2	2
	<u>11</u>	<u>11</u>

The number of employees who received employee benefits (excluding employer pension costs) of more than £60,000 was:

	No.	No.
Earning between £60,000 and £70,000	0	0
Earning between £80,000 and £90,000	0	0
Earning between £90,000 and £100,000	0	0
Earning between £100,000 and £110,000	1	1
	<u>1</u>	<u>1</u>

	2024 £	2023 £
Total cost for the management team	<u>348,321</u>	<u>270,851</u>

The management team cost £348,321 for 2024 is for a management team of 4 and £270,851 for 2023 is for a management team of 4. The key management are those listed on page 1. The total cost includes employer contributions of pension and national insurance.

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT**

**8 NET INCOME/(EXPENDITURE) FOR THE YEAR**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Operating lease rentals	59,041	60,857
Depreciation	6,082	5,496
Auditor's remuneration:		
- Audit services	16,176	15,000
- Non-audit services	0	0
	<u>0</u>	<u>0</u>

During the year ended 31 December 2024, travel expenses totalling £2,292 were paid to 9 trustees (2023: £2,008).

No remuneration was payable to members of the Board of Trustees during the year (2023: £Nil).

Trustee indemnity insurance is included in the total insurance cost of £11,943 (2023: £11,346) paid in December 2023.

The percentage of income arising outside the United Kingdom was 0% (2023: 0%).

**9 TAXATION**

During the year the Charity didn't receive anything subject to Corporation Tax.

**Analysis of taxation charge in the year**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Tax on profit on ordinary activities at 19%	-	-

**Factors affecting tax charge for period**

The difference between the tax assessed for the period and the tax assessed for the period and the standard rate of corporation tax are explained as follows

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) on ordinary activities before tax	<u>2,254,873</u>	<u>1,761,963</u>
Standard rate of corporation tax in the UK	19.00%	19.00%
	<b>£</b>	<b>£</b>
Items not subject to corporation tax	2,254,873	1,761,963
Under provision from previous periods	-	-
Tax on profit	<u>-</u>	<u>-</u>

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

10 GAINS/(LOSS) ON INVESTMENTS

	2024 £	2023 £
<b>UNREALISED GAIN/(LOSS):</b>		
Market Value of Investments at year end	37,144,490	34,822,606
Original cost of Investments	35,787,295	35,647,759
	<u>1,357,195</u>	<u>(825,153)</u>
<b>GAIN/(LOSS) ON INVESTMENTS</b>		
Unrealised gains/(losses) on investments	2,182,348	1,282,218
Realised gains/(loss) on investments	(1,467)	(6,422)
Total gain/(loss) on investments	<u>2,180,881</u>	<u>1,275,796</u>
Unrealised revaluation gain on investment property	-	448,501
Total gain/(loss) on investments	<u><u>2,180,881</u></u>	<u><u>1,724,297</u></u>
<b>REALISED GAINS/(LOSS) ON SALE OF INVESTMENTS:</b>		
	2024 £	2023 £
Proceeds	45,647	57,442
Historical Cost	(47,114)	(63,864)
Realised Loss in the year	<u>(1,467)</u>	<u>(6,422)</u>
Split between:		
Gains realised in the year	-	-
Losses realised in the year	(1,467)	(6,422)
Total realised gain/(loss)	<u>(1,467)</u>	<u>(6,422)</u>

11 TANGIBLE FIXED ASSETS

	Office and Other Equipment £	Total £
<b>Cost or valuation:</b>		
At 1 January 2024	34,615	34,615
Additions	6,978	6,978
Disposals	(9,437)	(9,437)
At 31 December 2024	<u>32,156</u>	<u>32,156</u>
<b>Depreciation:</b>		
At 1 January 2024	24,431	24,431
Depreciation written back on disposals	(8,739)	(8,739)
Depreciation for the year	6,082	6,082
At 31 December 2024	<u>21,774</u>	<u>21,774</u>
<b>Net Book Value:</b>		
At 31 December 2024	<u>10,382</u>	<u>10,382</u>
At 31 December 2023	<u>10,184</u>	<u>10,184</u>

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

12 INVESTMENTS

	2024 £	2023 £
<b>At valuation:</b>		
Freehold property	1,515,501	1,515,501
Unlisted investments	52,061	26,530
Listed investments	35,576,928	33,280,575
	<u>37,144,490</u>	<u>34,822,606</u>

All investments are held within the UK.

Investments are held in order to provide an investment return for the purposes of funding the charity's activities.

**Investment properties**

At 27 September 2023, Fisher German, Chartered Surveyors, prepared valuations of all of the Foundation's investment properties. In the opinion of the Board of Trustees, the valuations represent the true market value of the land and properties held for investment purposes as at 31 December 2024.

The freehold property was valued at a market value of £340,000 on the 27<sup>th</sup> September 2023 by Fisher German LLP, who are not connected with the charity. The charity has an option agreement from Coalville CAN to purchase the property for £425,000, which they have executed. The trustees have used this valuation for the year end. The historical cost of the property together at 31 December 2023 was £32,826.

All of the Freehold property is accounted for as an investment property.

	2024 £	2023 £
<b>Investment property</b>		
At beginning of year	1,515,501	1,067,000
Additions	-	-
Transfer from fixed assets		
Revaluations	-	448,501
	<u>1,515,501</u>	<u>1,515,501</u>
Historical cost at 31 December	<u>109,418</u>	<u>109,418</u>
<b>Investments</b>		
At beginning of year	33,307,105	32,073,396
Acquisitions at cost	186,650	15,355
Disposals at opening book value	(47,114)	(63,864)
Net (loss) / gains on revaluation in the year	2,182,348	1,282,218
Market value at 31 December	<u>35,628,989</u>	<u>33,307,105</u>
Historical cost as at 31 December	<u>35,677,877</u>	<u>35,538,341</u>

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

**12 INVESTMENTS (continued)**

These assets include indirect investments in listed securities, through a combination of Common Investment Funds and Unit Trusts. Included in listed investments are the following investments, which individually represent over 5% of the total year-end value of the investment portfolio:

	<b>Quantity of stock held as at 31 Dec 24</b>	<b>Market Value 2024 £</b>	<b>Market Value 2023 £</b>
<b>Investment valuation and holding:</b>			
Responsible Multi Asset Fund	34,495,052	20,230,315	19,341,603
Sarasin Climate Active Endowments Fund	11,741,641	15,346,613	13,938,972

All investments are carried at their fair value. Holdings in common investment funds and unit trusts are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so there ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are traded in markets with good liquidity and high trading volumes.

The charity has no material investment holdings in markets subject to exchange controls or trading restrictions. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5-year period will normally be corrected.

**13 CURRENT ASSET INVESTMENTS**

	<b>2024 £</b>	<b>2023 £</b>
Cash on deposit	291,657	326,999

**14 DEBTORS**

	<b>2024 £</b>	<b>2023 £</b>
Prepayments	26,283	33,489
Trade Debtors	-	227
	<u>26,283</u>	<u>33,716</u>

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

## 15 CREDITORS (Amounts falling due within one year)

	2024 £	2023 £
Other taxes and social security	12,506	12,023
Grants Payable	19,538	23,874
Trade creditors	70	14,823
Other creditors	196,145	18,287
	<u>228,259</u>	<u>69,007</u>

The other creditors figure includes a figure of £142,000 for the deposit for the sale of Memorial Square to Coalville CAN.

## 16 FINANCIAL INSTRUMENTS

	2024 £	2023 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	37,144,490	34,822,606
	<u>37,144,490</u>	<u>34,822,606</u>

Financial assets measured at fair value through income and expenditure comprise investment properties and investments.

## 17 UNRESTRICTED FUNDS

	At 1 Jan 2024 £	Incoming Resources £	Outgoing Resources £	Gains/ (losses) £	Transfers £	At 31 Dec 2024 £
<b>Designated Funds:</b>						
Revaluation reserve	-	-	-	2,180,322	(2,180,322)	-
Income maintenance	25,523,236	-	-	-	1,976,079	27,499,315
Gift maintenance	8,055,158	-	-	-	204,243	8,259,401
<b>General Funds</b>	1,892,628	1,200,591	(1,126,040)		-	1,967,179
	<u>35,471,022</u>	<u>1,200,591</u>	<u>(1,126,040)</u>	<u>2,180,322</u>	<u>-</u>	<u>37,725,895</u>

**Purposes of Designated Funds**

**Revaluation Reserve** – The revaluation reserve fund represents the amounts by which investments and other assets exceed their historical cost.

**Income Maintenance** – The income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives. The fund is maintained by the transfer of the balance of realised gains after the funding of the gift maintenance fund and providing sufficient general funds to reflect six months planned activity. A transfer of £204,243 was completed during the year due to the change in the value of the gift maintenance fund. There was also a transfer of (£2,180,322) from the Revaluation Reserve. The net impact was an increase of £1,976,079.

**Gift Maintenance** – The gift maintenance fund has been created to maintain the original gift of £1,249,066 from East Midlands Housing Association in real terms value. The purpose of the original gift was to enable the generation of income to allow the charity to pursue and achieve its objectives. The underlying assets in which the funds are held are managed to do this. Maintenance of this fund is from realised gains on investment assets. A transfer of £204,243 was completed during the year.

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

UNRESTRICTED FUNDS PRIOR YEAR

	At 1 Jan 2023 £	Incoming Resources £	Outgoing Resources £	Gains/ (losses) £	Transfers £	At 31 Dec 2023 £
<b>Designated Funds:</b>						
Revaluation reserve	-	-	-	1,724,297	(1,724,297)	-
Income maintenance	24,887,222	-	-	-	636,014	25,523,236
Gift maintenance	7,415,376	-	-	-	639,782	8,055,158
<b>General Funds</b>	1,406,461	1,169,426	(1,131,760)	-	448,501	1,892,628
	<u>33,709,059</u>	<u>1,169,426</u>	<u>(1,131,760)</u>	<u>1,724,297</u>	<u>-</u>	<u>35,471,022</u>

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	General funds £	Designated funds £	Total 2024 £
Fixed assets	-	10,382	-	10,382
Investments	-	1,515,501	35,628,989	37,144,490
Current assets	-	669,555	129,727	799,282
Creditors	-	(228,259)	-	(228,259)
Provisions	-	-	-	-
	<u>-</u>	<u>1,967,179</u>	<u>35,758,716</u>	<u>37,725,895</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS PRIOR YEAR

	Restricted funds £	General funds £	Designated funds £	Total 2023 £
Fixed assets	-	10,184	-	10,184
Investments	-	1,515,501	33,307,105	34,822,606
Current assets	-	435,950	271,289	707,239
Creditors	-	(69,007)	-	(69,007)
Provisions	-	-	-	-
	<u>-</u>	<u>1,892,628</u>	<u>33,578,394</u>	<u>35,471,022</u>

19 CHANGES IN NET DEBT

	At 1 Jan 2024 £	Cash flows £	Other non- cash changes £	At 31 Dec 2024 £
<b>Cash and cash equivalents</b>				
Cash	346,524	134,818	-	481,342
Overdrafts	-	-	-	-
Cash equivalents	326,999	(35,342)	-	291,657
	<u>673,523</u>	<u>99,476</u>	<u>-</u>	<u>772,999</u>

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT**

**20 PENSION SCHEME**

The charity operates a pension scheme for the benefit of employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Total employer contributions paid in the year amounted to £45,309 (2023: £39,432) as at 31 December 2024 there were contributions outstanding of £Nil (2023: £Nil).

World Habitat participates in the Flexible Retirement Plan and Ethical Fund that are both operated by the Pension Trust. They are both multi-employer pension plans and are available as a salary sacrifice scheme. In the year World Habitat paid £5,057 as employer AVCs. This represented the savings in NI contributions for employees signed up to the salary sacrifice scheme.

The Flexible Retirement Plan is a defined contribution fund and is compliant with auto-enrolment. The employee can select to invest in the default Target Date Fund or select their own funds.

The Ethical Fund is also a defined contribution fund and compliant with auto-enrolment requirements. Any funds paid into the Ethical Fund are invested in the Ethical Target Date Funds (TDFs), which enables members to invest in companies that meet globally recognised corporate responsibility standards.

The charities' staging date for auto-enrolment was 1<sup>st</sup> July 2016.

**21 LIMITED BY GUARANTEE**

The company is limited by guarantee and accordingly does not have issued share capital. Every member of the Association undertakes to contribute an amount not exceeding £10 to the assets of the association in the event of the same being wound up.

**22 RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year or prior year.

The payment of trustees' expenses is disclosed in note 8.

**23 COMMITMENTS UNDER OPERATING LEASES**

As at 31 December 2024 the charity had total commitments under non-cancellable operating leases as set out below.

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	32,599	30,791
Within 1 and 5 years	3,840	23,732
	<u>36,439</u>	<u>54,523</u>

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

24 COMMITMENTS UNDER GRANT AGREEMENTS

During the year to 31 December 2024 the charity made grant agreements as set out below.

	2024 £	2023 £
Grant agreements:		
<b>EESHHC</b>		
Stopa Slovenska	4,363	-
Arrels	-	4,728
Carusel	-	5,082
The Passage	-	5,000
CRESCER	-	-
Action Homeless	-	-
Infirmiers Du Rue	-	4,020
UTCAROL	5,000	5,000
Udruga	5,095	-
<b>World Habitat Awards</b>		
UrbaMonde – France	39,139	24,180
Yayasan	18,255	-
Energiesprong	19,550	-
Urbasen	-	9,986
<b>Global Community-led Housing</b>		
Community Land Trust Brussels	-	4,499
Zadruga	5,000	-
Moba	19,102	21,953
Association of Urbamonde	18,000	-
Catalytic Communities	15,000	15,000
Al Falah	-	6,341
<b>Total Grants</b>	<u>148,504</u>	<u>105,789</u>

All grants made in 2024 were to institutions. Grants to individuals is £nil.

Grants payable at the year-end were £19,538, this balance is included in creditors due within one year (note 15). The total grants for the year is included in expenditure on charitable activities on the statement of financial activities on page 23.

There are supports costs associated with monitoring the grants of £15,000. This is 10% of the salary for the individuals monitoring the grants.

The projects being funded in each programme area as follows:

**EESHHC**

The grants are to develop a number of programmes in cities across Europe to understand the scale and context of migrant homelessness. This includes a number of initiatives to build the publics understanding of homelessness.

**World Habitat Awards**

The grant is to collectively increase impact, add value, and support organisations and communities around the world to implement the right to adequate housing. This will be done by firstly by identifying and sharing examples of housing solutions and secondarily, by enabling communities and other organisations to develop their own housing solutions.

**Global Community-Led Housing**

The grants are to advance on co-operative housing development – with opportunities to secure access to knowledge, land, finance and advancements in terms of policy, legal, technical or environmental matters.

25 POST BALANCE SHEET EVENT – DISPOSAL OF MEMORIAL SQUARE

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT**

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On 31 January 2025 the building we own at Memorial Square, Coalville was sold to Coalville CAN for £425,000.

The building is valued in the 2024 annual accounts at £425,000 and is held as an investment property.

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

		£	£	£	£
Rent receivable			17,548		24,316
Investment income	A		1,159,143		1,143,042
Grant			4,900		913
Misc			19,000		1,155
Sales			-		-
			<u>1,200,591</u>		<u>1,169,426</u>
<b>Overheads:</b>					
Salaries		77,226		73,962	
Professional and investment management fees		62,847		78,785	
Other professional fees					
Property expenses	B	19,013		18,203	
Stationery, postage and telephone		1,681		3,403	
Motor and travelling expenses		2,292		2,007	
Auditor's remuneration and other related costs		19,786		17,999	
Miscellaneous expenses		1,754		2,007	
Lease charges		-		-	
Bank charges		629		570	
Foreign Exchange rate difference		4		(412)	
Carbon Offsetting		1,638		(9,402)	
		<u>186,870</u>		<u>187,122</u>	
Programme costs	C	<u>939,169</u>		<u>944,611</u>	
			<u>1,126,039</u>		<u>1,131,733</u>
Surplus/(deficit) for the year			<u>74,552</u>		<u>37,693</u>

The following pages do not form part of the statutory financial statements.

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

A. INVESTMENT INCOME

	£	2023 £	£	2023 £
<b>Interest on deposits:</b>				
Schroder	141		-	
Sarasins	15,083		3,914	
Barclays	1,629		1,046	
		16,853		4,960
Dividends from common investments funds		<u>1,142,290</u>		<u>1,138,082</u>
		<u>1,159,143</u>		<u>1,143,042</u>

B. PROPERTY EXPENSES

	Occupied By the Charity £	Own Property Let £	Total £
Rent, rates, heat and light	27,959	-	27,959
Repairs	29,661	19,420	49,081
Insurance	11,638	305	11,943
Depreciation of plant, fixtures and fittings, and buildings	6,082	-	6,082
	<u>75,340</u>	<u>19,725</u>	<u>95,065</u>
Apportioned to programme facilities – 80%	<u>60,272</u>	<u>15,780</u>	<u>76,052</u>
Apportioned to overheads – 20%	<u>15,068</u>	<u>3,945</u>	<u>19,013</u>

C. PROGRAMME COSTS

	2024 £	2023 £
Awards	26,345	28,198
Salaries and pensions	514,319	558,258
Programme travel (overseas)	10,450	14,824
Programme travel (UK)	8,748	6,708
Programme dissemination materials	-	-
Recruitment and training	25,484	11,120
Subscriptions	7,239	6,763
External programme meetings – WH	225,936	201,478
External programme meetings –Others	850	351
WH Internal programme meetings	7,052	6,197
Programme facilities	76,052	72,814
Publication of research	36,694	37,900
	<u>939,169</u>	<u>944,611</u>

The following pages do not form part of the statutory financial statements.

**WORLD HABITAT**

England & Wales - Charity number 270987

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# Accounts

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**COMPANY NUMBER: 1247918**

**WORLD HABITAT**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**WORLD HABITAT  
IS A REGISTERED CHARITY**

**CHARITY NUMBER: 270987**

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	<b>Page</b>
Legal and Administrative Information	1
Trustees' Report	2 – 21
Independent Auditor's Report	22 - 25
Statement of Financial Activities	26
Balance Sheet	27
Cashflow	28
Notes to the Financial Statements	29 – 42

**LEGAL AND ADMINISTRATIVE INFORMATION**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to submit their forty fourth annual report, together with the audited financial statements for the year ended 31 December 2023.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity number** 270987

**Company number** 1247918

**Principal Office**

Gresham Works  
Office 1  
38 Market Street  
Leicester  
LE1 6DP

Tel 01530-510444

Email [info@world-habitat.org](mailto:info@world-habitat.org)

Web [www.world-habitat.org](http://www.world-habitat.org)

**Auditor**

Forvis Mazars LLP  
Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

**Bankers**

Barclays Bank  
Bishop Meadow Branch, Loughborough

**Solicitors**

Freeths  
One Colton Square, Leicester, LE1 1QH

**DIRECTORS AND TRUSTEES**

The directors of the charitable company (World Habitat) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year, and since the year-end, were as follows:

**Elected trustees**

J Ayers  
A Challis  
R Kabir  
A Kennedy (reappointed on the 12 June 2023 to serve a further three-year term)  
S Macdonald  
I McCormack (resigned on 4 December 2023)  
N Murphy  
T Newby  
J Richardson

**Management team**

D Ireland – Chief Executive  
J Birch - Head of Finances and Resources  
R Butler (resigned 12 January 2023)  
L Winterburn – Deputy CEO

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

World Habitat is a charitable company limited by guarantee incorporated on 9 March 1976. It is governed by a Memorandum and Articles of Association which were amended on the 26 September 2017 to change the name to World Habitat, change the charitable objects and amend the period of time trustees can serve on the board to a maximum of 9 years without special resolution. In the event of it being wound up, members are required to contribute an amount not exceeding £10.00.

#### Recruitment, appointment and training of trustees

As set out in the Articles of Association trustees are appointed for a fixed-term of three years, save where the Board of Trustees sets a shorter period prior to appointment. Trustees shall cease to be members of the Board of Trustees at the end of the fixed-term but may be reappointed at the Annual General Meeting held in June. Trustees may serve as a member of the Board of Trustees for a continuous, or aggregate period, of 9 years without the support of a special resolution at a general meeting of the association. The Articles state that the number of trustees should not exceed nine. The members of the organisation are co-terminus with the trustees. All members of the organisation are circulated with invitations to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM.

All members of the board of trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 in the accounts.

Angus Kennedy reached the end of his term of office and was re-elected for a further three-year term at the AGM. Ian McCormack resigned from the board on 4<sup>th</sup> December 2023. We wish to express our thanks to Ian for his contributions to the board of trustees over the past five years.

Stuart Macdonald was reappointed as Vice-Chair for a period of two years during 2023.

There is a process in place for trustee appraisals to take place every 12 to 18 months. Appraisals are carried out by the Chair and feedback provided for trustees. General themes that emerge from trustee appraisals are reported back to the Board.

Trustees have approved a process for appraising the Chair. The process involves a self-appraisal and an interview carried out by trustees led by the Vice-Chair.

During 2023 Bayes Business School carried out a Board effectiveness review. They recommended a number of improvements which are being implemented over the next twelve months.

A revised trustee induction policy was approved by trustees in June 2020. New trustees are provided with full information to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Opportunities are provided for new trustees to meet all employees and other trustees. Trustees are encouraged to attend appropriate external training events to facilitate the undertaking of their role and to meet regularly with the World Habitat staff team.

#### Diversity of the Board

The diversity of the Board of Trustees is measured and reported on every twelve months, with the information last being collected in December 2023. The results show that women and ethnic minorities are underrepresented on the board. The average age of the Board of Trustees is 51. The results were as follows:

#### Results of Trustee Equality and Diversity Monitoring 2023

Gender	Ethnic group
Female (2)	Asian, Asian British (0)
Male (6)	Black, Black British, Caribbean or African (0)
Prefer not to say (1)	Mixed (1)
	White (7)
	Prefer not to say (1)

**Organisation**

The Board of Trustees, which can have up to nine members, administers the charity. The Board meets quarterly and there is one standing sub-committee covering investment and other financial matters. Working groups are established to address particular issues if needed. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and all activity relating to meeting the organisation's objectives. During the year, our Chief Executive was Mr David Ireland, who joined the organisation in June 2014.

**Related parties**

The charity has no closely related parties, although co-operates with a broad range of organisations both in the UK and internationally, in its various housing research and knowledge transfer activities.

#### **Risk management**

Risk management is reviewed by trustees at every board meeting.

The trustees have a risk management strategy, which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Health and safety advisers and professional investment managers have been appointed, and a business continuity plan has been prepared to address the need to maintain a normal mode of operation in the event of an emergency. A key element in the management of financial risk is the setting of policies in respect of reserves and investments, which are regularly reviewed by trustees. A major risk identified in previous risk-mapping work is a major collapse of the financial markets and the impact that this would have on the income stream, which relies heavily on dividend income. Whilst the ongoing uncertainties in the global financial system continue to have an impact on our income, we are working closely with our investment advisers to keep the situation under review. The Board of Trustees delegates the Finance and Investment Sub-Committee to meet with our investment managers on a regular basis. The Finance and Investment Sub-Committee meetings normally take place three times a year. A full set of papers from the Finance and Investment Sub-Committee are provided to all trustees in order that there is a broad understanding of the financial position by all members.

#### **Risk and Uncertainties**

##### **Geopolitical uncertainty in the Middle East and Russia's war in Ukraine**

Global geopolitical uncertainty has increased significantly over the last two years. Firstly, when Russian forces invaded Ukraine in 2022, and later with the outbreak of war in Gaza in 2023, triggered by the horrific Hamas attacks on Israeli citizens. The Israeli response has seen previously unimaginable levels of destruction to infrastructure and people's homes in Gaza as well as huge loss of Palestinian lives. The immediate outlook forecasts more uncertainty with neither conflict showing any sign of ending and risks of escalation and expansion possible. Political uncertainty is heightened with numerous important national elections due to take place in 2024, most notably the USA presidential election, the outcomes of which could have profound impacts on global security.

These conflicts have caused economic uncertainty and security fears in many of the countries in which we operate. This negatively affects housing projects which have seen increasing costs and supply chain challenges, having already been inflated following the COVID-19 pandemic. World Habitat works with partners in Palestine and the wider Middle East. In recent years we have awarded World Habitat Awards to projects in Palestine and Lebanon and we are currently working with partners across the Middle East, helping them establish the Housing Justice Network.

We have no ongoing work in Russia or partnerships with Russian organisations. Sanctions and the practicalities of working there mean that it would be almost impossible for such a relationship to exist at the current time. We do however work with organisations in countries neighbouring Ukraine. The movement of refugees fleeing the war had an enormous effect on their work. World Habitat has supported them in making necessary changes and helped with the initial emergency response. The war is an ongoing challenge, and its impacts will depend on the duration of the current crisis and the geopolitical repercussions.

##### **Cost of Living Crisis**

The cost-of-living crisis has hit the lowest-income groups disproportionately. They spend a higher share of their total income on essentials such as housing, heating, transport and food. Although in most countries inflation and increased interest rates have reduced from peak levels, in 2023 we saw the costs of essentials remain historically high in relation to average household incomes. For many, basic essentials have become unaffordable, pushing many people to make difficult choices. The crisis has coincided with the lifting of moratoriums on evictions that were introduced in many countries during the pandemic, and this, along with rising costs, means many people who are unable to afford rent or mortgage payments are facing housing insecurity. Some people have already been forced into homelessness and many others are dangerously close. A substantial number of people and organisations in the countries in which we operate are facing real difficulties as a result of the cost-of-living crisis

and general economic uncertainty. The scale of the crisis is such that its effects are felt by those who have previously been shielded, including our staff and partners.

#### **Our Mission and Objectives**

We recognise that our vision - a world in which everyone has a safe and secure home - is a long way from being achieved. But despite the immense challenges we believe that there are reasons to be hopeful.

UN-Habitat estimates that around a billion people currently live in unsafe and unhealthy homes and millions more have no home at all. The causes of this are also some of the greatest challenges facing humanity. Progress towards global equality has stalled or gone into reverse resulting in greater economic and social injustice. The planet's resources are being exploited at an unsustainable rate, the climate emergency is depleting habitable land bringing social unrest and conflict. Old political certainties have declined. Developments in media technology and Artificial Intelligence have led to powerful new forms of populist media and government. These act outside traditional restraints and change the balance of power and influence. Recent years have seen an increase in military confrontation. The invasion of Ukraine, the war in Gaza and other conflicts around the world have led to the destruction of people's homes, deportation, displacement and forced eviction. Safe and secure housing is a fundamental human right; without it, people cannot fulfil their true life-potential. Too many of the world's population are denied that fundamental right due to poverty, conflict, natural and climate-related disasters.

However, we remain optimistic in spite of these huge challenges. Over the last few decades, billions of people have been lifted out of poverty. Life expectancy has increased, and more people than ever have somewhere safe and secure to live. We believe that despite manifold challenges, our mission is still achievable.

The most marginalised communities are often the most resourceful and innovative. With the right financial and social backing, most communities possess the potential to improve their lives and develop and improve their own housing. In our experience, the outcomes are almost always far better when those directly affected have a role in designing solutions.

The world is not short of great ideas. The answers to most housing challenges already exist and are being improved and developed all the time. However, too many communities lack the access and resources they need to implement and make the most of these solutions. As a catalyst, World Habitat finds innovative housing projects that protect people around the world from injustice, caused by the threats of the climate emergency, conflict and economic instability. We support and raise the profile of organisations and their solutions, enabling them to scale up and move into new geographies. We bring people and ideas together, to help drive innovation into mainstream housing practice. Together we accelerate change towards a world where everyone has a safe and secure home.

In 2023 we aimed to have a greater positive impact than ever before. We sought to develop and adapt our approach to changes in housing needs. Our work – which this report details - continued to implement the strategy approved by our Trustees. The strategy sets our objectives to:

- seek out and develop new and effective solutions to the world's greatest housing challenges;
- support emerging innovative ideas and projects to develop and grow, so they help more people;
- invest in housing projects to help them reach more people;
- promote proven housing solutions and help to transfer them to places where they are needed most; and
- work around the world to develop what works and to discover new solutions to making housing safe and secure.

#### **The World Habitat Awards**

**Seeking out and developing new and effective solutions to the world's greatest housing challenges.**

The World Habitat Awards represent a unique window into the most inspirational and effective housing projects from around the world. Run in partnership with UN-Habitat since 1985, our extensive global network and proven methodology help to find remarkable communities that have solved seemingly impossible problems. We look for innovative and sustainable projects that, through our events and transfer work, can potentially have a huge impact on the most challenging global housing problems.

“UN-Habitat recognizes the importance of innovation and sharing solutions to accelerate progress towards achieving the SDGs. Once again, the World Habitat Awards are allowing us to identify and share successful and scalable solutions to achieve adequate housing for all.”

Maimunah Mohd Sharif, Former Executive Director, UN-Habitat

The two Gold Award winners presented with their Awards in 2023 were: UrbaSEN and the Senegalese Federation of Inhabitants from Senegal and Homes for Good from the United Kingdom.

#### **UrbaSEN and the Senegalese Federation of Inhabitants**

This is a community-led programme providing and upgrading housing in Senegal. Senegal is on the southern edge of the Sahel. Many of its major cities lie on the coast and are vulnerable to rising sea levels and flooding. Dakar and other major cities in Senegal have seen poorer communities displaced by speculative developers. UrbaSEN and its partners build resilience to climate change and create the capacity to challenge land grabs by developers in informal settlements. The programme is led by the community, namely the Senegalese Federation of Inhabitants (a federation of women's savings groups) supported by UrbaSEN.

Residents invest savings and take out loans from the Federation's revolving fund to make improvements to their homes, sanitation drainage and public spaces. Funds are also provided by European cooperative agencies. A significant challenge for residents is that ownership of land is not formally recognised, meaning developers can easily evict and displace them without legal consequences. UrbaSEN helps residents to secure land tenure rights. It provides training for residents to carry out drone mapping and supply important data to municipal authorities. This data can be used to generate Certificates of Occupancy, providing powerful evidence to fight land grabs and forced evictions.

The programme has worked with 18 municipalities and attracted support from national and international institutions. It has introduced an early-warning system for floods and developed sustainable building materials using clay and invasive plant species.

We presented the World Habitat Award trophy at the Global Social Economy Forum which was held in the Senegalese capital Dakar. The trophy was presented by the Mayor of Dakar, Mr Barthélemy Dias.

During 2023 we supported UrbaSen to develop a regional confederation of similar organisations across Francophone West Africa. The confederation aims to promote and support their work and help good practice spread across the region.

In May we supported a two-day in-person workshop in Dakar with partners from Burkina Faso, Benin, Côte d'Ivoire, Guinea Bissau, Mali, Niger & Togo. This workshop was also attended by the West African Economic and Monetary Union (UEMOA, Ouagadougou), International Budget Partnership, Invest for Jobs, and the French Embassy in Senegal. The workshop shaped the establishment of the confederation, aiming to further members' work. At the same time, UrbaSEN and FSH were named as Slum Dwellers International (SDI) council members and became SDI's West African Learning Center for bottom-up informal settlement upgrading. We provided funding for a local consultant to work with UrbaSEN, to help with the organization of the two-day workshop and attendance at the Global Social Economy Forum, and to write a short report afterwards outlining the key steps required for the development of the confederation.

“Since winning the World Habitat Award, we've been recognised all over Africa. Now, a lot of countries are focusing on Senegal, and everyone wants to know what we're doing, how they can join the Slum Dwellers International organisation, and we're in the process of organising the French-speaking part of West Africa”

Papa Keita, Coordinator of UrbaSEN

#### Case Study Touba Pikine

The Touba Pikine district is blighted by sanitation problems. The lack of pipes and its high exposure to flooding result in constant discharges of wastewater into the neighbourhood. In response, UrbaSEN proposed and developed semi-collective cesspools, to reduce pollution and promote the reintroduction of wastewater into the water table. It was also important for the inhabitants to become responsible for water management and strengthen collective control, hence the choice of semi-collective facilities which could be used by fifty households.

As one resident put it: “The arrival of the sumps is a chance for us. In front of my house the water stagnated and I felt embarrassed when the elderly passed in front of my house to go to pray or when passers-by had to lift their clothes to avoid getting dirty.”

The sumps were installed in five cesspools and a committee of five women are responsible for one each. Their role involves opening the sump at 8am, closing it at 6pm, and collecting a financial contribution from people who use the sump. The money is saved so that it can go towards more sumps for the district.

#### Homes for Good

Homes for Good is an ethical private landlord based in Western Scotland. It buys and lets good quality houses to low-income tenants at affordable rents. This social enterprise shows that it is possible to run a successful rental business without exploiting low-income tenants. Much like the rest of the United Kingdom, Western Scotland has a shortage of social housing. This has led to more people on low-incomes having to turn to the increasingly expensive private rented sector for a home. Many landlords refuse to let their homes to people receiving housing benefit and the few homes that are accessible to low-income groups are often in very poor condition.

Since 2014, Homes for Good has raised £20 million in social investment to create a portfolio of affordable, good-quality homes which it lets to tenants on low incomes as well as those who have additional support needs. The organisation is both a lettings agency and property developer, purchasing and renovating empty or dilapidated homes. Currently, it manages 500 homes – of which it owns 300 – in Glasgow and the West of Scotland.

Homes For Good's approach couples affordability with holistic tenancy support, which includes offering advice on reducing energy bills and around benefit claims, in addition to the Love Home programme. This scheme partners tenants with an interior designer so they can create a home that reflects their needs and preferences and fosters a sense of belonging.

Homes For Good is spearheading the growing social investment movement in affordable housing across the UK, proving it is possible to operate profitably by letting good-quality homes at affordable rents.

The World Habitat Award trophy was presented to Homes for Good at the International Housing Festival in Barcelona.

“I am truly delighted to be in Barcelona at the International Social Housing Festival with our team. This year is Homes for Good 10th birthday and being able to share our journey with like-minded colleagues from around the world and be presented with the prestigious World Habitat Gold Award is an unbelievable honour.”

Homes for Good, Founder, Susan Aktemel

Case study: Ina

In search of a quieter life for their son Svet, Ina and her family moved from Kiev to a new house they built near Bucha, Ukraine. But when Russia invaded the country and a nearby airport was bombed, Ina and Svet fled to Warsaw and eventually Glasgow, leaving her husband behind to fight.

The initial months in Glasgow were tough. Homeless and traumatized, Ina struggled to keep hope alive for herself and Svet. Their first meeting with the Homes for Good team offered a glimmer of light. They secured a new home, essential furniture, and support with navigating unfamiliar systems.

While worry for her husband remains a constant, Ina and Svet have started to rebuild their lives from the foundation of their new home. Svet's supportive school has helped him adjust and he is learning to play the piano. Ina has rediscovered her love for painting and is captain of a newly formed Ukrainian women's football team. She finally feels she is part of a community now.

**Establishing the Housing Justice Network**

During 2023 we helped to establish the Housing Justice Network in the Middle East and North Africa. The Network developed from our work supporting the 2022 World Habitat Award winner from Lebanon, Public Works Studio.

In January we ran a five-day symposium in Istanbul, Turkey, which brought together housing rights organisations from across the Middle East and North Africa. The symposium led to a series of meetings throughout the year in which ideas for the Network and its activities were discussed and agreed upon. The Housing Justice Network, which formally launched in December, is a group of independent, grassroots housing rights organisations, working together to advance housing and land rights in their region. Members work together to tackle the key issues responsible for housing and urban injustices in the region such as commodification of land, financial speculation and forced evictions. So far it has published a paper on the effects of the Israel-Gaza war on housing rights and further publications and campaigns are planned.

“We worked together with World Habitat to unite independent grassroots housing organisations across the Middle East & North Africa under the Housing Justice Network; it is only through regional solidarity and knowledge sharing that we can strengthen ourselves and our communities to resist forced evictions and protect our fundamental housing rights.” Nadine Bekdache, Public Works Studio

**Ending Street Homelessness in Europe**

Street homelessness is what happens (at its most extreme) when people are denied the right to housing. FEANTSA (the European Federation of National Organisations Working with the Homeless ) estimates that 700,000 people are experiencing homelessness on any given night in Europe. Homelessness is increasing in most European countries, likely due to the increasing cost of housing and the reduced availability of social housing.

World Habitat established the European End Street Homelessness Campaign in 2015. It was inspired by the work of World Habitat Award winners in Finland and the United States that had made significant progress towards ending homelessness. The campaign adapted the methodology of these programmes to a group of cities in Europe that signed up to a set of principles aimed at ending street homelessness.

In 2023 the campaign was focussed particularly on Central and Eastern Europe. Four cities in the region - Bratislava in Slovakia, Bucharest in Romania, Budapest in Hungary and Pula in Croatia - are members of the campaign. The scale of the homelessness problem in these cities is much greater than their Western European counterparts, and they are also at an earlier point in their journey to end street homelessness. We know however that, despite the barriers, there is in each country the commitment, drive, and the desire to improve housing outcomes for people who are homeless.

“We have experimented with and applied the learnings from international collaboration. We consulted many approaches from across the spectrum and received theoretical and financial support to turn them into reality. Today we are proud of several housing-led projects that have taken root and are having a noticeable effect.”

Pávol Sabela, Director of STOPA

#### **CRESCER International Congress**

A highlight of the year for the European End Street Homelessness Campaign was our partner CRESCER's International Congress in Portugal in November. The event served as an important platform for fostering collaboration and exchanging invaluable insights into our collective endeavours to end homelessness. The participation of 300 dedicated individuals underscores the urgency and significance of our mission amidst the escalating homelessness crisis across Europe.

At the heart of the congress were practical workshops, led by organisations making significant progress in ending homelessness. Six of our campaign cities ran workshops sharing their unique experiences and innovative approaches to addressing homelessness. These sessions not only showcased effective strategies but also provided opportunities for key discussions and knowledge-sharing among attendees. By sharing best practices and lessons learned, we can refine and amplify our efforts to create lasting solutions.

"Our CEE partners continue to break down barriers, implement and develop their programmes, and come up with adaptations to make housing-led approaches work for their contexts. Sharing their expertise at the CRESCER International Congress helps to refine the Housing First model for other contexts and shows how it can be replicated. And we in the housing sector, our beneficiaries and society at large, are all the better for it."

Abigail Stoltzfus, World Habitat

#### **Housing-Led Approaches to Ending Homelessness in Central and Eastern Europe**

To better understand the particular causes of homelessness in the Central and Eastern Europe region, we commissioned research, from the Metropolitan Research Institute and Budapest Institute for Policy Analysis. It found that all four campaign member countries (Croatia, Hungary, Romania and Slovakia) suffer from a dire shortage of social housing. In addition, their housing markets were shaped by the mass housing privatisation programmes that started in the late 1980s when there was a shift from communist to market-driven economies. Today, most housing stock is owned outright by individuals and between 10 and 16% lies empty and dilapidated. Affordability is a particular problem. The study found that private tenants spend on average half of their income on rent, and with poor security of tenure, many live in substandard conditions with a constant worry of becoming homeless.

In September and October, we ran workshops in Bucharest, Pula, Bratislava, and Budapest to debate the findings and recommendations with local organisations, government bodies and municipalities. The outputs of these workshops have provided important evidence for planning the next stage of our work in the region.

Housing First is a means of ending homelessness. It provides unconditional housing to homeless people. Its efficacy is well-proven in Western Europe and the United States. In July our partners in Pula opened several 'Housing First' homes with our support. These were the first in Croatia and amongst the first in the Central and Eastern Europe region.

"World Habitat changed our language and how we think about homelessness. The progress we've made wouldn't have happened without World Habitat pushing us forward."

Jana Milin Herceg, Co-Founder 'What About Me' Housing First NGO, Pula, Croatia

#### **Better understanding the needs of homeless Roma people in London**

Elsewhere in the campaign, we supported research and the publication of a report focussed on Roma people who experience homelessness in Westminster. Roma is one of the most discriminated against groups of people in Europe. People from Roma communities make up a disproportionately high number of homeless people across the continent. It is widely understood that there are large communities of Roma in Eastern Europe, but a less well-known fact is that Roma people make up a significant proportion of homeless people in London. The research found that 25% of rough sleepers in Westminster identified as being from Roma, Gypsy, or traveller communities. The report made important recommendations about how homeless services can be equalised to provide for Roma in a non-discriminatory way.

In May we supported a launch event for the report in London at which speakers and delegates discussed the findings and considered how services could be improved to help reduce homelessness for Roma people.

"People from Roma communities make up a significant proportion of the population sleeping rough in Westminster. In previous years new services had been established to improve the response to their specific needs including a specialist outreach team and an NHS clinic. This independent report, partly funded by World Habitat, provides us with additional insights into the needs of this vulnerable group and will help us to make further progress in improving outcomes alongside our partners and the wider system.

Dominic Williamson, Partnership Manager and Facilitator of the Westminster Homelessness Partnership

#### Informal Settlements

UN-Habitat estimates that over a billion people live in slums and informal settlements. They project that without action that number will grow to 3 billion by 2050. Informal settlements are a response to the inadequate supply of affordable housing. People unable to afford to buy or rent housing at market prices do what is available to them; build and occupy housing that is outside the planned and formal housing market. Informal settlements are unregulated by governments meaning that they rarely enjoy the legal security afforded to formal housing. Occupants face the risk of being evicted, frequently with little notice and all too often, forcibly. The quality of informal settlements varies enormously, largely dictated by the prosperity of the community. Much informal housing is insecure and leaves occupants vulnerable to disasters and often lacks adequate water and sanitation. The United Nation's Sustainable Development Goal 11, by 2030, aims to "ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums".

#### Rio de Janeiro

Some of the best-known informal settlements are the favelas in Rio De Janeiro. They are home to almost a quarter of Rio's residents. They are unregulated by government and are largely self-managed by residents. They have invested money and time in their homes, their streets and the many businesses and cultural activities which can make these neighbourhoods vibrant places to live. Despite this, most residents are on low incomes and there are areas of extreme poverty. Although many of these neighbourhoods have existed for decades, favelas are constantly subject to threat and in some cases, residents have been attacked, and their properties vandalised to persuade them to move. In other areas, stable communities are being destroyed as residents are targeted by developers who aim to grab individual plots of land.

Since 2020 we have been working with and providing funding to our Brazilian partners Catalytic Communities, to introduce and adapt the Community Land Trust model to Rio de Janeiro's favelas. We facilitated and helped to fund an exchange between Catalytic Communities and another project they had been inspired by - World Habitat Award winner Caño Martín Peña from Puerto Rico. In response, Catalytic Communities and the Rio de Janeiro CLT Working Group established the Favela Community Land Trust. This aims to apply the Community Land Trust model to favelas to regularise and formalise community land ownership throughout Brazil.

In 2023 we funded Catalytic Communities' activities on urban policy and community mobilisation. A key focus of this work was the organisation's contribution to the development of the new Rio de Janeiro Master Plan, which was finally adopted in December 2023. Catalytic Communities played a pivotal role in advocating for and securing the inclusion of the Community Land Trust model as a recognised urban development tool for Rio's favelas. This milestone is important because the Master Plan sets the city's urban development strategy, shaping policies and planning tools that will chart the course of Rio's growth over the next decade. The inclusion of the CLT in the Master Plan was hailed as a critical victory for the favelas of Rio by housing activists and advocates.

"We hope that Rio's Master Plan, advancing self-governance and participatory practices in the context of informal settlements, is an inspiration for others facing similar challenges; a call to actively engage and work with policies that make residents the protagonists in the development of their cities.

Tarcyla Fidalgo, Favela Community Land Trust Coordinator.

### **Promoting Housing Cooperatives in Central and South-eastern Europe**

Countries in Central and South-eastern Europe share many housing challenges. Following the fall of communist regimes in the late 1980s and early 1990s, the region experienced a significant shift from widespread state provision of housing to mass privatisation. Today, social housing represents only a fraction of the overall housing market, and most homes are under private ownership. Unfortunately, the housing on offer does not provide adequate affordable housing for a large majority of the population.

In response, a group of pioneering housing initiatives from Croatia, Czechia, Hungary, Serbia, and Slovenia joined together to form MOBA Housing SCE. MOBA aims to develop and boost the formation of housing co-operatives across the region to increase the availability of affordable and anti-speculative housing. World Habitat provided start-up funding to assist the group's formation and is one of its associate members. During the year we supported MOBA to strengthen their financial and technical abilities. We helped them develop a new strategy and financial models for cooperative housing development in their respective regions.

We also brokered connections with other funders. This has increased direct funding to MOBA and will boost their work towards sustained growth and success in their mission to advance cooperative housing development.

"World Habitat helped MOBA by connecting us to other potential donors, such as the Re:arc Institute who recently approved our funding application. This has enabled us to upscale the work that we started last year with a grant from World Habitat. For pioneering initiatives such as MOBA housing SCE, finding the right partners, who understand the initiative's vision and value of its mission, and are ready to accompany us in new endeavours is always a challenge. Thankfully, with partners such as World Habitat and the network they opened up to us, our dream of creating a housing fund and establishing a cooperative housing model in the CEE region is closer to fulfilment."

Ivon Pavlovic, Zsuzsi Posfai

### **Helping Former Refugees in Bangladesh**

Since 2019 World Habitat has worked with the Council for Minorities and Al Falah Bangladeshi NGOs that represent the Bihari community to help develop community-led housing proposals.

The Bihari community in Bangladesh is an ethnic minority of non-Bengali Muslims who originate from India's eastern state of Bihar. They have long faced discrimination and statelessness. When India was divided and Pakistan was created in 1947, violent clashes led to many Biharis leaving for East Pakistan. When East Pakistan became Bangladesh in 1971 after an independence war, many Urdu-speaking Biharis were perceived to be in alliance with Pakistan. With repatriation halted in 1974, neither Pakistan nor Bangladesh granted citizenship to the Biharis and as a result, thousands lived in refugee camps for decades. In 2008, a Supreme Court ruling finally recognised their right to Bangladeshi nationality and they are, formally, no longer refugees. However, their living conditions have not improved, ownership of the camps is uncertain and land prices are rising.

The project led by the Council for Minorities aims to mobilise residents to develop a community-led organisation, and potentially the creation of a Community Land Trust, which would hold land titles in perpetuity and allow for the development of infrastructure and housing.

In 2023 we provided grant funding to Al Falah to train the local community, equipping them with the skills and knowledge to upgrade settlements. We also supported the Council of Minorities to begin advocacy and campaigning for policy change, to enable the development of community-led housing. In an important meeting, community members and key policy stakeholders discussed the merits of the community's vision for in-situ upgrading, as opposed to relocation. We also played a crucial role in introducing other funders, leading to a significant grant for the Council of Minorities and Al Falah.

#### CoHabitat Network

The CoHabitat Network is an international organisation that supports the global growth of community-led housing through international meetings and regional hubs. It produces resources and publications and runs events such as workshops and webinars, on themes relevant to the community-led housing sector, as well as campaigning in support of community-led housing movements.

World Habitat helped to fund the establishment of the CoHabitat Network and continues to support it through a three-year grant and in-kind assistance. Over the past year, we have supported the development of a new strategy and charter, aiming to significantly increase the Network's impact and influence.

#### European Community Land Trust Network

World Habitat has played an important role in the dissemination of the Community Land Trust model. Several Community Land Trusts have been recipients of the World Habitat Gold Award in the past including: Champlain Housing Trust in 2008, Caño Martín Peña CLT in 2015, and CLT Brussels in 2021. Community Land Trusts own and develop land for the benefit of the community. With more than 300 CLTs in existence, they are a proven way of creating community-led, high-quality, permanently affordable housing. We have supported the creation of the European Community Land Trust Network to further develop Community Land Trusts across Europe. The Network will provide an important platform for CLTs to share their learning and build their capacity. It will also help CLTs to reach and thrive in new countries. We funded the launch of The European Community Land Trust at the International Social Housing Festival in Barcelona.

“The European Community Land Trust Network is a brilliant move... to scale up a successful alternative to the dominant housing system across Europe... to produce public value, public good, and create a better society. Forming a network, consolidating, coming together is in my opinion, a power move.” Leilani Farha, Global Director, The Shift

#### Leeds Community Homes

Leeds Community Homes is an umbrella Community Land Trust. It was set up by two World Habitat Awards finalists - Canopy and Lilac (alongside five other Leeds-based community organisations). It aims to help communities across Leeds create new community-led homes either by building new homes or bringing empty homes back into use. In 2015 World Habitat provided the initial start-up funding, helping to establish Leeds Community Homes – a Community Land Trust.

We subsequently made a £25,000 social investment in Leeds Community Homes through a community shares issue. Leeds Community Homes set a goal to raise £360,000, and successfully achieved it. This investment enabled the purchase of 16 permanently affordable flats on an eco-development in Leeds's Climate Innovation District. The flats have Passivhaus standard insulation, air tightness, solar energy and heat recovery systems. Nine of the homes are rented at a discount, while seven will be sold at 60 per cent of the market price, a figure agreed by members to be genuinely affordable. The new homes were originally planned to be of wood construction, but the Hackett Report (that made recommendations for fire safety following the Grenfell Tower fire disaster) effectively made it impossible to build high-rise wooden residential structures in the UK. The scheme had to be redesigned creating a delay. However, the first homes were completed at the end of 2023 and were let in January 2024. Leeds Community Homes has already begun work on its next development and is in the process of becoming a “Registered Provider” with the Regulator of Social Housing, which will enable it to support and finance more affordable and community-led homes. During 2023 the fund generated a two per cent return on the value of the investment.

#### Our land

World Habitat owns a small portfolio of land local to our office in Leicestershire in the UK. The land was bequeathed to the organisation when it was established. It is largely rented to local farmers and used for agricultural purposes. In the past some land has been sold and the proceeds invested to provide income to fund the charity's activities.

During 2023 we carried out maintenance work at the Peter Elderfield Wood, a 27-Acre area of woodland planted in memory of our founder. This delivers the improvements detailed in our 10-year management plan.

#### Climate Action at World Habitat

In 2023 World Habitat updated its values to include a specific commitment to be climate-focussed. We acknowledged the scientific evidence showing that our world is in a state of climate emergency, caused by human activity. We believe that the climate emergency is the greatest threat to World Habitat's vision. We understand that the climate emergency disproportionately affects those least responsible for it, and we will work urgently towards rapid and sustainable decarbonisation in all our work and the wider housing sector.

To this end, we have set annual reduction targets for our carbon emissions, which we have met. Based on our 2016 carbon emissions baseline, we have already reduced our total annual carbon emissions by 70%. In 2016 our total carbon emissions were 121 tonnes, in 2023 this was reduced to 35.2 tonnes.

To help achieve our commitment, we have taken the following actions:

- We have updated our organisational values to specifically state our commitment to achieving net zero.
- We have set a carbon budget for each team and require staff to record the carbon impact of all their work activities.
- We have a quarterly carbon target which reports the organisation's carbon emissions to our board as a Key Performance Indicator.
- We have implemented a sustainable business travel policy that prioritises lower carbon modes of transport.
- We have set up 'cycle to work' and electric car schemes, to allow staff to buy an electric bicycle or car to reduce their commuting emissions.
- We have aligned our investments with our organisational values, to ensure that they are free from arms sales to military regimes, unethical lending practices, human rights violations, environmental degradation and activities – such as fossil fuel extraction – that are incompatible with the 2015 Paris Agreement to limit the increase in global average temperature to 2°C and pursue efforts to limit the increase to 1.5°C.
- Our staff members have undertaken Carbon Literacy Training and received their Carbon Literacy certification.
- We have signed up to the UN Race to Zero Campaign, the world's largest coalition of organisations committed to reducing their carbon emissions in line with the Paris Climate Agreement.

We will be transparent and accountable to others on our commitment. We believe it is important to share our learning and work with others to have a positive impact on the climate crisis. We are a signatory to the ACF Funder Commitment on Climate Change, which consists of six commitments or goals that World Habitat and other signatories pledge to work towards, to play our part in tackling the causes and impacts of the climate emergency. We have also achieved PlanetMark certification which recognises our commitment to reduce our carbon footprint by at least five per cent per year.

We are committed to continuing to learn, innovate and find ways of achieving the impact we need to have as an organisation, without emitting unnecessary greenhouse gasses. We will also be engaging with our external partners and hope they will join us on the journey towards net-zero.

#### Governance

In 2023 World Habitat commissioned an independent external board effectiveness review. The review was carried out by The Centre for Charity Effectiveness at Bayes Business School. The review comprised interviews with all trustees and senior management, observations of board meetings and a review of all of World Habitat's policies and procedures. The review made a number of recommendations for improvements which have been accepted by the board and developed into an action plan which the organisation is introducing over 12 months.

The review commented that: "The board works well as a team, recognising its collective responsibility and the part played by the executive in providing assurance through information, dialogue and effective compliance with agreed systems and processes. Board members are skilled, experienced and professional, adding value to discussions, willing to learn and offering the necessary commitment and flexibility to carry out their trustee role and responsibilities.

The board and staff team pride themselves on living the charity's values.

Engagement with staff, partners, network members and other stakeholders, through the Awards programme and network members, enables the organisation to punch above its weight, and have wide reaching positive impact.”

In 2018 World Habitat signed up to the Charity Code of Governance. This code is a practical tool to help charities and their trustees develop high standards of governance. The principles are based on, but go beyond, legal requirements. This code was used as the basis of the board effectiveness review. The trustees and Senior Management Team review our compliance with the code annually and will continue to do so to ensure that good governance is maintained and continually improved.

Trustees agreed that we will publish any areas where we do not meet the standard in the annual report.

#### **Areas of learning**

Not everything went according to plan in 2023. Our values say that we won't be afraid to fail, and we will learn from our mistakes.

Our planned development work with our World Habitat Award winner Homes for Good did not take place as hoped. We intended to help them develop a new social investment model. However, other priorities meant that the work was postponed and will now take place in 2024. We have learned that our plans need to take better account of our partners' priorities and availability.

Our work establishing the Middle East and North Africa Housing Justice Network was interrupted by a series of disasters and wars that befell the region. In February a series of earthquakes struck Southern Turkey and Northern Syria. Our partners in the region switched to an emergency response. In April a war broke out in Sudan between rival factions of the military government of Sudan. This caused our partners in Sudan to temporarily cease operations. In October the Israel-Gaza war broke out. Although the Network does not have Palestinian or Israeli members, the effect on the region and our partners was profound. The war caused the network to refocus its activities and purpose around the human rights abuses that were unfolding in the war.

We planned to carry out an evaluation of the World Habitat Awards. However, a reduction in staff capacity meant that it was not possible to complete it. The evaluation is planned to take place in 2024 with results published in 2025.

#### **Future Plans**

2024 is a significant year for World Habitat. This year we will begin to implement our ambitious new strategy that will guide our work for the next decade. In an uncertain and rapidly changing world, it may seem difficult to plan so far ahead, but we aim to set broad principles that will apply the charity's objectives into the 2030s. We will revisit the strategy regularly to plan how the strategy will be applied in practice. This strategy will build on our previous successes and seek to help us identify more housing solutions, with greater impact, for more people in housing need.

A key part of our next strategy is an acknowledgement that the world is in a climate emergency. The impacts will have a profound effect on housing and the way people live. New thinking and solutions will be necessary to protect people from the risks and to accelerate the road towards net zero so the worst effects can be averted.

#### **How our activities deliver public benefit**

When planning activities for the year World Habitat's trustees had due regard to guidance on public benefit produced by the Charity Commission. Our charitable activities focus on the prevention or relief of poverty, and the advancement of education for the public benefit.

In particular our programmes aim to increase the provision of adequate housing for people with few housing choices. Our work in operating and promoting the World Habitat Awards aims to fuel innovation and inspires others to adopt and adapt the best housing practice. The Awards also enable the best housing projects to scale up, expand and be replicated where they are needed most. This, we believe, will enable more people in housing-need to live in safe and secure homes.

**TRUSTEES' REPORT**

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Our Community-Led Housing work aims to create the conditions in which community led-housing can be implemented in new areas, scale-up and expand. This will provide greater provision and greater choice of low-cost housing benefiting people on low incomes.

Our European End Street Homelessness campaign aims to first reduce, and then end, street homelessness in participating cities in Europe. Street homelessness is the most extreme form of social exclusion. People living on the streets have dramatically worse health, lower life expectancy and poorer life chances than others in society. This campaign aims to create the conditions in which people living on the streets are quickly and permanently housed.

Trustees believe undertaking our main activities described above fully meets the requirements of section 17 of The Charities Act 2011 to deliver public benefit.

### FINANCIAL REVIEW

#### Overview of the year

In 2021, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following two years (until December 2023). The implementation of the plan started during 2022. The Trustees carried out another review of the charity's activities in 2023 and produced a strategic plan for the following three years (until December 2026).

The total income for the year was **£1,169,426**. This represents a 2.2 per cent increase on the income in 2022 of **£1,144,525**. The increase is primarily due to additional investment income. The principal funding source is income received from financial investments (**£1,138,082** i.e. 97.3 per cent), with the remaining 2.7 per cent secured from grants, rental income and interest. Expenditure in the year was **£1,131,733**. This was lower than income by **£37,693** This included costs for renting the office at Gresham Works.

Funds have been applied in respect of research costs and in the governance and administration of the organisation, with 92 per cent of funds expended relating to research and 8 per cent to governance and administration.

#### Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. Investments are held to provide an income to further the objectives of the Foundation, both now and in the future. The investment policy has been amended to reflect the slight shift in emphasis towards income, rather than capital growth.

Capital appreciation of the investments continues to ensure that the value of the original gift is maintained in real terms, in the longer term, recognising that there will be short-term fluctuations due to changes in stock market values. World Habitat seeks to ensure that a sufficient income stream is generated to cover its current activities without incurring undue financial risk for the charity.

The income from the charity's investments increased by 1.68 per cent from **£1,143,187** in 2022 to **£1,162,398** in 2023. There was an increase of **£1,682,210** in the valuation of the World Habitat total investment portfolio at the year end from **£33,140,396** in 2022 to **£34,822,606** in 2023. This increase was mainly due to a recovery in the markets after the ongoing conflict between Russia and the Ukraine.

#### Key management personnel remuneration

Key management personnel are defined in the Charity SORP as '*those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any Directors of the charity*'. World Habitat trustees consider that key management personnel of the charity are: the trustees, the Chief Executive and all other members of the senior management team.

All trustees give up their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 8 to the accounts. One employee received remuneration above £60,000.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises. The pay of the senior management personnel is reviewed annually and normally increased in accordance with average earnings and set at market rates. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

### Diversity, Equality and Inclusion

We are passionate about challenging the chronic injustice of the one in seven people across the world who live without a proper home. Our mission is to help those who live on the streets; those who have lost their homes due to war and disasters; and those who simply cannot afford to live where they need to. Everything we do is focused on understanding what works and getting solutions to the people who need them most.

As just one organisation operating across the entire planet, we know our staff and board of trustees can never be as diverse as the multiplicity of people we serve, but we are on a journey that aims to bring us closer. We are building an organisation and a work culture where difference is valued; where the views and insights of the growing network of people around the world we work with, enhance and enrich what we do, and ultimately make us more successful at achieving our mission.

### What we are doing about it

- **Commitment to improvement** – In our 2019 – 2021 strategy we committed to improving diversity. We have agreed to increase diversity on the board, and introduced a ratchet so that diversity will not decrease again in the future. All staff and trustees have received diversity training. Our commitment to increasing our diversity will continue to be published on our website and reflected in our delivery plans with a set of clear actionable steps. We will ensure that our website and social media reflect this commitment. We will continue this commitment in our strategy from 2023 onwards.
- **A good employer** – We will update and commit to annual diversity monitoring. We will strengthen our recruitment process in line with good practice. We will commit to regular diversity training for all staff (at least once a year). We will investigate a range of diversity accreditation schemes and consider how they could help us continue to strengthen our work.
- **Improving how we work with others** – As a global charity we will take a range of actions to more effectively develop our approach to diversity and inclusion through our partnerships and the work we deliver. We will take active steps to improve our diversity and improve the impact of our programme delivery. We will increase our accountability and our understanding by building on the diverse nature of our networks to improve our work by actively involving them in shaping our work and actively seeking feedback.

In 2023 we carried out our diversity monitoring for staff and trustees, made further improvements to our recruitment processes to appeal to areas where we are underrepresented.

We implemented an action plan based on the information gathered from the National Centre for Diversity and Stronger Foundations, this has been shared with staff and is currently being completed. Trustees received diversity training in 2023. Staff are due to receive diversity training in 2024.

### Reserves policy

World Habitat operates within a comparatively low-risk funding environment, as it does not rely on any external financial support in delivering its charitable objectives. We fund virtually all of our activities from the revenue generated from the financial investments, land and property that we received as a gift in 1976.

As at 31<sup>st</sup> December 2023 the World Habitat investment portfolio is currently managed by two investment managers, Sarasin (41.9 per cent) and Schrodgers (58.15 per cent). World Habitat is committed to maintaining the value of the original gift in real terms.

This reserves policy has been developed as part of an ongoing integrated financial governance process which includes development of a strategic plan, a risk management policy and an investment policy.

In 2021, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following two years (until December 2023). Implementation of the plan started during 2022. As a result of this review, business plans are developed which identify specific levels of anticipated income and expenditure in each year, together with details of the expected outputs and outcomes of the activities.

In the event of a collapse of the international financial markets, the organisation retains sufficient resources in readily accessible funds to meet its current operating obligations.

The value of reserves held by World Habitat as of 31<sup>st</sup> December 2023 was **£35,471,022**. This consisted of the following:

• Designated Funds	<b>£33,578,394</b>
• Revaluation Reserve	<b>£0</b>
• General Unrestricted Funds	<b>£1,892,628</b>
• Restricted Funds	<b>£0</b>

### Designated Funds

Designated funds are made up of the income maintenance fund and gift maintenance. An income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives.

Transfers are made to this reserve of surpluses, generated from activities after providing for a level of unrestricted reserves reflecting six-months planned activity. The gift maintenance fund has been created to maintain the original gift from East Midlands Housing Association in real terms value.

### Revaluation Reserve

A revaluation reserve is maintained in respect of those amounts by which investments and other assets exceed their historical cost.

### General Unrestricted Funds

General unrestricted funds should represent approximately six-months planned activity. The balance of the funds as of 31<sup>st</sup> December 2023 is **£1,892,628**. This currently represents just over twelve months planned activity. This is acceptable in the current time due to the uncertainty around the impact on our investments from the ongoing war in Ukraine.

The reserves of World Habitat are held as a form of endowment in order to generate income for the organisation. The income provided should be sufficient to cover the charitable activities of the organisation so the capital is not diminished. World Habitat requires a minimum level of reserves of **£25m** to allow the charity to fund its core activities, any additional income generated above the required level will increase the money spent on the charitable aims of the organisation.

If the reserves of the organisation go below **£25m** then we would need to adjust our spending. If this was a short-term dip, then we would review the dividends we receive, if the dip was long-term, we would look to review our future budget and strategy.

The Business Plan is reviewed on an annual basis, with both income and expenditure projected forward on an on-going basis. This reserves policy is also subject to review on an annual basis and the World Habitat trustees will carry out this review after giving due consideration to its planned programme of activity and the advice of its financial advisers as to likely income levels, any associated risks and the broader investment climate.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

Under the provisions of the Companies Act 2006, a resolution is no longer required at the Annual General Meeting to nominate the auditors for the coming year.

The trustees who held office at the date of approval of this Annual Report, as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information required by the charity's auditor in connection with preparing their report) of which the charity's auditors are unaware; and
- as the directors of the charity the trustees have taken all the steps they ought to have taken, in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**EMPLOYEE INVOLVEMENT AND APPRECIATION**

All members of staff have been regularly consulted on issues of concern with regular staff meetings being held and have been kept informed on specific matters where necessary by the Chief Executive. The trustees meet with members of staff at the quarterly board meetings and staff members present their work to trustees at the meetings. Sincere thanks are expressed to all members of our staff for their dedicated service to the organisation during the year and to the excellent results that are being achieved as a result of their work.

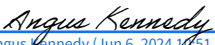
This report has been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)) and in accordance with the provisions applicable to companies entitled to smaller companies exemption.

**WORLD HABITAT**

**TRUSTEES' REPORT**

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**By order of the trustees**

  
Angus Kennedy (Jun 6, 2024 10:51 GMT+1)

**Dr A Kennedy OBE (Chair)**  
**5 June 2024**

**Independent auditor's report to the trustees of World Habitat**

**Opinion**

We have audited the financial statements of World Habitat (the 'charity') for the year ended 31 December 2023 which comprise of 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 FRS 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 charity's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 AUDITOR'S REPORT**

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**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 Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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 and proper 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' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 20, 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 charity'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 charity 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

### INDEPENDENT AUDITOR'S REPORT

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Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Charities Act 2011, the Charities Statement of Recommended Practice, employment regulation and health and safety regulation, anti-money laundering regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and the use of restricted funds, significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

**INDEPENDENT AUDITOR'S REPORT**

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**Use of the audit report**

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Jun 6, 2024 12:24 GMT+1)

**David Hoose**

(Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: Jun 6, 2024

Forvis Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023**  
**(Incorporating the income and expenditure account)**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
<b>INCOME FROM</b>					
Donations and legacies:					
General grants		-	-	-	-
Charitable activities:					
Grant income	3	913	-	913	1,124
Investments	4	1,167,358	-	1,167,358	1,143,401
Other trading activities:		1,155	-	1,155	-
<b>TOTAL</b>		<u>1,169,426</u>	<u>-</u>	<u>1,169,426</u>	<u>1,144,525</u>
<b>EXPENDITURE ON:</b>					
Raising funds		95,102	-	95,102	18,656
Charitable activities		1,036,631	-	1,036,631	1,126,851
<b>TOTAL</b>	5	<u>1,131,733</u>	<u>-</u>	<u>1,131,733</u>	<u>1,145,507</u>
<b>NET INCOME</b>		37,693	-	37,693	(982)
<b>Transfers between funds</b>		-	-	-	-
<b>Other recognised gains/(losses):</b>					
<i>Gains and losses on investment assets:</i>					
Realised Profit/(Loss) on disposal of Fixed Assets		(27)	-	(27)	(80)
Revaluation on Investment Property	10	448,501	-	448,501	10,267
Gains/(losses) on investment assets	12	1,275,796	-	1,275,796	(4,148,985)
					-
<b>Net movement in funds for the year</b>		<u>1,761,963</u>	<u>-</u>	<u>1,761,963</u>	<u>(4,139,780)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>33,709,059</u>	<u>-</u>	<u>33,709,059</u>	<u>37,848,839</u>
<b>Total funds carried forward</b>		<u>35,471,022</u>	<u>-</u>	<u>35,471,022</u>	<u>33,709,059</u>


The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on page 29-42 form part of these financial statements.

	Note	£	2023 £	£	2022 £
<b>Fixed Assets</b>					
Tangible Fixed Assets	11		10,184		13,384
Investments	12		34,822,606		33,140,396
			<u>34,832,790</u>		<u>33,153,780</u>
<b>Current Assets</b>					
Investments	13	326,999		43,801	
Debtors	14	33,716		32,322	
Cash in hand		346,524		550,746	
		<u>707,239</u>		<u>626,869</u>	
<b>Creditors:</b>					
Amounts falling due within one year	15	<u>(69,007)</u>		<u>(71,590)</u>	
<b>Net Current Assets</b>			638,232		555,279
<b>Total Assets Less Current Liabilities</b>					
			<u>35,471,022</u>		<u>33,709,059</u>
<b>Capital and Income Funds:</b>					
<i>Unrestricted funds:</i>					
Designated funds	17	33,578,394		32,302,598	
Revaluation reserve	17	-		-	
General unrestricted funds	17	<u>1,892,628</u>		<u>1,406,461</u>	
					33,709,059
<i>Restricted funds</i>					
			<u>35,471,022</u>		<u>33,709,059</u>

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime under the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)).

The financial statements on pages 26 to 42 were approved by the board of trustees on 5 June 2024 and signed on its behalf by:

  
 Angus Kennedy (Jun 6, 2024 10:51 GMT+1)

**DR A KENNEDY OBE - CHAIR**

**CASHFLOW TO THE FINANCIAL STATEMENTS**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities	(a)	(1,128,149)	(1,146,094)
<b>Cash flows from investing activities:</b>			
<b>Returns on investments</b>			
Dividends, interest and rents from investments		1,167,358	1,143,401
Purchase of property, plant and equipment		(2,320)	(15,205)
Proceeds from sale of investments		57,442	-
(Increase) / decrease on cash held on investment		(283,198)	1,884,097
Purchase of investments		(15,355)	(1,914,737)
Dividend Leeds Community Homes		-	(510)
<b>Net cash provided by/ (used in) investing activities</b>		923,927	1,097,046
<b>Change in cash and cash equivalents in the reporting period</b>		(204,222)	(49,048)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		550,746	599,794
Cash and cash equivalents at the end of the reporting period		346,524	550,746
<b>FOOTNOTES TO THE CASH FLOW STATEMENT</b>			
<b>(a) Reconciliation of net outgoing resources for the year to net inflow/(outflow) from operating activities</b>			
Net income/expenditure for the reporting period as per the statement of financial activities		1,761,963	(4,139,780)
<i>Adjustments for:</i>			
(Gains)/Losses on investments		(1,724,297)	4,148,985
Less: dividends, interest & rents from investments		(1,167,358)	(1,143,401)
Add: depreciation charges		5,497	7,506
Loss/(profit) on fixed asset disposal		23	80
(Increase) in debtors		(1,394)	(5,926)
Increase/(Decrease) in creditors			
Less: revaluation of investment property		(2,583)	(3,291)
		-	(10,267)
Net cash inflow from operating activities		(1,128,149)	(1,146,094)
<b>(b) Increase/(Decrease) in Cash</b>			
Opening balance		550,746	599,794
Balance as at 31 December		346,524	550,746
Increase/(Decrease) in year		(204,222)	(49,048)

## 1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

### **Basis of Preparation and assessment of going concern**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

World Habitat meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees and Senior Management Team of World Habitat are aware of the risks associated with uncertainty in the stock market including a reduction in the value of our investments and dividend income. We will look to mitigate the risks by reviewing our future budgets and strategy where necessary. As a result, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### **Funds Structure**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Within unrestricted funds are a number of designated funds.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Included within designated funds is a revaluation reserve representing the restatement of investments and other assets at market values.
- Restricted funds are those funds where restrictions are imposed by the donor in respect of how the funds can be expended.

### **Incoming Resources**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Interest on funds held is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)****Resources Expended**

Expenditure is recognised once there is a legal constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs associated with generating income, consisting of investment manager's fees, plus a proportion of support costs.
- Charitable expenditure comprises those costs incurred by the charity in achieving its charitable objectives, and their associated support costs. Research expenditure is included within the year in which it is incurred. Governance costs including those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity are included within charitable expenditure.
- Other expenditure represents those items not falling into any other heading.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Where research is commissioned over a period of time, the costs incurred are estimated based on the time elapsed as at the year end.

**Grant Making**

Grants are made to third parties in furtherance of the charitable objectives of the Foundation. The grants are made after signing a grant agreement and accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Support costs are allocated to monitoring grant activities as 10% of salary, employers NI and employers' pension. All grant expenditure is recognised in the year and any unpaid at the year-end is recognised as a liability at the balance sheet date.

**Allocation of Support Costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative costs, finance, personnel and premises expenses. Those costs that are not specific to an activity are apportioned on the basis of the time spent in the different categories as set out in note 6.

**Termination Benefits**

Termination costs are included in the period in which the decision has been made and communicated to employees. The terminated costs are paid based on statutory levels.

**Fixed Assets and Depreciation**

Freehold buildings are stated at market value less depreciation. There have been no indications that impairment has occurred and no impairment review has been carried out. All other fixed assets are stated at purchase price less depreciation. Depreciation is calculated to write off fixed assets over their estimated useful lives at the following annual rates:

Freehold buildings	2% of revaluation
Office and other equipment	25% of cost
Motor vehicles	25% of cost

**Investment Property**

Investment properties are included in the balance sheet at their market value. Depreciation is not charged on investment properties.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Mixed Use Property**

The charity has mixed use property, where it occupies part of the property and rents out the remainder. The proportion of the building that is considered to be investment property, is based on the number of floors occupied by the charity in relation to the number of floors rented out.

**Fixed Asset Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Cash Flow Statement**

World Habitat has prepared a cashflow statement in accordance with FRS 102.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

**Contributions to pension funds**

The company is a member of a defined contribution pension scheme. The amount charged through the statement of financial activities in respect of pension costs is the contributions payable in the year. In the past, the company also contributed to the Pensions Trust's Flexible Retirement Plan further details of which are included in note 20.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the statement of financial activities on a straight line basis over the period of the lease.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)****CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will by definition, seldom equal the related actual results. The Trustees have identified the valuation of investment properties as an area which involves critical accounting judgement or key sources of estimation uncertainty when determining the fair value of the investment properties.

In preparing these financial statements the Trustees have considered the valuation of all the investment properties and the estimations with regards to the carrying value of the investment properties. The Trustees have taken into account a number of factors including the age of the property/land, its marketability and the regional commercial market. All investment properties were valued by an external property and land valuer, Fisher German, who have appropriate experience and RICS registered qualifications to undertake the valuations.

**2 LEGAL STATUS**

The charity is a company limited by guarantee registered in England and has no share capital. 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. The registered office is stated on the Legal and Administrative page.

**3 CHARITABLE ACTIVITIES**

	2023 £	2022 £
<b>Grant Income:</b>		
Rural Payments Agency	913	1,124
	913	1,124

In 2022, all of the income was to unrestricted funds.

**4 INVESTMENT INCOME**

	2023 £	2022 £
<b>Listed:</b>		
Dividends on unit trusts and Common Investment Funds	1,138,082	1,113,908
<b>Cash on Deposit:</b>		
Interest received	4,960	214
<b>Other:</b>		
Rental income	24,316	29,279
	1,167,358	1,143,401

In 2022, all income from investments was unrestricted.

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

## 5 RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
<b>Raising funds:</b>				
Professional & investment fees	78,785	-	78,785	189
Support costs (see note 6)	16,317	-	16,317	18,467
	95,102	-	95,102	18,656
<b>Charitable activities:</b>				
Awards	28,198	-	28,198	27,492
Salaries and pensions	558,258	-	558,258	555,908
Research travel (overseas)	14,824	-	14,824	21,475
Research travel (UK)	6,708	-	6,708	9,397
Recruitment and training	11,120	-	11,120	14,368
Subscriptions	6,763	-	6,763	9,180
External research meetings –WH	201,478	-	201,478	243,388
External research meetings – Others	351	-	351	453
WH research meetings	6,197	-	6,197	4,782
Publication of research	37,900	-	37,900	53,547
Auditor's remuneration and related costs	17,999	-	17,999	20,655
Support costs (see note 6)	146,835	-	146,835	166,206
	1,036,631	-	1,036,631	1,126,851
	1,131,733	-	1,131,733	1,145,507

In 2022, the unrestricted expenditure was £1,145,507.

## 6 SUPPORT COSTS

The Charity allocates its support costs (all of which are unrestricted) as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Raising funds £	Charitable activities £	2023 Total £	2022 Total £
<b>Overheads:</b>				
Administrative salaries	7,396	66,566	73,962	71,804
Stationery, postage and telephone	340	3,063	3,403	2,026
Motor and travelling expenses	201	1,807	2,008	2,989
Miscellaneous expenses	201	1,806	2,007	2,792
Carbon Offsetting	(940)	(8,464)	(9,404)	-
Lease charges	-	-	-	465
Bank charges	57	513	570	1,339
Exchange Rate Variance	(41)	(371)	(412)	-
<b>Premises Expenses:</b>				
Rent, Rates, heat and light	2,937	26,434	29,371	31,079
Repairs	4,481	40,324	44,805	54,305
Insurance	1,135	10,211	11,346	10,368
Depreciation	550	4,946	5,496	7,506
	16,317	146,835	163,152	184,673

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

## 7 STAFF COSTS

	2023 £	2022 £
Wages and salaries	544,754	532,912
Social security costs	48,034	54,992
Employer pension costs	39,432	39,808
	<u>632,220</u>	<u>627,712</u>

	2023 £	2022 £
Staff restructuring costs comprise:		
Settlement payments	0	0
Severance payments	0	0
Redundancy payments	1	0
	<u>1</u>	<u>-</u>

**Redundancy Payments**

The redundancy payments in the reporting period totalled £8,572. There were no amounts payable at 31 December 2023.

**Employee numbers**

The average number of persons directly employed during the year was:

	No.	No.
Research and development	9	10
Administration and support	2	2
	<u>11</u>	<u>12</u>

The number of employees who received employee benefits (excluding employer pension costs) of more than £60,000 was:

	No.	No.
Earning between £60,000 and £70,000	0	0
Earning between £80,000 and £90,000	0	0
Earning between £90,000 and £100,000	1	0
Earning between £100,000 and £110,000	0	1

	2023 £	2022 £
Total cost for the management team	<u>270,851</u>	<u>302,185</u>

The management team cost £270,851 for 2023 is for a management team of 4 and £302,185 for 2022 is for a management team of 4. The key management are those listed on page 1. The total cost includes employer contributions of pension and national insurance.

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

**8 NET INCOME/(EXPENDITURE) FOR THE YEAR**

	2023 £	2022 £
This is stated after charging:		
Operating lease rentals	60,857	52,308
Depreciation	5,496	7,506
Auditor's remuneration:		
- Audit services	15,000	14,400
- Non-audit services	0	0
	<u>0</u>	<u>0</u>

During the year ended 31 December 2023, travel expenses totalling £2,008 were paid to 9 trustees (2022: £2,989).

No remuneration was payable to members of the Board of Trustees during the year (2022: £Nil).

Trustee indemnity insurance is included in the total insurance cost of £11,346 (2022: £10,368) paid in December 2022.

The percentage of income arising outside the United Kingdom was 0% (2022: 0%).

**9 TAXATION**

During the year the Charity didn't receive anything subject to Corporation Tax.

**Analysis of taxation charge in the year**

	2023 £	2022 £
Tax on profit on ordinary activities at 19%	<u>-</u>	<u>-</u>

**Factors affecting tax charge for period**

The difference between the tax assessed for the period and the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2023 £	2022 £
Surplus/(deficit) on ordinary activities before tax	<u>1,761,963</u>	<u>(4,139,780)</u>
Standard rate of corporation tax in the UK	19.00%	19.00%
	£	£
Items not subject to corporation tax	1,761,963	(4,139,780)
Under provision from previous periods	-	-
Tax on profit	<u>-</u>	<u>-</u>

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

## 10 GAINS/(LOSS) ON INVESTMENTS

	2023 £	2022 £
<b>UNREALISED GAIN/(LOSS):</b>		
Market Value of Investments at year end	34,822,606	33,140,396
Original cost of Investments	35,647,759	35,696,267
	<u>(825,153)</u>	<u>(2,555,871)</u>
<b>GAIN/(LOSS) ON INVESTMENTS</b>		
Unrealised gains/(losses) on investments	1,282,218	(4,148,985)
Realised gains/(loss) on investments	(6,422)	-
Total gain/(loss) on investments	<u>1,275,796</u>	<u>(4,148,985)</u>
Unrealised revaluation gain on investment property	448,501	10,267
Total gain/(loss) on investments	<u><u>1,724,297</u></u>	<u><u>(4,138,718)</u></u>

	2023 £	2022 £
<b>REALISED GAINS/(LOSS) ON SALE OF INVESTMENTS:</b>		
Proceeds	57,442	-
Historical Cost	(63,864)	-
Realised Loss in the year	<u>(6,422)</u>	<u>-</u>
Split between:		
Gains realised in the year	-	-
Losses realised in the year	(6,422)	-
Total realised gain/(loss)	<u>(6,422)</u>	<u>-</u>

## 11 TANGIBLE FIXED ASSETS

	Office and Other Equipment £	Total £
<b>Cost or valuation:</b>		
At 1 January 2023	38,514	38,514
Additions	2,320	2,320
Disposals	(6,219)	(6,219)
At 31 December 2023	<u>34,615</u>	<u>34,615</u>
<b>Depreciation:</b>		
At 1 January 2023	25,130	25,130
Depreciation written back on disposals	(6,196)	(6,196)
At 31 December 2023	<u>24,431</u>	<u>24,431</u>
<b>Net Book Value:</b>		
At 31 December 2023	<u>10,184</u>	<u>10,184</u>
At 31 December 2022	<u><u>13,384</u></u>	<u><u>13,384</u></u>

## 12 INVESTMENTS

	2023 £	2022 £
<b>At valuation:</b>		
Freehold property	1,515,501	1,067,000
Listed investments	33,307,105	32,073,396
	<u>34,822,606</u>	<u>33,140,396</u>

All investments are held within the UK.

Investments are held in order to provide an investment return for the purposes of funding the charity's activities.

**Investment properties**

At 27 September 2023, Fisher German, Chartered Surveyors, prepared valuations of all of the Foundation's investment properties. In the opinion of the Board of Trustees, the valuations represent the true market value of the land and properties held for investment purposes as at 31 December 2023.

The freehold property was valued at a market value of £340,000 on the 27<sup>th</sup> September 2023 by Fisher German LLP, who are not connected with the charity. The charity has an option agreement from Coalville CAN to purchase the property for £425,000. The trustees have used this valuation for the year end. The historical cost of the property together at 31 December 2023 was £32,826.

All of the Freehold property is accounted for as an investment property.

	2023 £	2022 £
At beginning of year	1,067,000	908,667
Additions	-	-
Transfer from fixed assets	-	148,066
Revaluations	448,501	10,267
	<u>1,515,501</u>	<u>1,067,000</u>
Historical cost at 31 December	<u>109,418</u>	<u>109,418</u>
<b>Listed investments</b>		
At beginning of year	32,073,396	34,307,133
Acquisitions at cost	15,355	1,915,248
Disposals at opening book value	(63,864)	-
Net (loss) / gains on revaluation in the year	1,282,218	(4,148,985)
Market value at 31 December	<u>33,307,105</u>	<u>32,073,396</u>
Historical cost as at 31 December	<u>35,538,341</u>	<u>35,586,850</u>

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

## 12 INVESTMENTS (continued)

These assets include indirect investments in listed securities, through a combination of Common Investment Funds and Unit Trusts. Included in listed investments are the following investments, which individually represent over 5% of the total year-end value of the investment portfolio:

	Quantity of stock held as at 31 Dec 23	Market Value 2023 £	Market Value 2022 £
<b>Investment valuation and holding:</b>			
Responsible Multi Asset Fund	34,495,052	19,341,603	18,741,865
Sarasin Climate Active Endowments Fund	11,713,855	13,938,972	13,305,521

All investments are carried at their fair value. Holdings in common investment funds and unit trusts are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so there ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are traded in markets with good liquidity and high trading volumes.

The charity has no material investment holdings in markets subject to exchange controls or trading restrictions. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5-year period will normally be corrected.

## 13 CURRENT ASSET INVESTMENTS

	2023 £	2022 £
Cash on deposit	326,999	43,801

## 14 DEBTORS

	2023 £	2022 £
Prepayments	33,489	23,954
Trade Debtors	227	8,368
	<u>33,716</u>	<u>32,322</u>

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

## 15 CREDITORS (Amounts falling due within one year)

	2023 £	2022 £
Other taxes and social security	12,023	13,152
Grants Payable	23,874	22,669
Trade creditors	14,823	-
Other creditors	18,287	35,769
	<u>69,007</u>	<u>71,590</u>

## 16 FINANCIAL INSTRUMENTS

	2023 £	2022 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	34,822,606	33,140,396
	<u>34,822,606</u>	<u>33,140,396</u>

Financial assets measured at fair value through income and expenditure comprise investment properties and investments.

## 17 UNRESTRICTED FUNDS

	At 1 Jan 2023 £	Incoming Resources £	Outgoing Resources £	Gains/ (losses) £	Transfers £	At 31 Dec 2023 £
<b>Designated Funds:</b>						
Revaluation reserve	-	-	-	1,724,297	(1,724,297)	-
Income maintenance	24,887,222	-	-		636,014	25,523,236
Gift maintenance	7,415,376	-	-		639,782	8,055,158
<b>General Funds</b>	1,406,461	1,169,426	(1,131,760)		448,501	1,892,628
	<u>33,709,059</u>	<u>1,169,426</u>	<u>(1,131,760)</u>	<u>1,724,297</u>	<u>-</u>	<u>35,471,022</u>

**Purposes of Designated Funds**

**Revaluation Reserve** – The revaluation reserve fund represents the amounts by which investments and other assets exceed their historical cost.

**Income Maintenance** – The income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives. The fund is maintained by the transfer of the balance of realised gains after the funding of the gift maintenance fund and providing sufficient general funds to reflect six months planned activity. A transfer of £639,782 was completed during the year due to the change in the value of the gift maintenance fund. There was also a transfer of (£1,724,297) from the Revaluation Reserve. The net impact was an increase of £636,014.

**Gift Maintenance** – The gift maintenance fund has been created to maintain the original gift of £1,249,066 from East Midlands Housing Association in real terms value. The purpose of the original gift was to enable the generation of income to allow the charity to pursue and achieve its objectives. The underlying assets in which the funds are held are managed to do this. Maintenance of this fund is from realised gains on investment assets. A transfer of £639,782 was completed during the year.

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

## UNRESTRICTED FUNDS PRIOR YEAR

	At 1 Jan 2022 £	Incoming Resources (inc. Gains) £	Outgoing Resources £	Transfers £	At 31 Dec 2022 £
<b>Designated Funds:</b>					
Revaluation reserve	1,605,796	10,267	(4,148,985)	2,532,922	-
Income maintenance	25,420,144	-	-	(532,922)	24,887,222
Gift maintenance	9,367,373	-	-	(1,951,997)	7,415,376
<b>General Funds</b>	1,455,526	1,144,525	(1,145,587)	(48,003)	1,406,461
	37,848,839	1,154,792	(5,294,572)	-	33,709,059

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	General funds £	Designated funds £	Total 2023 £
Fixed assets	-	10,184	-	10,184
Investments	-	1,515,501	33,307,105	34,822,606
Current assets	-	435,950	271,289	707,239
Creditors	-	(69,007)	-	(69,007)
Provisions	-	-	-	-
	-	1,892,628	33,578,394	35,471,022

## ANALYSIS OF NET ASSETS BETWEEN FUNDS PRIOR YEAR

	Restricted funds £	General funds £	Designated funds £	Total 2022 £
Fixed assets	-	13,384	-	13,384
Investments	-	1,067,000	32,073,396	33,140,396
Current assets	-	397,667	229,202	626,869
Creditors	-	(71,590)	-	(71,590)
Provisions	-	-	-	-
	-	1,406,461	32,302,598	33,709,059

## 19 CHANGES IN NET DEBT

	At 1 Jan 2023 £	Cash flows £	Other non- cash changes £	At 31 Dec 2023 £
<b>Cash and cash equivalents</b>				
Cash	550,746	(204,222)	-	346,524
Overdrafts	-	-	-	-
Cash equivalents	43,801	283,198	-	326,999
	594,547	78,976	-	673,523

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT**

**20 PENSION SCHEME**

The charity operates a pension scheme for the benefit of employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Total employer contributions paid in the year amounted to £39,432 (2022: £39,808) as at 31 December 2023 there were contributions outstanding of £Nil (2022: £Nil).

World Habitat participates in the Flexible Retirement Plan and Ethical Fund that are both operated by the Pension Trust. They are both multi-employer pension plans and are available as a salary sacrifice scheme. In the year World Habitat paid £4,052 as employer AVCs. This represented the savings in NI contributions for employees signed up to the salary sacrifice scheme.

The Flexible Retirement Plan is a defined contribution fund and is compliant with auto-enrolment. The employee can select to invest in the default Target Date Fund or select their own funds.

The Ethical Fund is also a defined contribution fund and compliant with auto-enrolment requirements. Any funds paid into the Ethical Fund are invested in the Ethical Target Date Funds (TDFs), which enables members to invest in companies that meet globally recognised corporate responsibility standards.

The charities' staging date for auto-enrolment was 1<sup>st</sup> July 2016.

**21 LIMITED BY GUARANTEE**

The company is limited by guarantee and accordingly does not have issued share capital. Every member of the Association undertakes to contribute an amount not exceeding £10 to the assets of the association in the event of the same being wound up.

**22 RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year or prior year.

The payment of trustees' expenses is disclosed in note 8.

**23 COMMITMENTS UNDER OPERATING LEASES**

As at 31 December 2023 the charity had total commitments under non-cancellable operating leases as set out below.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	30,791	24,176
Within 1 and 5 years	23,732	2,400
	<u>54,523</u>	<u>26,576</u>

**24 COMMITMENTS UNDER GRANT AGREEMENTS**

During the year to 31 December 2023 the charity made grant agreements as set out below.

	2023 £	2022 £
Grant agreements:		
<b>EESHHC</b>		
Stopa Slovenska	-	2,730
Arrels	4,728	-
Carousel	5,082	-
The Passage	5,000	-
CRESCER	-	5,088
Action Homeless	-	3,925
Infirmiers Du Rue	4,020	4,819
UTCAROL	5,000	10,145
Croatian Network for Homeless	-	5,000
<b>World Habitat Awards</b>		
UrbaMonde – France	24,180	15,269
Community Land Trust Brussels	-	7,856
Newcastle City Council	-	20,000
Urbasen	9,986	-
<b>Global Community-led Housing</b>		
Community Land Trust Brussels	4,499	-
Center for Community Land Trust Innovation	-	1,807
Moba	21,953	-
Association of Urbamonde	-	33,096
Catalytic Communities	15,000	15,579
Al Falah	6,341	-
<b>Total Grants</b>	<u>105,789</u>	<u>125,314</u>

All grants made in 2023 were to institutions. Grants to individuals is £nil.

Grants payable at the year-end were £23,874, this balance is included in creditors due within one year (note 15). The total grants for the year is included in expenditure on charitable activities on the statement of financial activities on page 23.

There are supports costs associated with monitoring the grants of £15,000. This is 10% of the salary for the individuals monitoring the grants.

The projects being funded in each programme area as follows:

**EESHHC**

The grants are to develop a number of programmes in cities across Europe to understand the scale and context of migrant homelessness. This includes a number of initiatives to build the publics understanding of homelessness.

**World Habitat Awards**

The grant is to collectively increase impact, add value, and support organisations and communities around the world to implement the right to adequate housing. This will be done by firstly by identifying and sharing examples of housing solutions and secondarily, by enabling communities and other organisations to develop their own housing solutions.

**Global Community-Led Housing**

The grants are to advance on co-operative housing development – with opportunities to secure access to knowledge, land, finance and advancements in terms of policy, legal, technical or environmental matters.

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

	Note	£	2023 £	£	2022 £
Rent receivable			24,316		29,279
Investment income	A		1,143,042		1,114,122
Grant			913		1,124
Misc			1,155		-
Sales			-		-
			<u>1,169,426</u>		<u>1,144,525</u>
<b>Overheads:</b>					
Salaries		73,962		71,804	
Professional and investment management fees		78,785		189	
Other professional fees					
Property expenses	B	18,203		20,652	
Stationery, postage and telephone		3,403		2,026	
Motor and travelling expenses		2,007		2,989	
Auditor's remuneration and other related costs		17,999		20,655	
Miscellaneous expenses		2,007		2,792	
Lease charges		-		465	
Bank charges		570		1,339	
Foreign Exchange rate difference		(412)		-	
Carbon Offsetting		(9,402)		-	
		<u>187,122</u>		<u>122,911</u>	
Research costs	C	<u>944,611</u>		<u>1,022,596</u>	
			<u>1,131,733</u>		<u>1,145,507</u>
Surplus/(deficit) for the year			<u>37,693</u>		<u>(982)</u>

The following pages do not form part of the statutory financial statements.

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

A. INVESTMENT INCOME

	£	2023 £	£	2022 £
<b>Interest on deposits:</b>				
Schroder	-		-	
Sarasins	3,914		-	
Barclays	1,046		214	
		4,960		214
Dividends from common investments funds		<u>1,138,082</u>		<u>1,113,908</u>
		<u>1,143,042</u>		<u>1,114,122</u>

B. PROPERTY EXPENSES

	Occupied By the Charity £	Own Property Let £	Total £
Rent, rates, heat and light	29,268	103	29,371
Repairs	25,410	19,394	44,804
Insurance	11,196	150	11,346
Depreciation of plant, fixtures and fittings, and buildings	5,496	-	5,496
	<u>71,370</u>	<u>19,647</u>	<u>91,017</u>
Apportioned to research facilities – 80%	<u>57,096</u>	<u>15,718</u>	<u>72,814</u>
Apportioned to overheads – 20%	<u>14,274</u>	<u>3,929</u>	<u>18,203</u>

C. RESEARCH COSTS

	2023 £	2022 £
Awards	28,198	27,492
Salaries and pensions	558,258	555,908
Research travel (overseas)	14,824	21,475
Research travel (UK)	6,708	9,397
Research dissemination materials	-	-
Recruitment and training	11,120	14,368
Subscriptions	6,763	9,180
External research meetings – WH	201,478	243,388
External research meetings – Others	351	453
WH Internal research meetings	6,197	4,782
Research facilities	72,814	82,606
Publication of research	37,900	53,547
	<u>944,611</u>	<u>1,022,596</u>

The following pages do not form part of the statutory financial statements.

**WORLD HABITAT**

England & Wales - Charity number 270987

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# Accounts

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**COMPANY NUMBER: 1247918**

**WORLD HABITAT**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**WORLD HABITAT  
IS A REGISTERED CHARITY**

**CHARITY NUMBER: 270987**

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	<b>Page</b>
Legal and Administrative Information	1
Trustees' Report	2 – 24
Independent Auditor's Report	25 - 28
Statement of Financial Activities	29
Balance Sheet	30
Cashflow	31
Notes to the Financial Statements	32 – 46

**LEGAL AND ADMINISTRATIVE INFORMATION**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to submit their forty second annual report, together with the audited financial statements for the year ended 31 December 2021.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity number** 270987

**Company number** 1247918

**Principal Office**

Gresham Works

Office 1

38 Market Street

Leicester

LE1 6DP

(Effective from 1<sup>st</sup> March 2022)

Tel 01530-510444

Email [info@world-habitat.org](mailto:info@world-habitat.org)

Web [www.world-habitat.org](http://www.world-habitat.org)

**Auditor** Mazars LLP

Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

**Bankers** Co-op Bank plc

77-79 Market Place, Leicester, LE1 5EN

Barclays Bank

Bishop Meadow Branch, Loughborough

**Solicitors** Freeths

One Colton Square, Leicester, LE1 1QH

**DIRECTORS AND TRUSTEES**

The directors of the charitable company (World Habitat) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year, and since the year-end, were as follows:

**Elected trustees**

A Challis

P Elderfield (resigned on 1 December 2021)

A Kennedy

A Pearson (resigned on 03 March 2021)

S Macdonald

I McCormack

N Murphy

J Richardson (reappointed on 28 June 2021 to serve a further three-year term)

**Management team**

D Ireland – Chief Executive

E Melia

L Winterburn – Deputy CEO

J Kovach

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

World Habitat is a charitable company limited by guarantee incorporated on 9 March 1976. It is governed by a Memorandum and Articles of Association which were amended on the 26 September 2017 to change the name to World Habitat, change the charitable objects and amend the period of time trustees can serve on the board to a maximum of 9 years without special resolution. In the event of it being wound up, members are required to contribute an amount not exceeding £10.00.

#### Recruitment, appointment and training of trustees

As set out in the Articles of Association trustees are appointed for a fixed-term of three years, save where the Board of Trustees sets a shorter period prior to appointment. Trustees shall cease to be members of the Board of Trustees at the end of the fixed-term but may be reappointed at the Annual General Meeting held in June. Trustees may serve as a member of the Board of Trustees for a continuous, or aggregate period, of 9 years without the support of a special resolution at a general meeting of the association. The Articles state that the number of trustees should not exceed nine. The members of the organisation are co-terminus with the trustees. All members of the organisation are circulated with invitations to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM.

All members of the board of trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 in the accounts.

Prof J Richardson reached the end of her term of office and was re-elected for a further three-year term at the AGM. Alan Pearson resigned on 3<sup>rd</sup> March 2021 and Pat Elderfield resigned on the 1<sup>st</sup> December 2021. We express our sincere appreciation to Pat Elderfield and Alan Pearson, who have ably and loyally served the Board of Trustees over their time here and have brought their wide experience and insight to support the organisation as it has grown and developed in this time.

Stuart Macdonald was appointed as Vice-Chair for a period of three years during 2019.

There is a process in place for trustee appraisals to take place every 12 to 18 months. Appraisals are carried out by the Chair and feedback provided for trustees. General themes that emerge from trustee appraisals are reported back to the Board.

Trustees have approved a process for appraising the Chair. The process involves a self-appraisal and an interview carried out by trustees led by the Vice-Chair.

A revised trustee induction policy was approved by trustees in June 2020. New trustees are provided with full information to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Opportunities are provided for new trustees to meet all employees and other trustees. Trustees are encouraged to attend appropriate external training events to facilitate the undertaking of their role and to meet regularly with the World Habitat staff team.

#### Organisation

The Board of Trustees, which can have up to nine members, administers the charity. The Board meets quarterly and there is one standing sub-committee covering investment and other financial matters. Working groups are established to address particular issues if needed. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and all activity relating to meeting the organisation's objectives. During the year, our Chief Executive was Mr David Ireland, who joined the organisation in June 2014.

#### Related parties

The charity has no closely related parties, although co-operates with a broad range of organisations both in the UK and internationally, in its various housing research and knowledge transfer activities.

#### Risk management

Risk management is reviewed by trustees at every board meeting.

The trustees have a risk management strategy, which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Health and safety advisers and professional investment managers have been appointed, and a business continuity plan has been prepared to address the need to maintain a normal mode of operation in the event of an emergency. A key element in the management of financial risk is the setting of policies in respect of reserves and investments, which are regularly reviewed by trustees. A major risk identified in previous risk-mapping work is a major collapse of the financial markets and the impact that this would have on the income stream, which relies heavily on dividend income. Whilst the ongoing uncertainties in the global financial system continue to have an impact on our income, we are working closely with our investment advisers to keep the situation under review. The Board of Trustees delegates the Finance and Investment Sub-Committee to meet with our investment managers on a regular basis. The Finance and Investment Sub-Committee meetings normally take place three times a year. A full set of papers from the Finance and Investment Sub-Committee are provided to all trustees in order that there is a broad understanding of the financial position by all members.

#### **Risk and Uncertainties**

##### **Brexit - What are the risks facing us and how are we going to mitigate this?**

Trustees have carefully considered the risks posed by the UK leaving the European Union. The issue has been near the top of the risks regularly reviewed by trustees since before the referendum in 2016.

Trustees consider that the main risks to World Habitat are indirect rather than direct. By that they mean that direct risks such as disruption of supply chains, changes in import/export taxes and the removal of licences to operate do not significantly affect World Habitat. There are however many indirect effects which may have an impact on the organisation. These relate to four main areas: the risk of a general downturn in the UK economy; changes in the exchange rate between sterling and other major currencies, particularly the Euro; changes affecting travel between the UK and the EU; and the impact on employment and recruitment caused by changes to residency rules for EU citizens living in the UK.

Trustees have reviewed these risks and concluded that risks to World Habitat's investments are manageable. Risks to income are likely to be minor because World Habitat's investments are invested diversely and are not solely dependent on the performance of the UK's economy.

World Habitat employs one member of staff based in the Netherlands whose salary is paid in Euros. A reduction in the value of Sterling against the Euro will increase the organisations costs in all of these areas. The organisation has modelled this and built a contingency into its budget that would cover all but a major drop in the value of Sterling.

World Habitat employs a number of staff who are not UK citizens, and has traditionally recruited some staff from EU countries for their knowledge and experience in the areas of work the charity undertakes. All UK-based staff have settled status, and the organisation's increasing proficiency in remote-working provides the opportunity to recruit overseas staff if necessary, without the need for them to be based in the UK.

World Habitat's traditional operating model has required frequent travel to EU countries. World Habitat is a member of Housing Europe, it conducts much of its homelessness programme, and part of its Global Community-led Housing Programmes in EU countries. The World Habitat Awards receive large numbers of submissions from EU countries, and require staff to visit as part of the evaluation process. Trustees have considered the implications of World Habitat's UK staff visiting EU countries and concluded that whilst there may be some additional administrative costs, these are manageable and additional costs are likely to fall within the organisation's travel budget. In any case, the risks to overseas travel caused by COVID-19 are much more significant. The organisation aims to reduce its need for so much travel in the medium-term as it seeks to reduce its carbon footprint.

Therefore, whilst Brexit is a risk, the trustees consider the impact to be manageable and not to be as significant as COVID-19.

#### **COVID-19 – What are the risks facing us and how are we going to mitigate this?**

Trustees are acutely aware that the impacts of COVID-19 are felt most by those on low incomes and those with inadequate housing or no home at all. The pandemic has created new threats to the most vulnerable people in society, including an increased risk of homelessness through evictions. Trustees acknowledge that these effects are likely to significantly shape the needs of the people that World Habitat's work aims to help. As a result, World Habitat's programmes and strategy are due to be revised in 2022, so that they best deliver the organisation's mission and objectives.

Trustees have reviewed the potential medium-term impacts of the pandemic on World Habitat. They are aware that the duration and future developments in the pandemic are difficult to predict. Trustees consider that whilst most effects will be relatively short-term in duration, there are likely to be some fundamental long-term changes that result. Trustees consider that the most significant impacts on World Habitat are on the organisation's income, restrictions to travel, and the organisation's workplace.

The vast majority of World Habitat's income is derived from financial investments. The financial shock caused by the pandemic has led to increased volatility in the value of these investments. Trustees have reviewed projections of the likely impact on the charity's income and concluded that the financial effects are likely to be relatively short-term. Trustees have considered the risks to income as well as the risks to the delivery of the organisation's programmes. During 2021 the value of the financial investments rose to above pre-pandemic levels. The financial investments were also moved to two new funds during the year that would pay a 4 per cent total return. This level of distribution would be sufficient to fund the activities of the charity going forward.

World Habitat's operations have previously required a significant amount of overseas travel. Trustees anticipate that it will not be possible to pursue operational models that require travel in the short to medium-term. One important example are the evaluation visits, which are undertaken each year to assess submissions from finalists in the World Habitat Awards. New models were developed in 2020 including using in-country experts to visit and provide advice to the evaluation team. Similar models have been developed for other parts of the organisation's operations. These are continuously being refined and improved giving the organisation a range of options it can use, depending on the health risks and legal position in force at the time. Trustees are confident that its programmes can continue to operate within all reasonably foreseeable pandemic scenarios.

When the UK government ordered all staff who were able to work from home in March 2020, the organisation was well prepared. It had IT systems and equipment already in place and was able to adapt its process and operations quickly to a working from home model. Staff have remained working from home ever since. The organisation plans to reopen an office during 2022, contingent on the law permitting it and risk assessment which demonstrates that health risks to staff are minimised as far as is possible.

### Our Mission and Objectives

We are determined to address and challenge the widespread, chronic injustice that one-in-seven people across the world who live without a proper home. Our mission is to help those who are homeless; those who have lost their homes due to war and disasters; and those who simply cannot afford to live where they need to. All our work is focused on understanding what works and getting solutions to the people who need them most. This annual report and accounts details our progress over the last year towards achieving that mission.

Safe and secure housing is a fundamental human right; without it, people cannot fulfil their true life-potential. For too many of the world's population, poverty, conflict, disasters, including those caused by the climate emergency deny people that fundamental right. The COVID-19 pandemic continues to highlight blatant inequalities in housing. A secure home is not just essential to keep safe from the virus, but also provides resistance to the economic and social impacts that the pandemic has unleashed.

UN-Habitat estimates that around a billion people currently live in unsafe and unhealthy homes and millions more have no home at all. This is clearly unacceptable. Despite the recent challenges caused by COVID-19, there has been huge progress over the last few decades. Billions have been lifted out of poverty. Life expectancy has increased, and more people than ever have somewhere safe and secure to live in – our mission is quite clearly achievable.

However, there are threats to this progress. Old political and economic certainties have retreated, weakening people's rights and increasing the risk of conflict. The economic impacts of COVID-19 have threatened people's security, increasing the risk of eviction and homelessness. A rising global population is straining the world's resources and the climate is becoming increasingly unstable and unpredictable. These tensions are felt first by the poorest people who can least afford to insulate themselves from the effects, and with regard to the climate emergency – are the least responsible for causing it.

However, the most marginalised communities are often the most resourceful, strongest and most innovative. With the right financial and social backing, most communities possess the potential to create the right housing solutions. In our experience, if those directly affected have a role in designing solutions, the outcomes are always far better.

The world is not short of solutions to housing challenges – most of them already exist and are emerging all the time. However, too many communities do not have the access they need to implement, and make the most of them. It is World Habitat's role as a catalyst to find the solutions, help them to develop and grow and then get them transferred to the places and communities who need them most.

In 2021 we have wanted to have a greater positive impact than ever before. We sought to develop and adapt our approach to the changed housing needs, and the limitations imposed on us as a result of COVID-19, without reducing our impact. Our work – which this report details - continued to implement the strategy approved by our Trustees, that has guided our work from 2019 to 2021. The strategy sets our objectives to:

- seek out and develop new and effective solutions to the world's greatest housing challenges;
- support emerging innovative ideas and projects to develop and grow, so they help more people;
- invest in housing projects to help them reach more people;
- promote proven housing solutions and help to transfer them to places where they are needed most; and
- work around the world to develop what works and to discover new solutions to making housing safe and secure.

### **The World Habitat Awards - Seeking out and developing new and effective solutions to the world's greatest housing challenges.**

The World Habitat Awards represent a unique window into the most inspirational and effective housing projects from around the world. Run in partnership with UN-Habitat since 1985, our extensive global network and proven methodology finds remarkable communities who have solved sometimes, seemingly, impossible problems. We look for innovative projects that are sustainable and have the potential to have the greatest impact in addressing the most challenging global housing problems, through our exChange events and transfer work.

The two Gold Award winners – who were presented with their Awards in 2021 - were: **The Aga Khan Agency for Habitat, Pakistan** and **Newcastle City Council, UK**

#### **Integrating local knowledge with technology to manage disasters in Pakistan's villages. The Aga Khan Agency for Habitat, Pakistan.**

Pakistan has suffered an estimated US\$18 billion in damages and losses as a result of disasters over the past decades. The northern mountainous areas – home to some of the most disadvantaged and isolated communities – are especially vulnerable to earthquakes, floods and many other hazards – often as a result of the climate emergency - that have caused significant damage in recent years.

Although international and national agencies have undertaken work on disaster preparedness at different levels, the integration of hazard, vulnerability and risk assessments (HVRAs) into planning processes - for disaster preparedness, response, rehabilitation and development - is rare.

The **Integrating indigenous knowledge and technology for safer habitat** approach set up by the [Aga Khan Agency for Habitat, Pakistan](#) (AKAH Pakistan) integrates disaster-risk management into habitat-planning and development projects at village and community levels. AKAH Pakistan introduced community-based HVRAs in the country for the first time in 2004, combining local and scientific knowledge to map risks, determine residential and economic zones, and develop disaster management plans. AKAH geologists use satellite images and risk-mapping tools, with active participation from residents, who contribute local knowledge and receive training on the process. This enables them to build in safer areas and protect against hazards.

To date, AKAH Pakistan has conducted HVRAs in almost 800 settlements, mostly in the mountain areas of Gilgit-Baltistan and Chitral regions - home to more than one million people. The project has provided more than 20,000 households with technical assistance in maintaining and improving their homes, constructed over 4,000 shelters for internally displaced people, and created more than 280 community disaster management plans. Weather monitoring posts and community-based early warning systems are also installed.

Over 50,000 community volunteers have been trained across Pakistan in community-based disaster risk management. Alongside AKAH, they have responded to over 200 disasters and - through HVRAs - identified 50 extremely hazard prone settlements for relocation. AKAH Pakistan has also established 190 community-managed emergency stockpiles, which include tents, blankets, search and rescue tools and first aid kits.

#### **Homelessness Prevention in Newcastle Upon Tyne, UK - Newcastle City Council, UK**

Poverty and deprivation were already long-standing issues in Newcastle upon Tyne before a decade-long programme of austerity reduced municipal budgets by almost a third (32%) and welfare spending in the city was severely cut. An estimated US\$150 million will have been cut from 40,000 of the lowest-income working-age residents by 2024.

It was in response to these severe budget cuts, and their likely impact on the most vulnerable households, that [Newcastle City Council](#) developed its Active Inclusion Newcastle partnership approach to support residents to have a stable life – somewhere to live, an income, financial inclusion and employment opportunities. **Homelessness prevention in Newcastle upon Tyne** is a citywide approach which identifies and supports people at risk of homelessness - before they reach crisis point, rather than responding afterwards.

In a city facing reducing incomes and increasing poverty, this approach has maintained extremely low and stable levels of homelessness, despite a challenging background nationally, preventing thousands of households from becoming homeless.

More than 100 local organisations work together to prevent homelessness and promote financial inclusion. This involves addressing issues that can contribute to homelessness, such as debt and access to welfare support - to increase residents' income and reduce their expenditure where possible.

This groundbreaking approach has prevented over 24,000 households from becoming homeless between 2014/15 and 2019/20 and has the highest proportionate rate of homelessness prevention in all the core cities in England.

#### **World Habitat Awards Presentation Event**

Due to the ongoing COVID-19 pandemic, the 2020 Gold Award winners were presented with their awards at a special online presentation event in October 2021 – as part of UN-Habitat's Urban October. In addition to the two

World Habitat Awards Gold winners, the event also showcased and celebrated the work of the winners of our first **Outstanding Contribution to Housing Award**, TECHO.

The event - **Preventing homelessness, combatting the climate emergency and providing emergency housing – a celebration of outstanding housing solutions** – opened with a film featuring the remarkable work of all three projects and was followed a discussion with project representatives and leading housing experts, including:

- Leilani Farha, Global Director of The Shift and World Habitat Awards Final Judge;
- Christophe Lalande, Head of Housing Unit at UN-Habitat; and
- Claudia Murray, Research Fellow at the School of Real Estate and Planning at the University of Reading and World Habitat Awards Advisory Group member.

The event was hosted by our Chief Executive, David Ireland.

The headline message from the discussion, and Q&A session that followed, was that national governments need to urgently meet the challenges posed by both the climate emergency and the need to fulfil the right to housing for everyone. And while many NGOs and local governments are responding to these challenges, the scale and urgency of these crises requires national governments to fund and legislate to provide and support solutions where they are needed.

The event, including the associated films, was attended - and has been subsequently viewed across our channels - by over 3000 people.

**Innovating, scaling up and transfer** – We will bring people and ideas together to help transfer and exchange ideas to new places where they are needed most.

Through our exChange events and other activity, World Habitat continues relationships with organisations after they have won World Habitat Awards. This enables projects to not only further develop and raise their profile and impact, but also to highlight and showcase their great practice and processes to inspire other organisations to emulate their work – particularly where it is needed most.

Due to continuing global COVID-19 restrictions throughout 2021, World Habitat conducted the vast majority of our events virtually.

#### **The Aga Khan Agency for Habitat, Pakistan**

Our most high-profile events of the year were held at the UN Climate Change Conference - COP26 – in Glasgow, in partnership with AKAH, Pakistan. (see section on COP26)

In addition to this, we co-hosted - and our Chief Executive, David Ireland, spoke at - an international seminar exploring how AKAH Pakistan can expand their work integrating disaster risk management across the country.

It was hosted in partnership with the Ministry of Climate Change, Pakistan; UN-Habitat; and World Habitat, in celebration of [World Environment Day in June](#) and the start of the [UN Decade on Ecosystem Restoration](#).

The event recognised Pakistan's restoration initiatives and its role in global efforts of environmental protection - acknowledging the urgency of preventing, halting and reversing the degradation of ecosystems worldwide. The event began with remarks from Malik Amin Aslam, Special Assistant to the Prime Minister on Climate Change in Pakistan.

#### **Newcastle City Council**

World Habitat's endorsement of the Newcastle City Council's approach created confidence that preventing homelessness at the earliest opportunity is the right thing to do, despite it not being a statutory right. The Award galvanised the city to strengthen the importance of making the prevention of homelessness everyone's business. They strengthened their messaging, communications and approach on focusing on all residents having suitable and sustainable homes.

### TRUSTEES' REPORT

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Partly as a result of winning a Gold World Habitat Award, Newcastle City Council was invited to present their work in a number of international events. The following were great opportunities to share their message and learn with wider audiences.

- The Shift, Municipal working group in Canada, Dec 2020.
- Conference #Housing2030 – Housing Europe, UN-Habitat and UNECE, Feb 2021.
- Preventing Homelessness in Migrant Communities - Peer Learning Event. UN-Habitat, May 2021.
- World Habitat Awards winners' presentation, World Habitat, Oct 2021.
- Annual Summit for the Vanguard Cities, Institute of Global Homelessness, 4 November 2021.
- Association of Charitable Foundations (ACF)'s Housing and Homelessness Network - Network Meeting, Nov 2021

Newcastle City Council's work on homelessness prevention has been reviewed in these presentations and has led to the development of aligning this programme with the work of Community Solutions and the Centre for Homelessness Impact.

The Gold World Habitat Award created positive expectations that helped Newcastle to improve the articulation of its approach. This has had many benefits including reviewing and simplifying their key performance indicators to help create a citywide focus on having no rough sleeping, no one living in bed and breakfasts, and no evictions into homelessness.

### TECHO

World Habitat supported TECHO to deliver their **Latin American Housing and Habitat exChange**. We helped them identify external contacts from our previous World Habitat Awards winners and from the Award's Advisory Group members, some of whom attended sessions and provided their expertise. The meeting brought together directors, co-ordinators and volunteers from 18 countries across Latin America and the Caribbean in which they operate. It provided opportunities for vital collaboration and capacity-building across three main thematic areas: risk reduction; environmental issues; and sustainability of habitat projects. These were explored during the three-day event, which included talks by external experts and TECHO staff; sessions on sharing good practice; workshops on risk reduction plans; and training and development opportunities.

This was the first event to take place as part of an ongoing partnership between TECHO and World Habitat, following the presentation of an Outstanding Contribution to Housing Award to TECHO in December 2020 – the first award of its kind from World Habitat.

The next steps will include the creation of new approaches and strategies to support vital risk- reduction in the communities and settlements where TECHO works. A database will also be developed which will detail the work of teams in different countries to share knowledge and processes to support others in planning their own responses to habitat improvement.

*"All participants shared their joy and were grateful, asking for these spaces for exchange to be more frequent. These thanks are extended from TECHO to World Habitat for making this possible."*

**Carol Solórzano Canales, Partnerships and Co-operation Co-ordinator at TECHO.**

### Supporting the Koraga community, Karnataka, India

The organisations - **ActionAid India, Samagra Grameena Ashram (SGA) and the Koraga Federation (who were Gold World Habitat Award winners in 2019)** – continue to work with the Koraga community, with the support of World Habitat, to meet the following objectives over a two-year period.

- Supporting 25 Koraga families each year to attain their right to live, livelihood and dignity through eco-sensitive, natural and organised farming.
- Constructing 25 new houses a year in the agricultural farm - to lead a dignified way of life and have a decent environment to live in. For this purpose, technical guidance is taken from NIVAS, a Bangalore based NGO working on low-cost, quality house construction.
- Capacity building of 25 Koraga families each year through meetings, training, and awareness-raising activities.

- Organising supportive efforts to mobilise human and financial resources from various government departments, such as access to water for drinking and irrigation; seeds, seedlings and plants; animal husbandry; organic manure; training and raising awareness, construction of the roads, toilets and bathrooms; access roads and electrification.

Highlights from the activities carried out between December 2020 and September 2021 include the following.

- Discussed the project's objective, vision and mission, strategies and activities with Koraga Federation Governing Body and identified a member of the Koraga Federation (Diwakar) to work as full-time member of staff under the Koraga community development project. Diwakar started work in December 2020.
- Rapport with the families: Diwakar was able to build rapport with each of the 25 families through home visits. A Focus Group meeting was organised to discuss the communities' engagement with organic agriculture. An action plan was drafted.
- Land Survey: All the families made an application to the Assistant Director of Land Records (ADLR) and conducted a land survey providing boundaries of one acre of land per family.
- Cleaning and levelling of the land for initiating agricultural activities. The Integrated Tribal Development Department (ITDP) paid the wages as per the guidelines of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA). Fifteen families, who were involved, earned a sum of Rs.36,000/- for their labour.
- An action plan was prepared and instigated for land development and housing. It was submitted to the Integrated Tribal Development Department.
- Capacity building: A two-day training activity on natural and dry land agricultures was organised at Krishi Vijnayana Kendra (Agriculture Science Center) for the members of the 25 families.
- House construction: An application was submitted to the Integrated Tribal Development department for 15 new houses. This will be carried out with the assistance of NIVASA Bengaluru, to build low-cost, high-quality houses while considering the Koraga communities' identities.

#### **The Heritage Foundation of Pakistan**

Five World Habitat Centres have been constructed by our 2018 winners - the Heritage Foundation of Pakistan. Due to the COVID-19 lockdown restrictions, alongside extreme weather events, progress has been slow. However, another 11 centres are currently being built and will be completed in the first few months of 2022.

After COVID restrictions were relaxed in the second half of 2021, a total of five workshops took place, including for community members from various villages of Sindh who received training in earth/lime brick making and smokeless Pakistan Chulah stove construction. The Chulah training is now an integral part of training using Zero Carbon construction techniques, which is helping the spread of earthen stove building in Pakistan.

In addition, a Pakistan Chulah building video tutorial was developed in 2021 as an open-source tutorial on Yasmeen Lari's (co-Founder and CEO of the Heritage Foundation) Zero Carbon Channel on YouTube, which has encouraged self-building and increased awareness of earthen stove building around the world.

#### **Nubian Vault Association, The Sahel Region of Northern Africa**

Over the last two years, we have been working on an accounting protocol with the Nubian Vault Association (AVN) - a 2016 World Habitat Award winner that builds low-carbon homes in the Sahel region of Northern Africa.

We commissioned and funded research with [myClimate](#) to develop an accounting protocol (according to ISO accreditation 14064-2). This protocol accurately calculates the expected CO<sup>2</sup> emissions in a standard (25m<sup>2</sup>) Nubian Vault house over the 30-year lifetime of the building, against the carbon that would have been emitted by the construction of a cement block house - the default construction type in the Sahel.

AVN's project is now listed with [Sweep](#) - a carbon finance and offset platform - which enables companies to fund vetted climate projects. This accounting protocol is the first time that a model has been developed to measure carbon emissions for the construction of houses in the global south which is compliant with the ISO.

World Habitat is currently undertaking research on climate finance and looking for potential ways for others in the housing sector to invest in similar low-carbon projects.

#### **Ending Street Homelessness in Europe - *We will work intensely with a group of European cities to help them first reduce, and then end, street homelessness.***

For the last five years we have led the European End Street Homelessness Campaign - a network of local city campaigns, all working with the same set of principles to end street homelessness in their communities. It is our pleasure to continue to host this growing movement of committed and passionate housing advocates – championing permanent housing solutions and fighting for an end to street homelessness.

2021 was a year in which the continuing COVID-19 pandemic developed from a global emergency with immediate consequences to a longer-term policy issue. Initial successes, driven in large part by major local and national responses, began to turn from necessary quick fixes to long-term solutions. By the end of 2021 in the UK alone, it is estimated that £750m has been spent on tackling homelessness. A staggering amount, yet much of this continues to be spent on alleviating homelessness with temporary solutions. In many countries across Europe this level of investment in ending homelessness remains out of reach. What is clear, more than ever, is that the need for permanent housing - and somewhere safe to stay - is not only the answer but the only policy solution.

The European End Street Homelessness Campaign works with partners who understand this challenge and recognise how their system needs to change. World Habitat is committed to not only work with those that have the necessary finance, buildings and political backing. We understand that the homelessness crisis exists across Europe and are excited that in 2021, we welcomed new partners into the Campaign, from Budapest, Zagreb, and Lisbon. Each with a specific starting point and with a unique housing context, but also with an existing desire to share knowledge and learn from others with the same overall aims. All are committed to our key principles and understand that housing is not only a fundamental human right, but a basis for human dignity.

*“It is a great pleasure to join the European End Street Homelessness Campaign. A campaign aligned with CRESCER’s goals which believe, and fight for, the possibility to live in cities where no one experiences homelessness. This campaign acknowledges people’s agency in defining their own goals and promotes effective responses and politics targeting people’s needs. We are grateful for the opportunity to expand our network, and – together – continue raising social and political awareness of people’s skills and competencies, needing to be supported through community integration where housing is the first step and a universal right.”*

**Américo Nave, Executive Director of CRESCER, Lisbon**

*“We are extremely pleased to have become part of a campaign to end street homelessness. Poverty is a burning issue, and homelessness is the most severe form of poverty. Therefore, networking, co-operation, solidarity and effective poverty reduction policies become imperative. We believe that through this campaign – together we will have a greater voice in raising public awareness and influencing public policies, in order to improve the social inclusion of the homeless.”*

**Sanja Blažeković, Expert Associate for the development and improvement of the Croatian Network for the Homeless**

As our campaign has grown, we have seen great successes across the year. Despite COVID-19 impacting on our ability to travel and promote physical learning exchange, we have adapted our approach to enable local partners to have real impact on challenging mindsets about homelessness and developing local housing solutions – sometimes against all odds. We have seen new housing projects starting in Bratislava, the growth of the Housing First programme in Leicester, and major ongoing success as Homeless Network Scotland continue to branch out Housing First across Scotland with their Housing First Pathfinder.

*“We are proud to support opportunities for people affected by homelessness, so that their voices – so often marginalised – are heard.”*

**Eilidh Stringer, Development Manager, Leicester Homelessness Charter**

Working closely with our partners in each city, the Homelessness Programme Team have utilised our Innovation Fund to stimulate small-scale actions, pilot programmes, evidence-gathering exercises and public-engaging campaigning work. With a total of nine grants given in 2021 - and running a fully online programme of support through individual coaching, bespoke support, exChange workshops and social media campaigns – the homelessness programme at World Habitat have ensured that ongoing pandemic restrictions have not been a barrier to building a committed and engaged community across Europe.

We also recognise that we are not alone in calling for solutions to end street homelessness however, and in 2021 we learnt from the successes delivered through the pandemic by making a commitment to working together. Our social media campaign for International World Homeless Day centred on theme of ‘Working Together to

#EndStreetHomelessness', continuing to build solidarity between partners across the campaign, and on World Homeless Day itself – Sunday 10 October - reaching around a third of a million users and almost ten million impressions on Twitter.

We cannot operate in isolation, and World Habitat used our global influence to join campaigns across Europe including: #SupportDontDeport which called on UK authorities not to wrongfully deport EU nationals found sleeping on the streets; we co-authored a report entitled 'Homeful – Exploring housing-led approaches to resolves and prevent homelessness' for the Chartered Institute of Housing Presidency of our Board member Jo Richardson; and added a valuable international spotlight on housing rights abuse by joining a Hungarian campaign to protect social housing. We cannot be silent on housing injustice – and in the coming years our programme will look to influence policy and practice through direct delivery and in coalition with others to achieve the impact we need.

#### **CASE STUDY: BUDAPEST, HUNGARY**

Hungary endures a 'perfect storm' when it comes to housing inequality and street homelessness. With around three million people living in housing poverty in the country – living conditions, rental costs and access to housing for social work organisations is at crisis point. For those that find themselves excluded from housing and are forced to live on the streets or in shelters in the surrounding areas of Budapest – the Hungarian government's criminalisation of homelessness places people in grave danger.

The 2020 World Habitat Awards Bronze winner 'From Streets to Homes Association' work to address this with programmes inspired by the principles of Housing First. They joined the European End Street Homelessness Campaign in the summer of 2021 committing to working long-term through our homelessness programme.

By the end of 2021, From Streets to Home Association have accommodated 72 individuals in permanent homes and run vital employment programmes for people at risk of homelessness in the city. In December 2021 - through a partnership with the Budapest Research Institute and with funding from World Habitat Innovation Fund - From Streets to Home Association developed a handbook on creating a social housing agency.

This commitment to scaling-out positive housing practice is one that sits within World Habitat's vision of a world where everyone has a safe and secure place to call home, as part of a successful community.

*"We have joined the Campaign to share our own experiences with other cities and learn from the best practices and innovative solutions being used elsewhere in Europe. As a member of the Campaign, we can amplify our voice in advocating for the changes we know are needed to tackle homelessness and housing exclusion in Budapest and throughout the country."*

**Vera Kovács, CEO, From Streets to Home Association, Budapest**

#### **CASE STUDY: BRATISLAVA, SLOVAKIA**

As homelessness is not legally defined in Slovakia, homeless people are not recognised in law as in need and eligible of support. With over 90 per cent of Slovaks being home-owners, there is a shortage of rental properties for those who cannot afford to buy, compounded by an absence of social housing. NGO [STOPA Slovensko](#) leads the European End Street Homelessness Campaign in Bratislava. It conducts street outreach programmes, raises public and political awareness of homelessness, and works towards sustainable housing solutions.

During 2021 STOPA Slovensko created greater public awareness of homelessness and related issues, through a new communications plan, including a successful public awareness campaign on empty properties in Bratislava, and launched two ground-breaking videos – 'Outsiders' – with support from our Innovation Fund.

To build their evidence base, they held a third annual street survey, conducted by staff and citizen volunteers in three areas of Bratislava. Survey teams identified the numbers sleeping on the streets and spoke with people about their circumstances - helping to identify gaps in local services, share urgent public health information about available COVID-19 vaccines and providing data and evidence to local policy makers about what needs to happen to tackle street homelessness in the city.

The annual street survey, conducted in September 2021, found that the majority of people who are street homeless are men between 35 and 45 years of age. Despite the predominance of men in their sample (two-in-three - 65%), the high proportion of women (one-in-three - 35%) was alarming, especially as there are no

specialist services for women on the streets.

The campaign secured political and practical support from several local mayors in Bratislava for new permanent housing solutions. STOPA Slovensko continued to develop its unique, integrated housing and support model, which includes:

- elements of Housing First, to offer accommodation plus wrap around support as needed; and
- plans to introduce a modular housing project to help address the lack of available, affordable rental and social housing.

STOPA Slovensko say they have really expanded their vision and model since they joined the campaign in 2017, particularly through developing a strong focus on sustainable housing and integration. They have utilised our Innovation Fund grants to strengthen their public-facing communications and actions. And they have valued exchanges of knowledge and experience with the other campaign cities.

Future plans for their work in Bratislava includes further street-based and creative actions to raise public and political awareness of homelessness and potential solutions. They will continue to work - and share - with other cities and organisations across Europe, aiming to become a stronger voice and a relevant partner for EU institutions and promote interests globally, while also respecting local specificities. STOPA Slovensko will work positively with other stakeholders to develop their integrated model, find solutions to homelessness and not just apply 'bandages'.

"We believe that a globalised voice calling for the prevention and ending of homelessness must be heard at a time when other equally important topics, such as health and climate, are coming to the fore."

**Pavol Sabel – Director STOPA Slovensko**

#### ***Global Community-Led Housing – working with precedent-setting partners across the world to introduce community-led models that enable access to affordable and secure housing***

Globally, there has been an increasing trend in the financialisation of land and housing – with strong market pressure to prioritise economic gain over the right to adequate shelter. Displacement and poor living conditions are therefore a growing risk or a reality for far too many people around the world. Currently most countries only offer a range of housing models mostly centred around home ownership and rental solutions that are not always affordable to low-income groups, alongside a varying degree of public housing provision which often struggles to meet demand.

Additionally, the climate emergency is displacing communities - living in fragile eco-systems - at an alarming rate, as their areas and lives change to new global weather patterns. Millions are already migrating in search of new homes, and this number is only likely to grow.

Recognising the challenges, many communities are coming together to create housing models that challenge threats to their access to secure housing. Residents and their allies have learnt about community-led models that have emerged across the world and are now creating precedents in their own countries and regions.

At World Habitat we believe in the need for models that increase the availability of long-term, affordable and sustainable housing for low-income groups, and which also guarantee security of tenure. We value solutions that influence policy and practice and enable systemic change to ensure greater resilience and housing opportunities for those who need it most. Our Global Community-led Housing (GCLH) programme collaborates with individual community-led housing projects in implementing ground-breaking pilot projects. We also help build international networks to support projects in exchanging skills and knowledge across continents.

#### **Favela Community Land Trust, Brazil**

Since 2020 we have been working with our partners in Brazil – Catalytic Communities - on the Favela CLT project which aims to introduce and adapt the Community Land Trust (CLT) model to Brazil's favelas. Originally focused on resident engagement in the pilot community of Trapicheiros - by delivering diverse workshops, meetings, events and door-to-door activities, along with community mapping and planning processes - the project has also worked on the design of a Federal CLT law to facilitate the implementation of CLTs across Brazil.

In 2021, the GCLH programme supported Catalytic Communities to focus on broadening their approach by identifying and connecting with housing rights movements; community leaders; favela organisations and

quilombos (Afro-Brazilian settlements that originate as communities of people escaping slavery); NGOs; and researchers from all across Brazil.

Representatives from all 26 states attended the country's first three-day Favela CLT seminar. This explored key aspects of CLTs, the relevance for informal settlements within the housing and land context, details about legal structures and comparisons with other types of land titles and a focus on CLTs around the world. This event was followed by a seminar for parliamentary aides to support the integrating of key agents that work on housing within the public domain. The proposed Favela CLT has been included in Rio de Janeiro's updated Master Plan, which will be voted on by the City Council in 2022.

Catalytic Communities also launched the new Favela CLT website and social media group and carried out an awareness-raising campaign which has been essential to 'mainstream' the concepts around CLTs.

The Favela CLT project also featured internationally through the webinar '[The Experience of Community Land Trusts in Latin America](#)' which was co-organised with the Fideicommissa de la Tierra Caño Martín Peña as part of the International CLT Festival and UN-Habitat-Brazil's Urban October programme of events.

*'In 2021, we made progress...with great success. We now hear about Favela CLTs organically coming up in discussions by urban planners, community leaders and social movements across Brazil. At the same time, we successfully advocated for the inclusion of the Favela CLT in the Rio de Janeiro Master Plan, a process that involved the dissemination of the project to many key stakeholders in the city and which opens up a huge opportunity for the project. Before, we imagined seeing our first Favela CLT in some 15 years, we now can imagine scenarios where this might come to pass in a few short years.'*

**Theresa Williamson, Executive Director of Catalytic Communities**

#### **Community-led development in Dhaka, Bangladesh**

Since 2019, the Council of Minorities - a Dhaka-based NGO - has received support from our GCLH programme for their community-led development project to support the camp-dwelling, Urdu-speaking community secure land rights and upgrade their housing and infrastructure.

Progressing from the first phase of the project – which included community engagement and social and physical mapping of the camps – in 2021 the Council of Minorities expanded the documentation and understanding of housing conditions and residents' views in order to inform future plans for the area. This was carried out through household-level data collection in the two target camps: Geneva Camp and Adamji. The surveys focused on demographics, current housing conditions and investments, tenure security concerns, and land/housing goals for the future.

With training from the organisation Cadasta, the project enabled local surveying teams to develop new skills on data collection, management and analysis. In total, over 8000 surveys were completed, providing crucial data for follow-up strategic planning and decision-making.

More than two-in-three residents (67%) expressed an interest in joining a community-led organisation to help them find solutions to their tenure insecurity and cramped living conditions.

The assessment of the data-collection findings from the surveys has since been shared with community leaders, followed by discussions on next steps for the co-creation of a not-for-profit community-based organisation responsible for governing the process of upgrading and land negotiation and management.

The Council of Minorities has also engaged with longstanding expert organisations and professionals on urban planning, community led processes, media and legal matters to gather their support, share their knowledge and reinforce the Council of Minorities' work.

#### **International collaboration**

#### CoHabitat Network

We have been a key partner in developing and maintaining the global [CoHabitat Network](#), an international community-led housing network facilitated by the Swiss-French NGO **urbaMonde** and involving [key global organisations](#).

During 2021, together in collaborated on:

- two sessions between all CoHabitat partners to enable global exchange of information and ideas on key areas of work;
- a report on [Access to Land & Finance for Community-led Housing](#) with key lessons from projects in Africa, Latin America and Europe;
- a webinar on [Land & Financing for Community-led Housing: learning from successful projects](#) from Myanmar, Spain and Switzerland;
- [CLH in the spotlight](#) a workshop for network partners to showcase community-led housing projects from Bangladesh, Brazil, Namibia, Thailand and Vietnam; and
- a social media campaign during Urban October to raise awareness of the CoHabitat Network and of inspirational community-led housing activities from across the world.

*“Moments and processes like this [CLH in the Spotlight] are in fact doing something extraordinarily important which is to re-write the history of how cities build, and in re-writing the history, they are also re-writing the future of how cities should and could be built. What I see here...are all extraordinary stories by ordinary people that build, run, maintain, and make cities what they are.”*

**Adrian Allen, Habitat International Coalition**

#### MOBA Housing SCE

We continue to work closely with [MOBA Housing SCE](#) – a regional network of emerging housing initiatives in Central and South Eastern Europe. Through our GCLH programme, we provide both advisory and financial support.

MOBA members and their partners have been carrying out key activities to create an enabling environment for rent-based housing co-operatives across the region to increase the availability of affordable and anti-speculative housing solutions. They do this through both establishing pilot projects, and the creation of umbrella organisations that can influence policy and support new initiatives to emerge.

During 2021, our MOBA-World Habitat Cooperative Housing Development Grant pilot programme enabled MOBA to channel grants to five community-led housing projects. The breadth of the grants reflects the different starting points of each community and the practical steps needed to realise their ambition of community-led housing. They also provide important evidence that we can share with other communities about how to develop community-led housing – inspiring and enabling a much wider group of communities.

Our grant programme has funded a range of activity with the following organisations.

- **ZOA (Croatia)** wanted to bridge the gap between co-operative housing as a theoretical model and a viable, affordable policy solution that could be implemented throughout the country. Our grant enabled them to adapt established international practices by involving legal, real estate and construction experts. They created a step-by-step strategy aimed at local governments, conducted mapping of Zagreb city-owned lots suitable for co-operative housing, developed three conceptual architectural projects and related financial models.
- **První Vlaštovka (Czechia)** managed to secure commitment for co-financing towards the purchase of their first house that will be transformed into a housing co-operative. With the support of our grant, they have paid external experts to help them develop a detailed professional business plan, which they were required to submit to banks in order to obtain the additional finance.
- **Rákóczi Collective (Hungary)** have worked to further the legal, institutional and financial infrastructure of rental housing co-operatives. With the support of our grant, they created two legal entities: an umbrella organisation for rental housing co-operatives and an association that will be working on recruiting new

members into the housing co-operative movement. They also influenced the development of the Housing Strategy for the City of Budapest to include housing co-operatives.

- **Pametnija Zgrada (Serbia)** developed a process of purchasing land for a pilot project by creating a shortlist of possible locations to fit the group's criteria alongside a financing plan for the land purchase. They identified several potential plots and have pre-booked one specific site for a pilot project.
- **Zadragator (Slovenia)** wanted to take positive action against the unfavourable political landscape which blocks the further development of housing co-operatives in Slovenia. They used our grant to develop a publication: Best Practice Examples of Housing Provision Models - and organised several public events to showcase co-operative housing as a viable and much-needed model. Additionally, they have installed a Monument to the Housing Crisis in the centre of Ljubljana and were able to gain positive coverage in the main media outlets. They successfully facilitated the inclusion of housing co-operatives in an intervention law on public housing provision put forward to the National Assembly.

We are also associate members of MOBA, and as such have participated in the networks' ongoing strategic development, information sharing and peer-to-peer training initiatives.

#### Centre for CLT Innovation

We also contributed, through both a grant and our participation, to the first ever Community Land Trust Day and two events of the first edition of the International Community Land Trust Festival, organised by the Center for CLT Innovation. These new initiatives were particularly important in consolidating the global CLT movement and in sharing knowledge across continents. The Center has committed to increasing access to materials and knowledge around CLTs and enabling language accessibility, and, as such, these two initiatives reinforced the availability of shared learnings in a multi-lingual and trans-national way.

In addition, World Habitat also has a presence on the Center for CLT Innovation's advisory board, actively participating in the Research and Training and the Global South Working Groups.

*"World CLT Day...no one had attempted a global event of this nature for the CLT movement before. People responded, with 86 organisations...contributing content – and many others reposting to spread the word."*

**Greg Rosenberg, Co-ordinator, Center for CLT Innovation**

#### Evaluation

The GCLH programme underwent an external evaluation in order to assess our impact and gather strategic and practical recommendations for the programme's future. The evaluation process was carried out by Thomas Moore of the University of Liverpool, UK and involved key stakeholders across the programme and within the community-led housing sector. The process has been incredibly insightful and has enabled us to take stock of the programme's legacy to date.

Some key findings include the programme's effectiveness in supporting the creation and consolidation of international networks, and the resulting increases awareness and promotion of CLH, the contribution to local project development, the sharing of both skills and knowledge.

The network building and transnational exchange is considered extremely valuable to partners, and we can already see evidence of ripple effects that go beyond activities funded directly. Another encouraging finding was the fact that existing funding processes by World Habitat were considered manageable and useful for early-stage projects in the community-led housing environment, which contrasted to other funding sources that partners found more inaccessible or burdensome.

There were some constructive suggestions about how we could improve processes, but overall, it was helpful to hear that World Habitat is considered not only as a funder, but as a partner.

In addition, the stakeholders expressed a desire for a strong focus on areas of environmental sustainability and inclusion of marginalised groups – which reflects World Habitat's goals in terms of our priority commitments on climate action, and on equality, diversity and inclusion.

The evaluation included a series of recommendations – and as we review the programme's strategy and action plan for the programme, World Habitat will be responding and incorporating these from 2022.

#### Leeds Community Homes

Leeds Community Homes is an umbrella Community Land Trust. It was set up by two of our World Habitat Awards finalists - Canopy and Lilac (alongside five other Leeds-based community organisations) to help communities across Leeds to create new community-led homes either by building new homes or bringing empty homes back into use. In 2015 World Habitat provided the initial start-up funding, to help establish Leeds Community Homes – a Community Land Trust that was Leeds community Homes

We subsequently made a £25,000 social investment in Leeds Community Homes through a community shares issue. Leeds Community Homes set a goal to raise £360,000, and successfully achieved it. This investment enabled the purchase of 16 permanently affordable flats on an eco-development in Leeds's Climate Innovation District. The funds also enabled the development of proposals for future projects to build more affordable homes. Nine of the homes have been made available for discounted rent, while seven will be sold at 60 per cent of market prices, a figure agreed by members to be genuinely affordable. The new homes are wood construction, reducing embodied energy costs. They are so well insulated that a boiler was not needed. Heating needs are so low that they can be met with 100 per cent renewable energy. During 2021 the fund generated a two per cent return on the value of the investment.

Leeds Community Homes plan to build 1,000 environmentally, high-performing, community-led homes in Leeds by 2028. These new homes will be affordable to local people both now and for future generations.

#### COP26 – The UN Climate Change Conference

World Habitat and the 2020 World Habitat Awards Gold Winner, The Aga Khan Agency for Habitat, Pakistan, (AKAH) held two events at COP26 in Glasgow. Our involvement aligned with the UK Presidency campaign's theme of adaptation and resilience and the events strategically corresponded with the UK Government's shift towards [greater climate resilience efforts abroad](#).

Our objectives for attending COP26 were to:

- heighten international exposure and awareness of AKAH's work and expertise;
- provide a collaborative platform for sharing knowledge around mountainous communities; and
- explore potential partners for new initiatives and scaling-up, or replication, of their award-winning project.

#### Public Event: Combining Indigenous Knowledge and Technology to act on the Climate Emergency

This event – which was fully-booked within a few hours - highlighted AKAH's Gold Award-winning project, which harnesses local indigenous knowledge with technology to create effective solutions that respond to the climate emergency. This enables people to build safer homes and communities. The event included a documentary, followed by a panel discussion and question & answer session from the audience.

The event featured prominent and influential speakers, including: Khalid Khurshid, Chief Minister of Government of Gilgit Baltistan, Pakistan; Onno Ruhl General Manager of the Aga Khan Agency for Habitat (AKAH); Louise Winterburn, Deputy Chief Executive of World Habitat; and Maimunah Mohd Sharif, Executive Director of UN-Habitat.

*"We should place people at the centre of our thinking and action...climate change is the single biggest threat to sustainable development. We are proud to be co-operating with the World Habitat Awards to find solutions to some of the world's major housing challenges."*

**Maimunah Mohd Sharif, Executive Director, UN-Habitat**

Amplifying local indigenous and community voices is vital to designing inclusive and impactful solutions to the climate emergency. Featuring the experiences of those who could not attend COP26, particularly given their role in AKAH's work, was therefore crucial. Especially as these communities are experiencing the most severe impacts of the climate emergency while contributing the least to it. World Habitat and AKAH produced a documentary – [Rekindling Hope](#) – which not only illustrated the environmental challenges faced by local communities but also detailed their solutions. The documentary was built around key community voices who shaped the project and its success.

This event was included as part of a special feature on COP26 by the German news channel Der Spiegel.

#### **Private Event: Film Premiere and Roundtable Discussion**

This event was an open dialogue for exploring platforms and partnerships to advance locally-led adaptation action and mountain development. Chief Minister of Government of Gilgit Baltistan, Khalid Khurshid and AKAH were interested in gauging opportunities to develop an international forum focused on adaptation and resilience issues with mountainous communities, particularly having seen the success of the small island states' collective action and advocacy efforts.

Following the airing of [Rekindling Hope](#), there was a collective discussion which:

- detailed the risks and challenges faced by mountain communities in the Gilgit Baltistan and Chitral regions, illustrating their unique position as the first responders to climate disasters;
- described and advocated for the needs of mountain communities to the international climate agenda;
- identified potential areas for collaboration, both domestically through bi-lateral partnerships and internationally through a global mountain network; and
- committed to green building standards and considered the carbon footprint of scaling adaptation and resilience work.

Key influential stakeholders attended this event, including representatives from Reall, Care International, Mountain Partnership Secretariat and the Women in Engineering Society.

Given the success of World Habitat and AKAH's exChange collaboration, the organisations have agreed to continue their engagement and partnership in the coming years.

*"Through the partnership with World Habitat, we were able share our message on the global stage at COP26, shedding light on the challenges faced by mountain communities in an often-overlooked frontline of climate change. We were able to bring their voices into the global conversation, showcase successful examples of locally-led climate change adaptation and start a dialogue around how international partners can support and scale these solutions. We are grateful to the World Habitat team for their support in strengthening and spreading our message that mountains matter to us all and recognising the contributions of mountain communities to the resilience agenda."*

**Onno Ruhl, Executive Director of AKAH**

#### **Our Land**

World Habitat owns a small portfolio of land local to our office in Leicestershire in the UK. The land was bequeathed to the organisation when it was established. It is largely rented to local farmers and used for agricultural purposes. In the past some land has been sold and the proceeds invested to provide income for the charity.

During 2021 we carried out maintenance work at the Peter Elderfield Wood. A 27-Acre area of woodland planted in memory of our founder. This continues the improvements detailed in our 10-year management plan and included mowing the rides, thinning of the trees - carried out by a wood fuel group organised by the Conservation Volunteers and drainage work near the Forest Rock boundary.

#### **Climate Action at World Habitat**

In 2021 World Habitat set a more ambitious goal of becoming a net-zero organisation as soon as possible and certainly no later than 2030. Based on our 2016 carbon emissions baseline, we will reduce our total carbon emissions to 8.64ton CO<sub>2</sub>e per year which equates to a seven per cent reduction year-on-year, in order to achieve our 2030 net-zero target.

To support this commitment, we have taken the following actions.

- We have implemented a sustainable business travel policy and set up a 'cycle to work' scheme.
- We have aligned our investments with our organisational values to ensure that our investments are free from arms sales to military regimes, unethical lending practices, human rights violations, environmental degradation and activities – such as fossil fuel extraction – that are incompatible with the 2015 Paris

Agreement to limit the increase in global average temperature to 2°C and pursue efforts to limit the increase to 1.5°C.

- Our staff members have undertaken Carbon Literacy Training and received their Carbon Literacy certification.
- The process to integrate carbon reduction in our work, with each programme team, has been given extra focus, particularly on activities where we can reduce our emissions and help meet our net-zero target.
- We have signed up to UN Race to Zero Campaign, the world's largest coalition of organisations committed to reducing their carbon emissions in line with the Paris Climate Agreement.

We will be as transparent and accountable to others on our commitment and journey towards net-zero. We believe it is important to share our learning and work with others to have a positive impact on the climate crisis. We are a signatory to the [ACF Funder Commitment on Climate Change](#), which consists of six commitments or goals that World Habitat and other signatories pledge to work towards to play our part in tackling the causes and impacts of the climate emergency. We have also achieved [PlanetMark certification](#) which recognises our commitment to reduce our carbon footprint by at least five per cent per year.

We are committed to continue to learn, innovate, and find ways of achieving the impact we need to have as an organisation, without contributing any unnecessary greenhouse gas emissions. We will also be engaging with our external partners and hope they will join us on this journey towards net-zero.

In 2021, our carbon emissions were 15.07 tonnes. This is a 45 per cent reduction from last year's carbon footprint, with staff mainly still working from home and not taking international travel due to the COVID-19 pandemic.

#### **Charity Code of Governance**

In 2018 World Habitat signed up to the Charity Code of Governance. This code is a practical tool to help charities and their trustees develop high standards of governance. The principles are based on, but go beyond, legal requirements. The code says that it is deliberately aspirational. It is produced by a large group of charities including NCVO and ACEVO. The Charity Commission has observer status.

There are two versions of this code. World Habitat has adopted the version for larger charities.

We review all our governance policies and activities annually and measure them against the code. During 2019 World Habitat reviewed all its activities to ensure they meet the code's recommendations. Trustees agreed that any areas where we do not meet the standard we will publish in the annual report.

Trustees agreed that in 2021 the charity is fully compliant with the Charity Code of Governance. The trustees and Senior Management Team will review this on an ongoing basis.

#### **Future Plans**

2022 is a significant year for World Habitat. We hope that it will be a year when the Covid pandemic declines and fewer people suffer from the disease or its social impacts. We are conscious that whenever the pandemic ends we emerge as a different organisation into a different world.

Covid has exacerbated social disparities and given a greater urgency to many of the priorities and issues that World Habitat aims to impact upon. People's experience of the pandemic has been heavily influenced by their prosperity and level of household security. The effect of Covid has been to exacerbate differences that existed before. Housing inequality has increased making it harder to end homelessness, and putting more people at risk of facing it. Despite early hopes of a green recovery, carbon emissions have raced back and the window to avert climate disaster has narrowed.

Despite the challenges, much good has come out of people's response to the pandemic. A greater sense of community a recognition of the importance of housing, a realisation that social change can be achieved quickly through initiatives such as the emergency housing of street homeless people at the start of the pandemic. Improvements in electronic communication have improved participation and reduced the costs of international collaboration. World Habitat's on-line events have been transformed and have proliferated. It is an irony that during a time when travel was severely limited we met more people from more countries than ever before. We want to ensure we don't lose this valuable advance in our work.

This year we will begin work on an ambitious new strategy that will guide our work for the next three years. This strategy will build on our previous achievements and aim to help marginalised communities and those on low incomes to benefit from a green and socially-just housing recovery to the pandemic.

We will build on the advantages of the ways of work we have developed over the pandemic. We will develop greater use of electronic events and targeted international visits where it is practical, to inspire, encourage and increase people's knowledge, so solutions are brought to more housing problems.

We are preparing for an important developments of our board of trustees. Welcoming new trustees and improving the depth and breadth of our organisational knowledge and experience. We will create a diverse policy advisory group to guide and advise world Habitat's policy direction. Membership of the group will be drawn from the global breadth of our work and will be geographically and culturally diverse to inform challenge and enrich the World Habitat's policy development. The group will consider new thoughts, ideas, and perspectives and make recommendations to help us improve our policies and practices.

We will develop our own policies and practices so that we improve on our accreditation from the Centre for Diversity.

We will update and improve our carbon policy so that the benefits and improvements we have adopted in response to the Covid pandemic are maintained. We will revise our targets to deliver a more rapid pathway to net zero emissions before 2030. Promote and encourage our partners to seek a faster route to net zero, and through our programmes and exchange activities encourage adaption measures to keep people safe from the inevitable threats caused by global temperature increases. We are conscious of the huge amounts of greenhouse gases emitted from the construction of homes and their ongoing use. Our work at COP26 demonstrated to us the huge decarbonisation task that our partners face. We think that despite the challenges there is a route to a faster decarbonisation of housing, and the Social Housing providers can provide leadership and demonstrate what can be achieved. We will carry out or commission research and use our influence to encourage a more rapid decarbonisation of social housing.

This year sees us finally open a new office in Leicester. Our moving plans have been delayed for two years by the pandemic. But as a result, we have developed our ideas and aim to establish a stimulating workplace geared for hybrid working and connected to our partners.

We will continue to work with the local community to provide greater public access, and undertake environmental improvements to our land assets. We will find new community uses for our buildings. We aim to leave a positive and lasting legacy in Coalville the town where we were based for the first 45 years of our existence.

#### **How our activities deliver public benefit**

When planning activities for the year World Habitat's trustees had due regard to guidance on public benefit produced by the Charity Commission. Our charitable activities focus on the prevention or relief of poverty, and the advancement of education for the public benefit.

In particular our programmes aim to increase the provision of adequate housing for people with few housing choices. Our work in operating and promoting the World Habitat Awards aims to fuel innovation and inspires others to adopt and adapt the best housing practice. The Awards also enable the best housing projects to scale up, expand and be replicated where they are needed most. This, we believe, will enable more people in housing-need to live in safe and secure housing.

Our Global Community-Led Housing programme aims to create the conditions in which community led-housing can be implemented in new areas, scale-up and expand. This will provide greater provision and greater choice of low-cost housing benefiting people on low incomes.

Our European End Street Homelessness campaign aims to first reduce and then end street homelessness in participating cities in Europe. Street homelessness is the most extreme form of social exclusion. People living on the streets have dramatically worse health, lower life expectancy and poorer life chances than others in society. This campaign aims to create the conditions in which people living on the streets are quickly and permanently housed.

Trustees believe undertaking our main activities described above fully meets the requirements of section 17 of The Charities Act 2011 to deliver public benefit.

### FINANCIAL REVIEW

#### Overview of the year

In 2018, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021). The implementation of the plan started during 2019.

The total income for the year was **£1,074,735**. This represents a 6.3 per cent reduction on the income in 2020 of **£1,147,178**. The reduction is primarily due to missing the quarter 4 dividend from Charifund after moving the investment funds to new ethical funds. The principal funding source is income received from financial investments (**£1,045,200** i.e. 97.2 per cent), with the remaining 2.8 per cent secured from grants, rental income, interest and sales. Expenditure in the year was **£1,002,416**. This was lower than income by **£72,318**. This was lower than budgeted expenditure due to lower office costs, with the office being closed due to the COVID-19 pandemic and lower programme costs due to there being no international travel. Events were held online, and local experts were used to carry out the evaluation visits for the World Habitat Awards.

Funds have been applied in respect of research costs and in the governance and administration of the organisation, with 92 per cent of funds expended relating to research and 8 per cent to governance and administration.

#### Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. Investments are held to provide an income to further the objectives of the Foundation, both now and in the future. The investment policy has been amended to reflect the slight shift in emphasis towards income, rather than capital growth.

Capital appreciation of the investments continues to ensure that the value of the original gift is maintained in real terms, in the longer term, recognising that there will be short-term fluctuations due to changes in stock market values. World Habitat seeks to ensure that a sufficient income stream is generated to cover its current activities without incurring undue financial risk for the charity.

The income from the charity's investments reduced by 6.32 per cent from **£1,145,770** in 2020 to **£1,073,267** in 2021. There was an increase of **£2,708,216** in the valuation of the World Habitat total investment portfolio at the year end from **£32,507,584** in 2020 to **£35,215,800** in 2021. This increase allowed for the recovery in global equities after the COVID-19 pandemic and also the movement of the total investment assets to two new funds, the Cazenove Responsible Multi-Asset Fund and the Sarasin's Climate Active Endowments Fund. The charity also had £1.9m of investment assets included in cash investments at the year end. This was the result of the sale of the CCLA COIF Charities Property Fund, that was received on the 31<sup>st</sup> December 2021 and invested in the Sarasin's Climate Active Endowments Fund on the 3<sup>rd</sup> January 2022.

#### Key management personnel remuneration

Key management personnel are defined in the Charity SORP as '*those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any Directors of the charity*'. World Habitat trustees consider that key management personnel of the charity are: the trustees, the Chief Executive and all other members of the senior management team.

All trustees give up their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 8 to the accounts. One employee received remuneration above £60,000.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises. The pay of the senior management personnel is reviewed annually and normally increased in accordance with average earnings and set at market rates. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

#### Diversity, Equality and Inclusion

We are passionate about challenging the chronic injustice of the one in seven people across the world who live without a proper home. Our mission is to help those who live on the streets; those who have lost their homes due to war and disasters; and those who simply cannot afford to live where they need to. Everything we do is focused on understanding what works and getting solutions to the people who need them most.

As just one organisation operating across the entire planet, we know our staff and board of trustees can never be as diverse as the multiplicity of people we serve, but we are on a journey that aims to bring us closer. We are building an organisation and a work culture where difference is valued; where the views and insights of the growing network of people around the world we work with, enhance and enrich what we do, and ultimately make us more successful at achieving our mission.

#### What we are doing about it

- **Commitment to improvement** – In our 2019 – 2021 strategy we committed to improving diversity. We have agreed to increase diversity on the board, and introduced a ratchet so that diversity will not decrease again in the future. All staff and trustees have received diversity training. Our commitment to increasing our diversity will continue to be published on our website and reflected in our delivery plans with a set of clear actionable steps. We will ensure that our website and social media reflect this commitment.
- **A good employer** – We will update and commit to annual diversity monitoring. We will strengthen our recruitment process in line with good practice. We will commit to regular diversity training for all staff (at least once a year). We will investigate a range of diversity accreditation schemes and consider how they could help us continue to strengthen our work.
- **Improving how we work with others** – As a global charity we will take a range of actions to more effectively develop our approach to diversity and inclusion through our partnerships and the work we deliver. We will take active steps to improve our diversity and improve the impact of our programme delivery. We will increase our accountability and our understanding by building on the diverse nature of our networks to improve our work by actively involving them in shaping our work and actively seeking feedback.

2021 was a significant year, as the plans and approach we had implemented were recognised by the National Centre for Diversity and we received the 'Investors in Diversity Award' for small charities. We carried out our diversity monitoring for staff and trustees, and updated our recruitment processes to appeal to areas where we are underrepresented. All the staff completed an online course on diversity, equality and inclusion provided by the National Centre for Diversity.

We also signed up to the Stronger Foundations programme provided by the Association of Charitable Foundations. Stronger Foundations is an initiative to help and encourage foundations identify and pursue best practice. One of the thematic areas covered under this initiative is Diversity, Equality and Inclusion. The process includes completing a questionnaire that identifies our strengths and areas for improvements. This information was shared with the board at the December meeting.

An action plan has been completed based on the information gathered from the National Centre for Diversity and Stronger Foundations, this has been shared with staff and the board and included in the organisational action plan for 2022.

### Reserves policy

World Habitat operates within a comparatively low-risk funding environment, as it does not rely on any external financial support in delivering its charitable objectives. We fund virtually all of our activities from the revenue generated from the financial investments, land and property that we received as a gift in 1976.

As at the 31<sup>st</sup> December 2021 the World Habitat investment portfolio is currently managed by two investment managers, Sarasin (39.1 per cent) and Schroders (60.9 per cent). World Habitat is committed to maintaining the value of the original gift in real terms.

This reserves policy has been developed as part of an ongoing integrated financial governance process which includes development of a strategic plan, a risk management policy and an investment policy.

In 2018, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021). Implementation of the plan started during 2019. As a result of this review, business plans are developed which identify specific levels of anticipated income and expenditure in each year, together with details of the expected outputs and outcomes of the activities.

In the event of a collapse of the international financial markets, the organisation retains sufficient resources in readily accessible funds to meet its current operating obligations.

The value of reserves held by World Habitat as of 31<sup>st</sup> December 2021 was **£37,848,839**. This consisted of the following:

• Designated Funds	<b>£34,787,517</b>
• Revaluation Reserve	<b>£1,605,796</b>
• General Unrestricted Funds	<b>£1,455,526</b>
• Restricted Funds	<b>£0</b>

### Designated Funds

Designated funds are made up of the income maintenance fund and gift maintenance. An income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives.

Transfers are made to this reserve of surpluses, generated from activities after providing for a level of unrestricted reserves reflecting six-months planned activity. The gift maintenance fund has been created to maintain the original gift from East Midlands Housing Association in real terms value.

### Revaluation Reserve

A revaluation reserve is maintained in respect of those amounts by which investments and other assets exceed their historical cost.

### General Unrestricted Funds

General unrestricted funds should represent approximately six-months planned activity. The balance of the funds as of 31<sup>st</sup> December 2021 is **£1,455,526**. This currently represents fourteen-months planned activity. This is acceptable in the current time due to the uncertainty around the impact on our investments from COVID-19.

The reserves of World Habitat are held as a form of endowment in order to generate income for the organisation. The income provided should be sufficient to cover the charitable activities of the organisation so the capital is not diminished. World Habitat requires a minimum level of reserves of **£25m** to allow the charity to fund its core activities, any additional income generated above the required level will increase the money spent on the charitable aims of the organisation.

If the reserves of the organisation go below **£25m** then we would need to adjust our spending. If this was a short-term dip, then we would review the dividends we receive, if the dip was long-term, we would look to review our future budget and strategy.

### TRUSTEES' REPORT

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The Business Plan is reviewed on an annual basis, with both income and expenditure projected forward on an on-going basis. This reserves policy is also subject to review on an annual basis and the World Habitat trustees will carry out this review after giving due consideration to its planned programme of activity and the advice of its financial advisers as to likely income levels, any associated risks and the broader investment climate.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

Under the provisions of the Companies Act 2006, a resolution is no longer required at the Annual General Meeting to nominate the auditors for the coming year.

The trustees who held office at the date of approval of this Annual Report, as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information required by the charity's auditor in connection with preparing their report) of which the charity's auditors are unaware; and
- as the directors of the charity the trustees have taken all the steps they ought to have taken, in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

#### EMPLOYEE INVOLVEMENT AND APPRECIATION

All members of staff have been regularly consulted on issues of concern with regular staff meetings being held and have been kept informed on specific matters where necessary by the Chief Executive. The trustees meet with members of staff at the quarterly board meetings and staff members present their work to trustees at the meetings. Sincere thanks are expressed to all members of our staff for their dedicated service to the organisation during the year and to the excellent results that are being achieved as a result of their work.

This report has been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)) and in accordance with the provisions applicable to companies entitled to smaller companies exemption.

**POST BALANCE SHEET EVENT – WAR IN UKRAINE**

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy.

World Habitat does not operate in either Ukraine or Russia and no key suppliers are located in either country. The Board decided to not allow entries to the 2022 World Habitat Awards from any Russian projects. This will be reviewed when the awards open for 2023. The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

There are organisations World Habitat works with that have put support in place for Ukrainian refugees fleeing the country. World Habitat made three donations of £5k to partner organisations during March/April 2022, to support their efforts to help the people in most need.

**By order of the trustees**

*Angus Kennedy*

Angus Kennedy (May 25, 2022 16:30 GMT+1)

**Dr A Kennedy OBE (Chair)**  
**25 May 2022**

**Independent auditor's report to the trustees of World Habitat**

**Opinion**

We have audited the financial statements of World Habitat (the 'charity') for the year ended 31 December 2021 which comprise of 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 FRS 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 charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 AUDITOR'S REPORT

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#### 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 Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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 and proper 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' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

#### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 23, 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 charity'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 charity 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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT**

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We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

**INDEPENDENT AUDITOR'S REPORT**

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**Use of the audit report**

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

  
David Hoose (May 26, 2022 07:40 GMT+1)

**David Hoose**

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: May 26, 2022

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(Incorporating the income and expenditure account)**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>INCOME FROM</b>					
Donations and legacies:					
General grants		-	-	-	-
Charitable activities:					
Grant income	3	1,334	-	1,334	1,404
Investments	4	1,073,401	-	1,073,401	1,145,770
Other trading activities:		-	-	-	4
<b>TOTAL</b>		<u>1,074,735</u>	<u>-</u>	<u>1,074,735</u>	<u>1,147,178</u>
<b>EXPENDITURE ON:</b>					
Raising funds		51,191	-	51,191	65,165
Charitable activities		951,225	-	951,225	945,041
<b>TOTAL</b>	5	<u>1,002,416</u>	<u>-</u>	<u>1,002,416</u>	<u>1,010,206</u>
<b>NET INCOME</b>		72,319	-	72,319	136,972
<b>Transfers between funds</b>		-	-	-	-
<b>Other recognised gains/(losses):</b>					
<i>Gains and losses on investment assets:</i>					
Realised Profit (Loss) on Fixed Asset		(320)	-	(320)	30
Taxation charge on overage income	9	-	-	-	(1,880)
Unrealised gains/(losses) on investment assets	10	626,038	-	626,038	(2,162,222)
Realised gains/(losses) on investment assets	10	3,527,770	-	3,527,770	-
			-		
<b>Net movement in funds for the year</b>		<u>4,225,807</u>	<u>-</u>	<u>4,225,807</u>	<u>(2,027,100)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>33,623,032</u>	<u>-</u>	<u>33,623,032</u>	<u>35,650,132</u>
<b>Total funds carried forward</b>		<u>37,848,839</u>	<u>-</u>	<u>37,848,839</u>	<u>33,623,032</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on page 34-46 form part of these financial statements.

	Note	£	2021 £	£	2020 £
<b>Fixed Assets</b>					
Tangible	11		153,941		134,354
Investments	12		<u>35,215,800</u>		<u>32,507,584</u>
			35,369,741		32,641,938
<b>Current Assets</b>					
Investments	13	1,927,898		11,805	
Debtors	14	26,396		13,524	
Cash in hand		<u>599,794</u>		<u>1,022,669</u>	
		2,554,088		1,047,998	
<b>Creditors:</b>					
<b>Amounts falling due within one year</b>	15	<u>(74,990)</u>		<u>(66,904)</u>	
<b>Net Current Assets</b>			2,479,098		981,094
<b>Total Assets Less Current Liabilities</b>					
			<u>37,848,839</u>		<u>33,623,032</u>
<b>Capital and Income Funds:</b>					
<i>Unrestricted funds:</i>					
Designated funds	17	34,787,517		23,486,049	
Revaluation reserve	17	1,605,796		8,580,354	
General unrestricted funds	17	<u>1,455,526</u>		<u>1,556,629</u>	
			37,848,839		33,623,032
<i>Restricted funds</i>					
		-			-
			<u>37,848,839</u>		<u>33,623,032</u>

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime under the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)).

The financial statements on pages 30 to 46 were approved by the board of trustees on 25 May 2022 and signed on its behalf by:

Angus Kennedy  
Angus Kennedy (May 25, 2022 16:30 GMT+1)

DR A KENNEDY OBE - CHAIR

## CASHFLOW TO THE FINANCIAL STATEMENTS

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities	(a)	(994,424)	(1,025,236)
<b>Cash flows from investing activities:</b>			
<b>Returns on investments</b>			
Dividends, interest and rents from investments		1,073,401	1,145,770
Purchase of property, plant and equipment		(1,351)	(4,376)
Proceeds from sale of investments		34,078,086	-
Cash held on investment (Increase)		(1,916,093)	-
Purchase of investments		(32,661,994)	-
Dividend Leeds Community Homes		(500)	-
Taxation paid		-	(1,880)
<b>Net cash provided by/(used in) investing activities</b>		<b>571,549</b>	<b>1,139,514</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(422,875)</b>	<b>114,278</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>1,022,669</b>	<b>908,391</b>
Cash and cash equivalents at the end of the reporting period		599,794	1,022,669
<b>FOOTNOTES TO THE CASH FLOW STATEMENT</b>			
<b>(a) Reconciliation of net outgoing resources for the year to net inflow/(outflow) from operating activities</b>			
Net income/expenditure for the reporting period as per the statement of financial activities		4,225,807	(2,025,220)
<i>Adjustments for:</i>			
(Gains)/Losses on investments		(4,153,808)	2,162,192
Less: dividends, interest & rents from investments		(1,073,401)	(1,145,770)
Add: depreciation charges		11,443	10,426
Loss/(profit) on fixed asset disposal		320	30
(Increase) in debtors		(12,872)	(1,790)
Increase/(Decrease) in creditors		8,087	(25,104)
<b>Net cash inflow from operating activities</b>		<b>(994,424)</b>	<b>(1,025,236)</b>
<b>(b) Increase/(Decrease) in Cash</b>			
Opening balance		1,022,669	908,391
Balance as at 31 December		599,794	1,022,669
<b>Increase/(Decrease) in year</b>		<b>(422,875)</b>	<b>114,278</b>

## 1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

### **Basis of Preparation and assessment of going concern**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

World Habitat meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees and Senior Management Team of World Habitat are aware of the risks associated with COVID-19 including a reduction in the value of our investments and dividend income. We will look to mitigate the risks by reviewing our future budgets and strategy where necessary. As a result, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### **Funds Structure**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Within unrestricted funds are a number of designated funds.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Included within designated funds is a revaluation reserve representing the restatement of investments and other assets at market values.
- Restricted funds are those funds where restrictions are imposed by the donor in respect of how the funds can be expended.

### **Incoming Resources**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Interest on funds held is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)****Resources Expended**

Expenditure is recognised once there is a legal constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs associated with generating income, consisting of investment manager's fees, plus a proportion of support costs.
- Charitable expenditure comprises those costs incurred by the charity in achieving its charitable objectives, and their associated support costs. Research expenditure is included within the year in which it is incurred. Governance costs including those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity are included within charitable expenditure.
- Other expenditure represents those items not falling into any other heading.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Where research is commissioned over a period of time, the costs incurred are estimated based on the time elapsed as at the year end.

**Grant Making**

Grants are made to third parties in furtherance of the charitable objectives of the Foundation. The grants are made after signing a grant agreement and accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Support costs are allocated to monitoring grant activities as 10% of salary, employers NI and employers' pension. All grant expenditure is recognised in the year and any unpaid at the year-end is recognised as a liability at the balance sheet date.

**Allocation of Support Costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative costs, finance, personnel and premises expenses. Those costs that are not specific to an activity are apportioned on the basis of the time spent in the different categories as set out in note 6.

**Termination Benefits**

Termination costs are included in the period in which the decision has been made and communicated to employees. The terminated costs are paid based on statutory levels.

**Fixed Assets and Depreciation**

Freehold buildings are stated at market value less depreciation. There have been no indications that impairment has occurred and no impairment review has been carried out. All other fixed assets are stated at purchase price less depreciation. Depreciation is calculated to write off fixed assets over their estimated useful lives at the following annual rates:

Freehold buildings	2% of revaluation
Office and other equipment	25% of cost
Motor vehicles	25% of cost

**Investment Property**

Investment properties are included in the balance sheet at their market value. Depreciation is not charged on investment properties.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Mixed Use Property**

The charity has mixed use property, where it occupies part of the property and rents out the remainder. The proportion of the building that is considered to be investment property, is based on the number of floors occupied by the charity in relation to the number of floors rented out.

**Fixed Asset Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Cash Flow Statement**

World Habitat has prepared a cashflow statement in accordance with FRS 102.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

**Contributions to pension funds**

The company is a member of a defined contribution pension scheme. The amount charged through the statement of financial activities in respect of pension costs is the contributions payable in the year. In the past, the company also contributed to the Pensions Trust's Flexible Retirement Plan further details of which are included in note 20.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the statement of financial activities on a straight line basis over the period of the lease.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will by definition, seldom equal the related actual results. The Trustees have identified the valuation of investment properties as an area which involves critical accounting judgement or key sources of estimation uncertainty when determining the fair value of the investment properties.

In preparing these financial statements the Trustees have considered the valuation of all the investment properties and the estimations with regards to the carrying value of the investment properties. The Trustees have taken into account a number of factors including the age of the property/land, its marketability and the regional commercial market. Memorial Square was valued by an external property valuer.

## NOTES TO THE FINANCIAL STATEMENTS

**2 LEGAL STATUS**

The charity is a company limited by guarantee registered in England and has no share capital. 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. The registered office is stated on the Legal and Administrative page.

**3 CHARITABLE ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Grant Income:</b>		
Rural Payments Agency	1,334	1,404
	<u>1,334</u>	<u>1,404</u>

In 2020, all of the income was to unrestricted funds.

**4 INVESTMENT INCOME**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Listed:</b>		
Dividends on unit trusts and Common Investment Funds	1,045,200	1,114,622
<b>Cash on Deposit:</b>		
Interest received	134	255
<b>Other:</b>		
Rental income	28,067	30,893
	<u>1,073,401</u>	<u>1,145,770</u>

In 2020, all income from investments was unrestricted.

## NOTES TO THE FINANCIAL STATEMENTS

## 5 RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
<b>Raising funds:</b>				
Professional & investment fees	37,290	-	37,290	50,788
Support costs (see note 6)	13,901	-	13,901	14,377
	51,191	-	51,191	65,165
<b>Charitable activities:</b>				
Awards	40,787	-	40,787	40,556
Salaries and pensions	498,169	-	498,169	572,270
Research travel (overseas)	4,007	-	4,007	12,449
Research travel (UK)	16,199	-	16,199	4,285
Recruitment and training	17,908	-	17,908	8,719
Subscriptions	7,775	-	7,775	6,863
External research meetings –WH	189,604	-	189,604	119,410
External research meetings – Others	189	-	189	70
WH research meetings	1,803	-	1,803	1,914
Publication of research	35,827	-	35,827	35,914
Auditor's remuneration and related costs	13,848	-	13,848	13,208
Support costs (see note 6)	125,109	-	125,109	129,383
	951,225	-	951,225	945,041
	1,002,416	-	1,002,416	1,010,206

In 2020, the unrestricted expenditure was £1,010,206.

## 6 SUPPORT COSTS

The Charity allocates its support costs (all of which are unrestricted) as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Raising funds £	Charitable activities £	2021 Total £	2020 Total £
<b>Overheads:</b>				
Administrative salaries	6,470	58,230	64,700	61,867
Stationery, postage and telephone	112	1,008	1,120	1,488
Motor and travelling expenses	37	333	370	931
Miscellaneous expenses	159	1,429	1,588	287
Carbon Offsetting	-	-	-	18,026
Lease charges	93	841	934	941
Bank charges	120	1,081	1,201	1,291
<b>Premises Expenses:</b>				
Rent, Rates, heat and light	1,079	9,712	10,791	10,355
Repairs	3,707	33,358	37,065	29,438
Insurance	980	8,818	9,798	8,710
Depreciation	1,144	10,299	11,443	10,426
	13,901	125,109	139,010	143,760
	13,901	125,109	139,010	143,760

## NOTES TO THE FINANCIAL STATEMENTS

## 7 STAFF COSTS

	2021 £	2020 £
Wages and salaries	476,793	546,227
Social security costs	48,478	50,473
Pension costs	37,599	37,437
	<u>562,870</u>	<u>634,137</u>

	2021 £	2020 £
Staff restructuring costs comprise:		
Redundancy payments	0	22,382
Severance payments	0	2,360
Settlement payments	0	8,267
	<u>-</u>	<u>33,009</u>

	No.	No.
The average number of persons directly employed during the year was:		
Research and development	10	10
Administration and support	2	2
	<u>12</u>	<u>12</u>

	No.	No.
The number of higher paid employees was:		
Earning between £60,000 and £70,000	0	0
Earning between £80,000 and £90,000	0	0
Earning between £90,000 and £100,000	1	1

	2021 £	2020 £
Total cost for the management team	<u>303,031</u>	<u>291,198</u>

The management team cost £303,031 for 2021 is for a management team of 4 and £291,198 for 2020 is for a management team of 4. The key management are those listed on page 1. The total cost includes employer contributions of pension and national insurance.

## 8 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £	2020 £
This is stated after charging:		
Operating lease rentals	34,955	25,927
Depreciation	11,443	10,426
Auditor's remuneration:		
- Audit services	9,600	7,500
- Non-audit services	0	0
	<u>0</u>	<u>0</u>

During the year ended 31 December 2021, travel expenses totalling £370 were paid to 4 trustees (2020: £931).

No remuneration was payable to members of the Board of Trustees during the year (2020: £Nil).

Trustee indemnity insurance is included in the total insurance cost of £9,462 (2020: £8,554) paid in December 2020. The percentage of income arising outside the United Kingdom was 0% (2020: 0%).

## NOTES TO THE FINANCIAL STATEMENTS

## 9 TAXATION

During the year the Charity didn't receive anything subject to Corporation Tax. The tax charge of £1,880 recognised in 2020 relates to the under provision of the overage charge on the previous years' income.

## . Analysis of taxation charge in the year

	2021 £	2020 £
Tax on profit on ordinary activities at 19%	-	1,880

## . Factors affecting tax charge for period

The difference between the tax assessed for the period and the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2021 £	2020 £
Surplus/(deficit) on ordinary activities before tax	4,194,764	(2,027,100)
Standard rate of corporation tax in the UK	19.00% £	19.00% £
Items not subject to corporation tax	4,194,764	(2,027,100)
Under provision from previous periods	-	1,880
	-	-
Tax on profit	-	1,880

## 10 GAINS (LOSS) ON INVESTMENTS

	2021 £	2020 £
<b>UNREALISED GAIN:</b>		
Market Value of Investments at year end	35,374,133	32,507,584
Original cost of Investments	33,876,527	24,022,737
	1,497,606	8,484,847
Less: Unrealised gains on investments brought forward	(871,568)	(10,647,069)
Unrealised (loss)/gain in the year	536,038	(2,162,222)
Unrealised revaluation gain on investment property	90,000	-
Total unrealised (loss)/gain	626,038	(2,162,222)

## NOTES TO THE FINANCIAL STATEMENTS

## REALISED GAINS ON SALE OF INVESTMENTS:

Proceeds	34,078,086	-
Historical Cost	22,949,720	-
Realised Gain in the year	<u>11,128,366</u>	<u>-</u>
Split between:		
Gains realised from previous years	7,600,596	-
Gains realised from current years	3,527,770	-
<b>Total realised gains</b>	<b>11,128,366</b>	<b>-</b>

## 11 TANGIBLE FIXED ASSETS

	Freehold Property £	Office and Other Equipment £	Total £
<b>Cost or valuation:</b>			
At 1 January 2021	128,333	95,464	223,797
Additions	-	1,351	1,351
Revaluation	30,000	-	30,000
Disposals	-	(4,798)	(4,798)
At 31 December 2021	<u>158,333</u>	<u>92,017</u>	<u>250,350</u>
<b>Depreciation:</b>			
At 1 January 2021	7,700	81,743	89,443
Charge for the year	2,567	8,876	11,443
Depreciation written back on disposals	-	(4,477)	(4,477)
At 31 December 2021	<u>10,267</u>	<u>86,142</u>	<u>96,409</u>
<b>Net Book Value:</b>			
At 31 December 2021	<u>148,066</u>	<u>5,875</u>	<u>153,941</u>
At 31 December 2020	<u>120,633</u>	<u>13,721</u>	<u>134,354</u>

## Freehold Property

The freehold property was valued at a market value of £475,000 on the 26<sup>th</sup> January 2022 by Fisher German LLP, who are not connected with the charity. The trustees are not aware of any material changes in value since that date. The historical cost of the property together at 31 December 2021 was £32,826.

The Trustees are happy that the valuation reported on the 26<sup>th</sup> January 2022 represents the valuation at the year end. Two thirds of the Freehold property is accounted for as an investment property.

## 12 INVESTMENTS

	2021 £	2020 £
<b>At valuation:</b>		
Freehold property	908,667	848,667
Listed investments	34,307,133	31,658,917
	<u>35,215,800</u>	<u>32,507,584</u>

All investments are held within the UK.

Investments are held in order to provide an investment return for the purposes of funding the charity's activities.

## NOTES TO THE FINANCIAL STATEMENTS

## 12 INVESTMENTS (continued)

**Freehold Property**

At 10 October 2018, Fisher German, Chartered Surveyors, prepared valuations of all of the Foundation's investment properties. At 26<sup>th</sup> January 2022, Fisher German, Chartered Surveyors, prepared a valuation on the Memorial Square building. In the opinion of the Board of Trustees, the valuations represent the true market value of the land and properties held for investment purposes as at 31 December 2021.

	2021 £	2020 £
At beginning of year	848,667	848,667
Additions	-	-
Revaluations	60,000	-
Disposals at opening book value	-	-
	<u>908,667</u>	<u>848,667</u>
Historical cost at 31 December	<u>76,592</u>	<u>76,592</u>
<b>Listed investments</b>		
At beginning of year	31,658,917	33,821,139
Acquisitions at cost	32,662,494	-
Disposals at opening book value	(34,078,086)	-
Realised Gains	3,527,770	-
Net (loss) / gains on revaluation in the year	536,038	(2,162,222)
Market value at 31 December	<u>34,307,133</u>	<u>31,658,917</u>
Historical cost as at 31 December	<u>33,671,602</u>	<u>23,946,145</u>

These assets include indirect investments in listed securities, through a combination of Common Investment Funds and Unit Trusts. Included in listed investments are the following investments, which individually represent over 5% of the total year-end value of the investment portfolio:

	Quantity of Stock Held No	Market Value 2021 £	Market Value 2020 £
<b>Holding:</b>			
Charity Multi Asset Fund	-	-	6,108,541
Equity Fund	-	-	1,916,772
Responsible Multi Asset Fund	35,182,776	20,888,014	1,083,601
M&G "Charifund"	-	-	8,874,471
Global Growth & Income	-	-	11,974,281
COIF Charities Property Fund	-	-	1,676,251
Sarasin Climate Active Endowments Fund	10,230,556	13,393,619	-

All investments are carried at their fair value. Holdings in common investment funds and unit trusts are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

**NOTES TO THE FINANCIAL STATEMENTS****12 INVESTMENTS (continued)**

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so there ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are traded in markets with good liquidity and high trading volumes.

The charity has no material investment holdings in markets subject to exchange controls or trading restrictions. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

**13 CURRENT ASSET INVESTMENTS**

	2021 £	2020 £
Cash on deposit	1,927,898	11,805

**14 DEBTORS**

	2021 £	2020 £
Prepayments	13,842	9,461
Trade Debtors	12,554	4,063
	<u>26,396</u>	<u>13,524</u>

**15 CREDITORS (Amounts falling due within one year)**

	2021 £	2020 £
Other taxes and social security	11,858	11,513
Grants Payable	23,113	-
Other creditors	40,019	55,391
	<u>74,990</u>	<u>66,904</u>

**16 FINANCIAL INSTRUMENTS**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	35,215,800	32,507,584
	<u>35,215,800</u>	<u>32,507,584</u>

Financial assets measured at fair value through income and expenditure comprise investment properties and investments.

## NOTES TO THE FINANCIAL STATEMENTS

## 17 UNRESTRICTED FUNDS

	At 1 Jan 2021 £	Incoming Resources (inc. Gains) £	Outgoing Resources £	Transfers £	At 31 Dec 2021 £
<b>Designated Funds:</b>					
Revaluation reserve	8,580,354	4,153,808	-	(11,128,366)	1,605,796
Income maintenance	14,291,778	-	-	11,128,366	25,420,144
Gift maintenance	9,194,271	-	-	173,102	9,367,373
<b>General Funds</b>	1,556,629	1,074,735	(1,002,736)	(173,102)	1,455,526
	<u>33,623,032</u>	<u>5,228,543</u>	<u>(1,002,736)</u>	<u>-</u>	<u>37,848,839</u>

**Purposes of Designated Funds**

**Revaluation Reserve** – The revaluation reserve fund represents the amounts by which investments and other assets exceed their historical cost.

**Income Maintenance** – The income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives. The fund is maintained by the transfer of the balance of realised gains after the funding of the gift maintenance fund and providing sufficient general funds to reflect six months planned activity.

**Gift Maintenance** – The gift maintenance fund has been created to maintain the original gift of £1,249,066 from East Midlands Housing Association in real terms value. The purpose of the original gift was to enable the generation of income to allow the charity to pursue and achieve its objectives. The underlying assets in which the funds are held are managed to do this. Maintenance of this fund is from realised gains on investment assets. A transfer of £173,102 was completed during the year.

**UNRESTRICTED FUNDS PRIOR YEAR**

	At 1 Jan 2020 £	Incoming Resources (inc. Gains) £	Outgoing Resources £	Transfers £	At 31 Dec 2020 £
<b>Designated Funds:</b>					
Revaluation reserve	10,742,576	-	(2,162,222)	-	8,580,354
Income maintenance	14,291,778	-	-	-	14,291,778
Gift maintenance	9,058,313	-	-	135,958	9,194,271
<b>General Funds</b>	1,557,465	1,147,208	(1,012,086)	(135,958)	1,556,629
	<u>35,650,132</u>	<u>1,147,208</u>	<u>(3,174,308)</u>	<u>-</u>	<u>33,623,032</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	General funds £	Designated funds £	Total 2021 £
Fixed assets	-	5,875	148,066	153,941
Investments	-	898,451	34,317,349	35,215,800
Current assets	-	626,190	1,927,898	2,554,088
Creditors	-	(74,990)	-	(74,990)
Provisions	-	-	-	-
	-	1,455,526	36,393,313	37,848,839

## ANALYSIS OF NET ASSETS BETWEEN FUNDS PRIOR YEAR

	Restricted funds £	General funds £	Designated funds £	Total 2020 £
Fixed assets	-	13,721	120,633	134,354
Investments	-	561,814	31,945,770	32,507,584
Current assets	-	1,047,998	-	1,047,998
Creditors	-	(66,904)	-	(66,904)
Provisions	-	-	-	-
	-	1,556,629	32,066,403	33,623,032

## 19 CHANGES IN NET DEBT

	At 1 Jan 2021 £	Cash flows £	Other non- cash changes £	At 31 Dec 2021 £
<b>Cash and cash equivalents</b>				
Cash	1,022,669	(422,875)	-	599,794
Overdrafts	-	-	-	-
Cash equivalents	11,805	1,916,093	-	1,927,898
	1,034,474	1,493,218	-	2,527,692

## 20 PENSION SCHEME

The charity operates a pension scheme for the benefit of employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Total employer contributions paid in the year amounted to £37,599 (2020: £37,437) as at 31 December 2021 there were contributions outstanding of £0 (2020: £0).

World Habitat participates in the Flexible Retirement Plan and Ethical Fund that are both operated by the Pension Trust. They are both multi-employer pension plans.

The Flexible Retirement Plan is a defined contribution fund and is compliant with auto-enrolment. The employee can select to invest in the default Target Date Fund or select their own funds.

**NOTES TO THE FINANCIAL STATEMENTS**

The Ethical Fund is also a defined contribution fund and compliant with auto-enrolment requirements. Any funds paid into the Ethical Fund are invested in the Ethical Target Date Funds (TDFs), which enables members to invest in companies that meet globally recognised corporate responsibility standards.

The charities' staging date for auto-enrolment was 1<sup>st</sup> July 2016.

**21 LIMITED BY GUARANTEE**

The company is limited by guarantee and accordingly does not have issued share capital. Every member of the Association undertakes to contribute an amount not exceeding £10 to the assets of the association in the event of the same being wound up.

**22 RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year or prior year.

The payment of trustees' expenses is disclosed in note 8.

**23 COMMITMENTS UNDER OPERATING LEASES**

As at 31 December 2021 the charity had total commitments under non-cancellable operating leases as set out below.

	2021 £	2020 £
Operating leases which expire:		
Within 1 year	15,010	14,280
Within 1 and 5 years	816	1,632
	<u>15,826</u>	<u>15,912</u>

**24 COMMITMENTS UNDER GRANT AGREEMENTS**

During the year to 31 December 2021 the charity made grant agreements as set out below.

	2021 £	2020 £
Grant agreements:		
<b>EESHG</b>		
Stopa Slovenska	8,280	-
Together Leicester	3,500	-
ULE	5,000	-
Homeless Network Scotland	7,450	-
The Passage	5,000	-
CRESCER	3,813	-
<b>World Habitat Awards</b>		
UrbaMonde - France	41,107	-
<b>Global Community-led Housing</b>		
Center for Community Land Trust Innovation	5,630	-
Moba	20,301	-
Association of Urbamonde	15,069	-
Catalytic Communities	15,275	-
<b>Total Grants</b>	<u>130,425</u>	<u>-</u>

All grants made in 2021 were to institutions. Grants to individuals is £nil.

Grants payable at the year end were £23,113. The total grants for the year is included in expenditure on charitable activities on the statement of financial activities on page 5.

There are supports costs associated with monitoring the grants of £14,187. This is 10% of the salary for the individuals monitoring the grants.

The projects being funded in each programme area as follows:

**EESHG**

The grants are to develop a number of programmes in cities across Europe to understand the scale and context of migrant homelessness. This includes a number of initiatives to build the publics understanding of homelessness.

**World Habitat Awards**

The grant is to collectively increase impact, add value, and support organisations and communities around the world to implement the right to adequate housing. This will be done by firstly by identifying and sharing examples of housing solutions and secondarily, by enabling communities and other organisations to develop their own housing solutions.

**Global Community-Led Housing**

The grants are to advance on co-operative housing development – with opportunities to secure access to knowledge, land, finance and advancements in terms of policy, legal, technical or environmental matters.

**25 POST BALANCE SHEET EVENT – WAR IN UKRAINE**

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy.

World Habitat does not operate in either Ukraine or Russia and no key suppliers are located in either country. The Board decided to not allow entries to the 2022 World Habitat Awards from any Russian projects. This will be reviewed when the awards open for 2023. The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

There are organisations World Habitat works with that have put support in place for Ukrainian refugees fleeing the country. World Habitat made three donations of £5k to partner organisations during March/April 2022, to support their efforts to help the people in most need.

## NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

	Note	£	2021 £	£	2020 £
Rent receivable			28,067		30,893
Investment income	A		1,045,334		1,114,877
Grant			1,334		1,404
Misc			-		-
Sales			-		4
			<u>1,074,735</u>		<u>1,147,178</u>
<b>Overheads:</b>					
Salaries		64,701		61,867	
Professional and investment management fees		37,290		50,788	
Other professional fees					
Property expenses	B	13,819		11,786	
Stationery, postage and telephone		1,120		1,488	
Motor and travelling expenses		370		931	
Auditor's remuneration and other related costs		13,848		13,207	
Miscellaneous expenses		1,588		18,313	
Lease charges		934		941	
Bank charges		1,201		1,291	
Foreign Exchange rate difference		-		-	
		<u>134,871</u>		<u>160,612</u>	
Research costs	C	<u>867,545</u>		<u>849,594</u>	
			<u>1,002,416</u>		<u>1,010,206</u>
Surplus/(deficit) for the year			<u>72,319</u>		<u>136,972</u>

The following pages do not form part of the statutory financial statements.

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

A. INVESTMENT INCOME

	£	2021 £	£	2020 £
<b>Interest on deposits:</b>				
Schroder	27		20	
Barclays	107		235	
	134		255	
Dividends from common investments funds		1,045,200		1,114,622
		<u>1,045,334</u>		<u>1,114,877</u>

B. PROPERTY EXPENSES

	Occupied By the Charity £	Own Property Let £	Total £
Rent, rates, heat and light	4,408	6,383	10,791
Repairs	32,025	5,039	37,064
Insurance	9,648	150	9,798
Depreciation of plant, fixtures and fittings, and buildings	11,443	-	11,443
	<u>57,524</u>	<u>11,572</u>	<u>69,096</u>
Apportioned to research facilities	<u>46,019</u>	<u>9,258</u>	<u>55,277</u>
Apportioned to overheads	<u>11,505</u>	<u>2,314</u>	<u>13,819</u>

C. RESEARCH COSTS

	2021 £	2020 £
Awards	40,787	40,556
Salaries and pensions	498,169	572,270
Research travel (overseas)	4,007	12,450
Research travel (UK)	16,199	4,285
Research dissemination materials	-	-
Recruitment and training	17,908	8,719
Subscriptions	7,775	6,863
External research meetings – WH	189,604	119,410
External research meetings – Others	189	70
WH Internal research meetings	1,803	1,914
Research facilities	55,277	47,143
Publication of research	35,827	35,914
	<u>867,545</u>	<u>849,594</u>

The following pages do not form part of the statutory financial statements.

**WORLD HABITAT**

England & Wales - Charity number 270987

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# Accounts

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**COMPANY NUMBER: 1247918**

**WORLD HABITAT**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**WORLD HABITAT  
IS A REGISTERED CHARITY  
CHARITY NUMBER: 270987**

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	<b>Page</b>
Legal and Administrative Information	1
Trustees' Report	2 – 21
Independent Auditor's Report	22 - 24
Statement of Financial Activities	25
Balance Sheet	26
Cashflow	27
Notes to the Financial Statements	28 – 40

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## **WORLD HABITAT**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to submit their forty first annual report, together with the audited financial statements for the year ended 31 December 2020.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity number** 270987

**Company number** 1247918

#### **Principal Office**

Memorial Square  
Coalville  
Leicestershire  
LE67 3TU  
United Kingdom

Tel 01530-510444  
Fax 01530-510332  
Email [info@world-habitat.org](mailto:info@world-habitat.org)  
Web [www.world-habitat.org](http://www.world-habitat.org)

#### **Auditor Mazars LLP**

Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

#### **Bankers Co-op Bank plc**

77-79 Market Place, Leicester, LE1 5EN  
Barclays Bank  
Bishop Meadow Branch, Loughborough

#### **Solicitors Freeths**

One Colton Square, Leicester, LE1 1QH

#### **DIRECTORS AND TRUSTEES**

The directors of the charitable company (World Habitat) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year-end were as follows:

#### **Elected trustees**

A Challis  
P Elderfield  
A Kennedy (reappointed on 3 June 2020 to serve a further three-year term)  
A Pearson (resigned on 03 March 2021)  
S Macdonald  
I McCormack  
N Murphy  
J Richardson

#### **Management team**

D Ireland – Chief Executive  
E Melia

L Winterburn – Deputy CEO  
J Kovach

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing document**

World Habitat is a charitable company limited by guarantee incorporated on 9 March 1976. It is governed by a Memorandum and Articles of Association which were amended on the 26 September 2017 to change the name to World Habitat, change the charitable objects and amend the period of time trustees can serve on the board to a maximum of 9 years without special resolution. In the event of it being wound up, members are required to contribute an amount not exceeding £10.00.

**Recruitment, appointment and training of trustees**

As set out in the Articles of Association trustees are appointed for a fixed term of three years save where the Board of Trustees sets a shorter period prior to appointment. Trustees shall cease to be members of the Board of Trustees at the end of the fixed term but may be reappointed at the Annual General Meeting held in June. Trustees may serve as a member of the Board of Trustees for a continuous or aggregate period of 9 years without the support of a special resolution at a general meeting of the association. The Articles state that the number of trustees should not exceed nine. The members of the organisation are co-terminus with the trustees. All members of the organisation are circulated with invitations to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM.

All members of the board of trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 in the accounts.

Angus Kennedy reached the end of his term of office and was re-elected for a further three-year term at the AGM. He was also re-elected as Chair for a further three-year term.

Stuart Macdonald was appointed as Vice Chair for a period of three years during 2019.

There is a process in place for trustee appraisals to take place every 12 to 18 months. Appraisals are carried out by the chair and feedback provided for trustees. General themes that emerge from trustee appraisals are reported back to the board.

Trustees have approved a process for appraising the chair. The process involves a self-appraisal and an interview carried out by trustees led by the vice chair.

A revised trustee induction policy was approved by trustees in June 2020. New trustees are provided with full information to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Opportunities are provided for new trustees to meet all employees and other trustees. Trustees are encouraged to attend appropriate external training events to facilitate the undertaking of their role and to meet regularly with the World Habitat staff team.

**Organisation**

The board of trustees, which can have up to nine members, administers the charity. The board meets quarterly and there is one standing sub-committee covering investment and other financial matters. Working groups are established to address particular issues if needed. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and all activity relating to meeting the organisation's objectives. During the year, our Chief Executive was Mr David Ireland, who joined the organisation in June 2014.

**Related parties**

The charity has no closely related parties, although co-operates with a broad range of organisations both in the UK and internationally in its various housing research and knowledge transfer activities.

**Risk management**

Risk management is reviewed by trustees at every board meeting.

The trustees have a risk management strategy, which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Health and safety advisers and professional investment managers have been appointed and a business continuity plan has been prepared to address the need to maintain a normal mode of operation in the event of an emergency. A key element in the management of financial risk is the setting of policies in respect of reserves and investments, which are regularly reviewed by trustees. A major risk identified in previous risk mapping work is a major collapse of the financial markets and the impact that this would have on the income stream, which relies heavily on dividend income. Whilst the ongoing uncertainties in the global financial system continue to have an impact on our income, we are working closely with our investment advisers to keep the situation under review. The Board of Trustees delegates the Finance and Investment Sub-Committee to meet with our investment managers on a regular basis. The Finance and Investment Sub-Committee meetings normally take place three times a year. A full set of papers from the Finance and Investment Sub-Committee are provided to all trustees in order that there is a broad understanding of the financial position by all members.

#### **Risk and Uncertainties**

##### **Brexit - What are the risks facing us and how are we going to mitigate this?**

Trustees have carefully considered the risks posed by the UK leaving the European Union. The issue has been near the top of the risks regularly reviewed by trustees since before the referendum in 2016.

Trustees consider that the main risks to World Habitat are indirect rather than direct. By that they mean that direct risks such as disruption of supply chains, changes in import/export taxes and the removal of licences to operate do not significantly affect World Habitat. There are however many indirect effects which may have an impact on the organisation. These relate to four main areas. The risk of a general downturn in the UK economy, changes in the exchange rate between sterling and other major currencies, particularly the Euro, changes affecting travel between the UK and the EU, and the impact on employment and recruitment caused by changes to residency rules for EU citizens living in the UK.

Trustees have reviewed these risks and concluded that risks to World Habitat's investments are manageable. Risks to income are likely to be minor because World Habitat's investments are invested diversely and are not solely dependent on the performance of the UK's economy.

World Habitat employs one member of staff based in the Netherlands whose salary is paid in Euros. A reduction in the value of Sterling against the Euro will increase the organisations costs in all of these areas. The organisation has modelled this and built a contingency into its budget that would cover all but a major drop in the value of Sterling.

World Habitat employs a number of staff who are not UK citizens, and has traditionally recruited some staff from EU countries for their knowledge and experience in the areas of work the charity undertakes. All UK based staff have settled status, and the organisation's increasing proficiency in remote working provides the opportunity to recruit overseas staff if necessary, without the need for them to be based in the UK.

World Habitat's traditional operating model has required frequent travel to EU countries. World Habitat is a member of Housing Europe, it conducts much of its homelessness programme, and part of its Community Led Housing Programmes in EU countries. The World Habitat Awards receive large numbers of submissions from EU countries, and require staff to visit as part of the evaluation process. Trustees have considered the implications of World Habitat's UK staff visiting EU countries and concluded that whilst there may be some additional administrative costs these are manageable and additional costs are likely to fall within the organisation's travel budget. In any case the risks to overseas travel caused by COVID 19 are much more significant. The organisation aims to reduce its need for so much travel in the medium term as it seeks to reduce its carbon footprint.

Therefore whilst Brexit is a risk, the Trustees consider the impact to be manageable and not to be as significant as COVID 19.

**COVID 19 – What are the risks facing us and how are we going to mitigate this?**

Trustees are acutely aware that the impacts of COVID 19 are felt most by those on low incomes and those with inadequate housing or no home at all. The pandemic has created new threats to the most vulnerable people in society, including an increased risk of homelessness through evictions. Trustees acknowledge that these effects are likely to significantly shape the needs of the people that World Habitat's work aims to help. As a result, World Habitat's programmes and strategy are due to be revised in 2021 so that they best deliver the organisation's mission and objectives.

Trustees have reviewed the potential medium-term impacts of the pandemic on World Habitat. They are aware that the duration and future developments in the pandemic are difficult to predict. Trustees consider that whilst most effects will be relatively short term in duration, there are likely to be some fundamental long-term changes that result. Trustees consider that the most significant impacts on World Habitat are on the organisation's income, restrictions to travel, and the organisation's workplace.

The vast majority of World Habitat's income is derived from financial investments. The financial shock caused by the pandemic has led to increased volatility in the value of these investments. Trustees have reviewed projections of the likely impact on the charity's income and concluded that the financial effects are likely to be relatively short term. Trustees have considered the risks to income as well as the risks to the delivery of the organisation's programmes. They have concluded that in order to sustain the organisation's programme delivery, expenditure for 2021 should be maintained at the same level as 2020. They have set a deficit budget for 2021 with the shortfall in income supplemented by using a small proportion of the organisation's financial reserves. This decision is consistent with the organisation's reserves policy.

World Habitat's operations have previously required a significant amount of overseas travel. Trustees anticipate that it will not be possible to pursue operational models that require travel in the short to medium term. One important example is the evaluation visits which are undertaken each year to assess submissions from finalists in the World Habitat Awards. New models were developed in 2020 including using in-country experts to visit and provide advice to the evaluation team. Similar models have been developed for other parts of the organisation's operations. These are continuously being refined and improved giving the organisation a range of options it can use depending on the health risks and legal position in force at the time. Trustees are confident that its programmes can continue to operate within all reasonably foreseeable pandemic scenarios.

When the UK government ordered all staff who were able to, to work from home in March 2020 the organisation was well prepared. It had IT systems and equipment already in place and was able to adapt its process and operations quickly to a working from home model. Staff have remained working from home ever since. The organisation plans to reopen an office during 2021 contingent on the law permitting it and risk assessment which demonstrates that health risks to staff are minimised as far as is possible.

#### **Our Mission and Objectives**

We are passionate about challenging the chronic injustice of the one-in-seven people across the world who live without a proper home. Our mission is to help those who live on the streets; those who have lost their homes due to war and disasters; and those who simply cannot afford to live where they need to. Everything we do is focused on understanding what works and getting solutions to the people who need them most. This annual report and accounts tells the story of our progress over the last year towards achieving that mission.

Safe and secure housing is a human right; without it, people cannot fulfil their true life-potential. For a large proportion of the world's population, poverty, conflict, natural disasters, and the growing impacts of the climate emergency deny people that fundamental right. The COVID-19 pandemic has brought the inequalities in housing into sharp focus. A secure home is not just a necessity to keep safe from the virus, but it provides resilience to the economic and social impacts that the pandemic has unleashed.

UN-Habitat estimates that around a billion people currently live in unsafe and unhealthy homes and millions more have no home at all. It does not have to be like this. Despite setbacks caused by COVID-19, over the last few decades the world has made huge progress in social development. Billions have been lifted out of poverty. Life expectancy has soared, and more people than ever are safely housed. A world where everyone has a safe and secure home is a goal that is within reach.

However, there are new dangers that threaten this progress. Old political and economic certainties have retreated, weakening people's rights and increasing the risk of conflict. The economic impacts of the pandemic have weakened people's security, increasing the risks of evictions and homelessness. A rising global population is straining the world's resources and the climate is becoming increasingly unstable and unpredictable. These tensions are felt first by the poorest people who can least afford to insulate themselves from the effects.

However, the poorest are often the most resourceful, and their communities are often the strongest. In our experience, with the right financial and social support, most communities have the potential to solve their own housing struggles and find a path out of poverty. Indeed, housing is always better, and the impacts on communities more significant, if they are shaped by those who are directly affected.

Solutions to most of the world's housing problems already exist, but most communities do not have access to the knowledge, support, expertise and experience to make full use of them. World Habitat is a catalyst, seeking out solutions to the world's housing problems - helping them to grow and develop, and then transfer them to communities in new places where they are needed most.

In 2020 we sought to have a greater positive impact than ever before. We sought to develop and adapt our approach to the changed housing needs, and the limitations imposed on us as a result of COVID-19. Our work – which this report details - continued to implement the strategy approved by our Trustees, that has guided our work from 2019 to 2021. The strategy sets our objectives to:

- seek out and develop new and effective solutions to the world's greatest housing challenges;
- support emerging innovative ideas and projects to develop and grow, so they help more people;
- invest in housing projects to help them reach more people;
- promote proven housing solutions and help to transfer them to places where they are needed most; and
- work around the world to develop what works and to discover new solutions to making housing safe and secure.

#### **The World Habitat Awards - Seeking out and developing new and effective solutions to the world's greatest housing challenges.**

The World Habitat Awards were established in 1985 as our contribution to the UN International Year of Shelter for the Homeless and we have operated it every year since in partnership with UN-Habitat. With entries from across the world, the Awards identify, recognise and showcase some of the very best solutions to the many housing challenges people and communities face. The 2019 Gold Award winners were presented with their awards in February 2020 at the 10<sup>th</sup> Session of the World Urban Forum in Abu Dhabi, UAE. 2019 was the first year that the World Habitat Awards consisted of Gold, Silver and Bronze awards.

The two Gold Award winners were: Restoration of dignity and human rights of indigenous tribal community in Karnataka, India and *Viviendas para las Entidades Sociales* in Barcelona, Spain.

**Restoration of dignity and human rights of indigenous tribal community** is a project designed to break the cycle of caste-based oppression in Karnataka, India.

The Koraga tribal community suffered centuries of oppression under India's historic caste system. While caste-based discrimination is technically illegal today, many of the practices and prejudices remain. The community had been subject to land expulsions, had few livelihood opportunities and was suffering from malnutrition. All of these issues contributed to the continued practice of Ajalu, where Koragas were made to eat leftover food from upper caste households mixed with hair, fingernails and other inedible substances.

ActionAid India, with the Koraga Federation and Samagra Grameena Ashram (SGA), worked with the Koraga people and nine other tribal communities in Karnataka state to break the cycle of caste-based oppression through social and economic empowerment. This was primarily achieved by supporting indigenous communities in accessing government schemes to which they were entitled.

Under this initiative, more than \$5 million USD of support has been generated for the Koraga people and other tribal communities in the form of housing grants, pension entitlements, nutrition and food security schemes, land, agricultural support and education.

Thousands of acres of land have been secured for tribal communities and 19,000 people have accessed grants to build homes. This has acted as a foundation for them to rebuild their lives. Enhanced access to state-sponsored nutrition programmes have improved food security and health among the Koraga community. More children attend school and have access to scholarships, while Koraga women hold leadership positions within the community and more than 1,000 have been supported to become self-sufficient.

As a result, marginalised tribes are now able to resist oppressive practices and access their basic human rights, restoring their dignity and transforming their lives for generations to come.

***Viviendas para las Entidades Sociales*** increases affordable housing in Catalonia by renovating empty homes.

Millions of tourists visit Barcelona each year, choosing to stay in apartments advertised on short-term letting platforms and playing an unwitting role in the city's growing housing crisis. Each home taken out of circulation for local people to rent increases the pressure on affordable housing in Catalonia, which currently has a shortfall of 170,000 homes. At the same time, 450,000 homes lie empty. As unemployment rises and incomes fall, those who do have a home are at increasing risk of eviction and homelessness.

The *Viviendas para las Entidades Sociales* project, run by Håbitat3, increases the supply of affordable housing in the region by acquiring and renovating empty homes or securing leases and offering them to charities working with vulnerable people. Håbitat3 renovates the homes in collaboration with local social enterprises who train socially excluded people to help them find work in the future. It manages the homes while the charities select the tenants, providing ongoing support in areas such as mental health, drug addiction, disability, gender violence and migration. So far, Håbitat3 has worked with 28 charities across Barcelona and the surrounding area.

Håbitat3 now manages 100 properties through the project, providing a home for 187 vulnerable tenants. Håbitat3 continues to work with the Barcelona City Council and the Catalan Government to ensure it can provide more homes and give more people the opportunity to build a better life.

The World Habitat Awards Gold Winners' trophies were presented to Xavier Mauri Coll and Natalia Martinez Mustienes from Håbitat3 and to Nandini Krishnaswamy, Sandeep Chachra (from **Action Aid India**), Ashok Kumar (representing **Samagra Grameena Ashrama**) and Shakuntala (representing the **Koraga community**) by Victor Kisob, Assistant Secretary-General, Deputy Executive Director for UN-Habitat.

Leilani Farha, the UN Special Rapporteur on the right to adequate housing (at the time of the awards) and one of the judges of the World Habitat Awards, appeared at the presentation by video message to congratulate the Gold Award winners for their innovative work.

**Innovating, scaling up and transfer** – We will bring people and ideas together to help transfer ideas to new places where they are needed most.

World Habitat is committed to helping projects develop and grow, and to finding and sharing great practice from around the world, so that practice can be transferred to where it is needed most.

Through our **exChange** events, we facilitate global learning on outstanding housing solutions, which are open to housing practitioners, researchers or policymakers with an interest in exchanging and transferring ideas, methods and proposals. The exChanges often feature our Gold Award winners and provide a practical, in-depth understanding of the technical, social and financial aspects of innovative approaches to overcoming housing challenges and helping projects and programmes to develop their work. As a result, many of the participants adapt and transfer relevant elements of the approaches to their own context.

Due to COVID-19 restrictions this year, World Habitat facilitated all exChange sessions virtually.

#### **Fostering Organisational Growth and Expanding Programme Scope in Barcelona**

In 2019, Hàbitat3 was awarded the World Habitat Gold Award for its programme 'Viviendas para las Entidades Sociales', which led to its participation in an exChange collaboration.

Hàbitat3, supported by Taula d'Entitats del Tercer Sector Social de Catalunya, is a social housing provider and manager that helps people, particularly those from vulnerable communities, access a decent home. In its Gold Award programme, Hàbitat3 renovated empty homes in Barcelona and collaborated with social entities and public administration to carry out social inclusion projects through housing provision. Our exChange event was focused on how they could expand their work to the Private Rented Sector (PRS), while also seeking organisational scale-up strategies from other entities focused on affordable housing.

World Habitat facilitated a series of exChange sessions between Hàbitat3 and similar organisations within our extensive network, including previous winners of the World Habitat Awards. The partners for this exChange were Crisis (UK), Homes For Good (UK), the Y Foundation (Finland), dot dot dot (UK), Community Solutions (USA), Mutual Housing (USA) and Neunerimmo (Austria).

Several sessions were held and covered the key issues which organisations in the affordable housing sector face, including funding mechanisms, tenant support, property management, commercial opportunities, political advocacy and collaboration with local authorities and private sector actors. These conversations not only helped identify different strategies for Hàbitat3 to pursue in the coming year, but also encouraged other organisations to discuss their own social values, ambitions and desired future impact.

**Katharine Hibbert of dot dot dot** valued the diversity of the participants in inspiring her own organisation's work.

*"I think it is really helpful to have such an international group of people, to get that inspiration, get some ideas from elsewhere, and also to be reminded of how ambitious it is worth being and how ambitious it is possible to be."*

**Chris Hancock of Crisis** used it as an opportunity to reflect upon and reinvigorate his own organisation's goals.

*"This exChange has really reinvigorated my ambition of what I think we can achieve...[it] has been really helpful, and helped me push forward some conversations internally about our own ambitions and what we can do as an organisation ourselves. It also encouraged me to reconnect with a number of organisations in the UK working in the private renting sector, to share ideas and some of [the] ambition that we've seen here."*

**Juha Kaakinen of the Y-Foundation** (winner of a 2014 World Habitat Award) found support and solidarity among likeminded organisations.

*"I found it very inspiring and almost got the feeling that I was talking with relatives or a cousin-organisation, because in spite of the differences, there was so much in common, a similar ethos, similar impatience to get results and move forward. And it also made me think about several things in our own doing."*

**Xavier Mauri of Hàbitat3** valued the expertise of participants who had introduced methods to scale up their own organisations, while still preserving aspects of their founding social values.

*"We wanted to hear the thoughts of organisations with more years of experience, like Y-Foundation, which mainly started offering housing to homeless people, but four years ago they acquired 8,000 social units [and are] not [solely] social anymore. This is an interesting way to grow and open your mind. There might be opportunities that allow an entity to open their vision, even to broaden the spectrum, and to have a much bigger impact, without leaving out what they wanted to do."*

As a result of the exChange Programme events, Habitat3 reported key changes in how they will implement their work - specifically in how they will operate their funding structure and how they will engage the Catalan Government. Moreover, all participants expanded their network and committed to future engagements with each other to ensure continued knowledge sharing and mutual learning.

#### India

We have begun work with our other 2019 World Habitat Award Gold winners – the Koraga Federation and Samagra Grameena Ashram, however they have been focused on emergency responses which has delayed our activities.

We are planning on funding a new development role for two years who will work with tribal communities such as the Koragas, Jenu Kurubas and Eravas Soligas Hasalaru who have all accessed rights to their land through successful mobilisation. The role will help tribal communities to build houses that are compatible with living in the forest.

Currently, planning land use specifies forest and development land as two separate and incompatible land uses. People are not permitted to live in protected forests, and most of the new housing development in rural Karnataka involves clearing areas of forest.

This proposal would offer a way in which forests and housing could co-exist. It would also allow tribal communities to diversify agricultural activities to use their land in a sustainable and eco-friendly way, while also developing income streams.

In addition to funding the role, we will also fund for a film to be made that documents the success of the Koragas, focusing on the key lessons and learning that others could adapt to their situation.

We will evaluate this work after the initial two-year period, with the potential to (i) cease funding to the role, (ii) continue with the current activities, (iii) transfer the role to work with other groups, such as those in bonded labour.

#### Pakistan Chulahs

We have continued to support our 2018 World Habitat Award winner - the Pakistan Chulah project, run by Heritage Foundation, Pakistan. We have funded the building of six training centres in the remote villages in Sindh province that the project supports. The training centres are in many cases the first community buildings in each village. They provide a location in which training and skills development of local people can take place, so that knowledge about building chulahs (clay ovens for cooking food) and other home and community improvements can be spread to more people more quickly.

The Heritage Foundation, Pakistan are providing funding for trainers and training materials. A further 28 training centres are due to be built, although construction has been delayed by local flooding and the COVID-19 pandemic.

Although delays in the project have meant that it has not been possible to use the existing training centres for skills training, many of the training centres built with World Habitat's funds have become important hubs for local residents. The project reported that 30-40 villagers have been able to use the centres every day as community meeting places. In response to lockdown restriction the project has concentrated on developing video tutorials for remote teaching.

#### **Ending Street Homelessness in Europe - *We will work intensely with a group of European cities to help them first reduce, and then end street homelessness.***

The strength of our European End Street Homelessness Campaign is the collaboration of a network of local city campaigns, working together – through support workers, directors of charities, local government officials, community volunteers and people with lived experience of street homelessness - to end street homelessness in their communities.

### TRUSTEES' REPORT

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The cities come together to share expertise and exchange experiences to help them learn from each other and show how communities everywhere can develop solutions to street homelessness.

In 2020, our international campaign was confronted with the additional challenge of the COVID-19 pandemic, which dramatically affected the way we had previously worked. Most importantly, COVID-19 has brought into sharp focus the importance of 'home' as the first line of defence against public health emergencies. For people with nowhere to call home and those without the support they need to keep it, 2020 was a year that demanded swift and effective action. Across cities in Europe and within European End Street Homelessness Campaign partner organisations, we have seen a rapid transformation in the way services are run and how support is delivered.

In the UK, campaign cities Westminster, Torbay, Croydon, Leicester and Brighton were part of the "Everyone In" initiative, a government intervention that saw almost 15,000 people experiencing homelessness brought into safe accommodation within weeks of the UK going into lockdown. Similar interventions took place in Belgium and Spain but were more limited, with people still sleeping on the streets. Our city partners provided access to basic services including food, clothing and health checks. For countries like Slovakia without these mass programmes, our street outreach partners - STOPA Slovensko – provided an award-winning response to those left out on the streets. In December 2020, they were recognised by the Slovakian Public Defender of Rights for their outstanding contribution in support of vulnerable people during the COVID-19 pandemic.

In addition, we saw major successes with our partners Action Homeless in Leicester, who started their first ever Housing First programme. STOPA Slovensko also set up two pilot housing projects in Bratislava – offering a genuinely sustainable housing response to homelessness in the city.

*"Sometimes there's a client who you've worked hard with, and you persisted in walking with them, yet not interfering too much, and then you see how their life turned out. Now they have money, a job, and they're happy...They have that warmth, a home to come back to. And that feels amazing."* **Martina Pisárová, Deputy Director, OZ STOPA Slovensko**

Despite the logistical challenges presented by COVID-19 and local lockdowns, our partners in Barcelona and Brussels were still able to bring together members of their local communities to undertake Connections Weeks. This vital survey tool allows local services to understand both the scale and depth of support required for those experiencing homelessness. The figures are stark, but vital to focusing resources on providing long-term solutions to homelessness.

#### **Barcelona: a snapshot in numbers**

Over half (50%) of people sleeping on the streets say their situation has become worse since the outbreak of COVID-19.

The number of young people experiencing homelessness is increasing – 13% are aged 16 to 25, in comparison with 8% in 2016.

Almost three out of four people are from countries other than Spain.

#### **Brussels: a snapshot in numbers**

Approaching half (44%) of people reported having been attacked or beaten since they became homeless.

Over half (54%) of people sleeping on the streets have not had access to any accommodation since March 2020 – the beginning of the COVID-19 crisis.

One in three (33%) are currently unable to meet all of their basic needs.

#### **Our Campaign Cities in numbers**

- 885 people housed in permanent accommodation
- 990 volunteers took part in two Connections Weeks
- 534 surveys with people experiencing street homelessness
- Five independent Innovation Grants\* provided by World Habitat
- Over 1 million people reached through our #EveryoneDeservesAHome social media campaign on World Homeless Day 2020.
- Only 4 people recorded on the streets of Glasgow at the end of 2020
- 200 households accommodated by Torbay Council during the emergency response
- 220 people given emergency accommodation by Brighton & Hove Council - with rapid access to health support and a substance misuse service.

- More than 500 people moved off the streets into hotels in Westminster, London – the offer was made to anyone rough sleeping even if they had No Recourse to Public Funds (NRPF).

\*The Innovation Grants we awarded to the Westminster Homelessness Partnership helped fund a **workshop** - to ensure they were able to capture all the learning from their work responding to COVID-19 and help all partners make more systematic changes in the future - and part-fund a **new website** - to provide a 'shopfront' for the vast range of people who want to work together to end homelessness and to provide clarity to this who face rough sleeping across Westminster.

*"Why am I so able to commit to this issue? Because ignoring a failing system doesn't make it go away. Because we have a real opportunity here to make a difference for our clients."*

**Westminster Homeless Partnership workshop participant**

*"The website is an excellent resource for our partnership. We can signpost people to this to explain our work, for example potential new partners and key individuals – including, [a local] social enterprise and new executive directors in the council, including the cabinet member in Westminster responsible for homelessness."*

**WHP Partner**

#### **CASE STUDY: Leicester**

By working together, we know that we can end homelessness. Leicester's Homelessness Charter brings together members of the community, charities, the City Council, healthcare providers and other public services, faith groups, and businesses. It mobilises different sectors from across the city to come up with solutions to the most challenging issues around homelessness.

The COVID-19 pandemic is not a crisis isolated to one sector and has required a city-wide response. Leicester – which has experienced the longest-running restrictions of any city in the UK since the start of the pandemic – has a solid foundation of cross-sector collaboration. This led to over 545 people experiencing homelessness being swiftly housed in emergency accommodation between March and October, to protect them from the virus. The rapid response meant very few cases of COVID-19 among those experiencing homelessness – and the Charter provides the perfect space for working closely with health partners across the region.

The Charter created workstreams to look at how the impacts of COVID-19 would increase pressure on people – through financial insecurity, job losses, and evictions – and cause whole new groups of people to be forced onto the streets. Focusing on preventing homelessness is key to creating sustainable solutions to the housing crisis.

Stable housing is a key part of the solution to street homelessness. Campaign lead, Action Homeless, took a big step towards creating access to long-term housing and support for people who have been sleeping on the streets for a long period of time. Their new Housing First project will house 18 people and give them the flexible support they need to thrive in their homes and city.

#### **Responding to COVID-19**

2020 began with big plans for the campaign - to continue building on its success by supporting city campaigns to drive action in their local area using our Innovation Fund and a wide range of support options. We were also taking active steps to develop our network across Europe by welcoming new cities into the campaign. Global events meant our priorities quickly shifted as our network of partners reacted to the unfolding outbreak of COVID-19. We were proud to see our campaign partners reacting quickly, many utilising partnerships created through the campaign to collectively respond to COVID-19. These relationships were often crucial in creating a swift and effective response with many organisations working together to rapidly transform the service and support they offered – providing vital housing and other support.

Reacting to the needs of our partners, we began to record, learn from, and disseminate the best practice around homelessness responses to COVID-19. We gathered and shared case studies from our campaign cities across Europe, shared effective practice and helped our cities learn from the emerging practice. We moved events online, including our virtual Annual Gathering of Cities, and adapted our Innovation Fund – helping campaign partners plan for safe and permanent solutions beyond temporary COVID-19 interventions.

After a year in which housing and safe accommodation has played a central role in a global health emergency, we face 2021 with a greater sense of purpose and resolve in our mission. The COVID-19 pandemic has reinforced the importance of a safe and secure home – and World Habitat will continue to shine a spotlight on those organisations across Europe that maintain this fight for the right to housing. Our campaign is both needed – and is more important - than ever before.

**Community-Led Housing – We will bring people and skills together and we will invest to help communities develop their own housing in new places where they are needed most.**

Around the world, too many people are caught between unaffordable or inadequate housing in the private market, and a lack of good-quality public housing. In response, some communities have taken control and provided their own solutions. They have developed housing to fit their needs, aspirations and values. And all have one thing in common – they are community-led with local people in control.

At World Habitat, we believe that people-led housing is an exciting and sustainable solution to the urgent need for affordable, high-quality homes. With this in mind, our Global Community-Led Housing programme collaborates with individual community-led housing projects while also helping to build international networks to support and nourish the growth of this vital approach.

#### **Brazil**

In 2020 the support to our local partners in **Brazil – Catalytic Communities** – has helped develop approaches to engage the **Trapicheiros community** in the establishment of the Favela CLT – if this is successful it will be the first Community Land Trust in Brazil.

*“Thanks to support from World Habitat, we are working with Trapicheiros’ residents, through diverse workshops, meetings, events and door-to-door activities; achieving resident mobilisation; mapping the community; conducting community planning; and designing alternate laws to facilitate the implementation of CLTs - not only in Trapicheiros, but across Brazil.”*

**Theresa Williamson, Executive Director of Catalytic Communities**

Through these activities – before COVID-19 impacted on face-to-face activities - the CLT Working Group was able to reach almost two-thirds (65 per cent) of all residents. And almost all of these (90 per cent) expressed their commitment to work together to create a CLT. Once pandemic restrictions were enforced, the Favela CLT Working Group used online communication to connect closely with other communities and experts beyond Rio, including lawyers and legal experts, activists, urban environment professionals, academics, and national and international institutions.

This work will provide a template to inform the planning of further CLTs, and to inspire legislation to support future expansion.

*“The CLT is a protective tool, which secures the community against both evictions and real estate speculation. [...] The community of Trapicheiros, along with Esperança, are the two communities working on a pilot project, and we believe it’s going to be very successful in Brazil, because we’re very engaged with this cause.” –*

**Ailton Lopes, Sub-secretary of the Trapicheiros Residents’ Association**

*“We are deeply grateful to World Habitat for the entire process you have made possible, we certainly would not have gotten this far without you. The international experience that you bring with regard to protecting housing rights inspires us to continue on our path to building a more sustainable, democratic and just city. We must now respond to the challenge of maintaining a team to ensure the project doesn’t stop or slow down, but rather builds on the momentum created through your support.”*

*“Your grant made it possible for us to realize and maintain a steady commitment and growth in the project, flexibly addressing issues and taking advantage of opportunities as they’ve arisen. The above-stated activities and results simply would not have taken place without your support. While limits presented themselves, thanks to our partnership we were nonetheless able to move forward and one by one, address obstacles as they arose.”*

**Theresa Williamson, Executive Director of Catalytic Communities**

#### Bangladesh

Our partnership with the **Council of Minorities** is working to secure land and housing in two former refugee camps in Dhaka, Bangladesh, through a community-led process. The project aims to develop a Community Land Trust, or a suitable alternative.

Throughout 2020, we supported this project by funding the first two phases, which enabled the project to recruit experts and stakeholders to be involved in building the capacity of the local leadership and by providing advice.

During Phase One, the project carried out focus groups with local young and elderly people, and members of the current leadership, to understand their needs, fears and aspirations. Young people highlighted the lack of even basic documentation of the camps' infrastructure and land use patterns. This inspired them to take on important roles - including the social mapping of the camps' history and its key characteristics.

Phase Two aims to deliver further outreach and capacity building with more of the camp-based leadership. Key stakeholders and advisors are being introduced to support residents, while further household and settlement-wide data is being collected by local young people using new technology.

Both the data collected and the blueprints will be used to formalise land tenure negotiations and future upgrading works. They will also help mobilise the community to document their current situation and help them outline their needs and advocate for change.

*"It has become necessary, more than ever, that the community empower themselves and defend their rights. Creating maps and profiles at the community level can be a powerful tool since it presents a collective expression of their entitlements. This will enable them to legitimise their claims and actively decide what development should mean in their own communities and territories."*

**Rabeya Rahman, a community architect and Design Lead for the project.**

#### International collaboration

We have been a key partner in developing and maintaining the global **CoHabitat Network**, an international community-led housing network facilitated by the Swiss-French NGO **urbaMonde** and involving key global organisations. This has included working together to create and deliver key tools, organising regional hubs for peer-learning and Network Awards to celebrate and share best practices. In 2020, our collaboration has focused on consolidating the tools that support the network members in learning from each other and documenting and sharing ground-breaking examples of community-led housing, including through our **#CoHabitatNetwork** social media campaign during Urban October.

We worked closely with **MOBA Housing SCE** – a network of emerging housing initiatives in Central and South Eastern Europe – by providing both advisory and financial support. MOBA members and their partners have been carrying out key activities to create an enabling environment for rent-based housing co-operatives across the region.

This includes developing the MOBA Housing Development Fund which, once operational, will channel investment towards housing co-operatives, hence addressing the current lack of financial infrastructure. World Habitat has designated grants to support specific projects, such as developing architectural designs for pilot co-operatives in Serbia and Slovenia, with attention to intergenerational and environmental aspects.

Over the past year, World Habitat has also expanded its approach to grant-making, which will see five new projects led by MOBA members funded in 2021. This will include: developing a national umbrella organisation for co-operative housing in Hungary, land scanning for a pilot project in Belgrade, business plan development for a housing co-operative in Prague and advocacy to influence housing policy in Croatia and Slovenia.

*"[Our] model is truly a co-operative model, based on a joint investment by the members, the provision of the land by the municipality, a loan from the national housing fund and resources from external lenders or investors. [...] We have made significant progress in developing the first pilot project."*

**Anja Lazar & Rok Ramšak, Zadrugator**

We also provided funding for the publication, On Common Ground: International Perspectives on the Community Land Trust, by the Center for CLT Innovation, which features a foreword by our Chief Executive, David Ireland.

## WORLD HABITAT

### TRUSTEES' REPORT

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This publication represents an impressive collection of examples of community land trusts from around the world – including emerging examples in the Global South, and traditional collective land tenure models.

*“For more than a decade, World Habitat has helped to spur the global spread of community land trusts by raising the international profile of this innovative housing strategy and by facilitating the exchange of ideas among CLT practitioners from different countries. My hope is that **On Common Ground** – that would not have happened without World Habitat’s early support – will do more of the same, encouraging further growth and diversification of a unique model of community-led development on community-owned land.”*

**John Emmeus Davis, one of the editors of On Common Ground**

#### Leeds Community Homes

Leeds Community Homes is an umbrella Community Land Trust. It was set up by two of our World Habitat Awards finalists Canopy and Lilac (alongside five other Leeds-based community organisations) to help communities across Leeds to create new community-led homes either by building new homes or bringing empty homes back into use. In 2015 World Habitat provided the initial start-up funding, to help establish Leeds Community Homes – a Community Land Trust that was Leeds community Homes

We subsequently made a £25,000 social investment in Leeds Community Homes through a community shares issue. Leeds Community Homes set a goal to raise £360,000, and successfully achieved it. This investment enabled the purchase of 16 permanently affordable flats on an eco-development in Leeds’s Climate Innovation District. The funds also enabled the development of proposals for future projects to build more affordable homes. Nine of the homes have been made available for discounted rent, while seven will be sold at 60% of market prices, a figure agreed by members to be genuinely affordable. The new homes are wood construction, reducing embodied energy costs. They are so well insulated that a boiler was not needed. Heating needs are so low that they can be met with 100% renewable energy.

Leeds Community Homes plan to build 1,000 environmentally high performing community led homes in Leeds by 2028. These new homes will be affordable to local people both now and for future generations.

#### TECHO

For the first time in our history, we awarded an Outstanding Contribution to Housing Award in 2020. We – alongside an independent panel of housing experts - wanted to mark the incredible work of the youth-led organisation TECHO, to recognise its work supporting millions of people into housing across Latin America and the Caribbean. In just 23 years, TECHO has progressed from a small housing project in Chile – led by a Jesuit priest – to an international operation covering 18 countries. Having built over 135,000 homes and carried out over 300 infrastructure projects in more than 600 communities – with the support of over one million volunteers – their work represents a unique combination of scale, transferability and adaptation.

*“We are deeply grateful to receive this international award. It is an acknowledgment of the achievements, effort and perseverance over more than 23 years of active and collaborative citizen participation by Latin American youth and residents of popular settlements in the region. This award represents a new definition of shared work, collaborative action and dialogue between popular settlements and the youth of Latin America. It motivates us to continue working in a co-ordinated way, adapting to the circumstances in order to continue transforming the lives of millions of people.”*

**Juan Pablo Duhalde, General Director at TECHO**

World Habitat and TECHO have entered into a transregional, strategic partnership. Together, we will work to promote, strengthen, and integrate each other’s networks to increase knowledge sharing among diverse housing stakeholders. As such, TECHO will act as a key promoter of the World Habitat Awards in Latin America and will participate in an exChange collaboration with members from World Habitat’s global network.

*“The award and partnership with World Habitat are vital for promoting spaces in which to exchange lessons and learning. Understanding the situations in other areas of the world will be essential for innovating in our work on the ground, and we believe that our experience in Latin America can also contribute a great deal. Today, multi-actor work is the best way to achieve agreements and actions that allow us to prioritize. This type of alliance is the route to collaboration between all the key actors.”*

**Juan Pablo Duhalde, General Director at TECHO**

**Our Land**

World Habitat owns a small portfolio of land local to our office in Leicestershire in the UK. The land was bequeathed to the organisation when it was established. It is largely rented to local farmers and used for agricultural purposes. In the past some land has been sold and the proceeds invested to provide income for the charity.

During 2020 we carried out maintenance work at the Peter Elderfield Wood. A 27-Acre area of woodland planted in memory of our founder. This continued the improvements detailed in our 10-year management plan and included mowing the rides, thinning of the trees - carried out by a wood fuel group organised by the Conservation Volunteers, a tree safety inspection for the site and drainage work near the Forest Rock boundary.

**Reducing our carbon emissions**

Our Trustees acknowledge the seriousness of the climate emergency and want to ensure World Habitat is socially responsible and reduces and manages its own impact.

Like all organisations our activities consume energy and generate carbon dioxide and other greenhouse gas emissions. Our international travel means we consume more than most organisations of our size. We take our responsibilities seriously and have developed a carbon management plan that seeks to reduce our carbon emissions and offset all that we emit. Trustees have approved targets to reduce our carbon emissions by 50% of our 2016 levels by 2030 and reduce them to zero by 2050.

We offset all the emissions we produce. We see real value in Carbon offsetting as a means of encouraging investment in carbon saving technologies and alternatives. We do not see carbon offsetting as an alternative to emission reductions.

Our carbon management planning sets an annual organisational emission reduction target, and annual carbon budget for each programme. To offset our emissions, we invest in housing-related programs that reduce carbon emissions and also help provide safe and secure housing for low-income people. We are currently planning to develop our carbon offsetting programme to enable others to invest in these same programs.

In 2020, our carbon emissions were 27.5 tonnes. This was a significant reduction on our peak year of 2017 when we emitted 143 tonnes, and is the third successive year of reductions. 2020's reduction. It must however be seen in the context of significantly reduced international travel and staff working from home due to the COVID-19 pandemic.

We will look to proactively adjust our approaches and policies so that we can continue to have a growing impact as an organisation whilst reducing our carbon emissions to at least meet our targets.

**Charity Code of Governance**

In 2020 we reorganised our staff structure so that we could better deliver our strategy. The reorganisation enabled us to create and recruit to new staff posts better orientated to our programmes. We also improved our management structure creating a new role of Deputy Chief Executive and subsequently recruiting Louise Winterburn (previously head of our homelessness programme) to this important new post.

In 2018 World Habitat signed up to the Charity Code of Governance. This code is a practical tool to help charities and their trustees develop high standards of governance. The principles are based on, but go beyond, legal requirements. The code says that it is deliberately aspirational. It is produced by a large group of charities including NCVO and ACEVO. The Charity Commission has observer status.

There are two versions of this code. World Habitat has adopted the version for larger charities.

We review all our governance policies and activities annually and measure them against the code. During 2019 World Habitat reviewed all its activities to ensure they meet the code's recommendations. Trustees agreed that any areas where we do not meet the standard we will publish in the annual report.

Trustees agreed that in 2020 for the first time the charity is fully compliant with the Charity Code of Governance. The trustees and Senior Management Team will review this on an ongoing basis.

#### Future Plans

We believe that 2021 is an important year for World Habitat's future. We will develop an **ambitious new strategy** throughout the year, that will guide our work for the subsequent three years. This strategy will build on our previous achievements and aim to help marginalised communities and those on low incomes to benefit from a green and socially-just housing recovery to the pandemic.

Travel restrictions that were in place through much of 2020 saw us work more closely with our international partners to deliver our objectives. We do not want to assume a return to business-as-usual model when COVID-19 subsides, but build on the advantages of the ways of work we have developed over the pandemic. We plan to develop our diverse and international network of partners in 2021 by firstly surveying their views and later making changes so that we can co-ordinate our work better.

Like many other organisations our staff have been working from home for over a year in order to keep them safe from the virus and to comply with the law. We plan to gradually reintroduce office working during the year provided that it is safe to do so, and the law permits it. Our plan to relocate our main workplace to a city centre location in Leicester in 2020 was not possible, but we aim to achieve it in 2021 so that staff have a stimulating workplace and we are better connected to our partners.

We plan to continue to improve and develop the **World Habitat Awards**. We were heartened by the fantastic response to the 2020 competition. We believe that sharing and helping the uptake of good practice has never been more important. We will develop and improve our exChange work to increase our impact. We will seek out evidence that seemingly impossible and insoluble housing problems can be solved and, where we can, demonstrate solutions that can be scaled-up and transferred so that they become world leading.

We are also planning to develop the **European End Street Homelessness Campaign**. COVID-19 has dramatically changed the environment in which the campaign operates. In some countries people who were street homeless were temporarily housed in hotels and there has been great progress in permanently housing some of them. In other countries homeless people have become more marginalised with shelters and outreach services closing. In all countries the risk of homelessness has increased.

Whilst the objectives of the campaign are unchanged, how we achieve them might need to. We aim to be broadminded and agile in how the campaign can add most value and help cities achieve their aims of permanently housing those who are street homeless.

We will continue to develop our **Community-led Housing programme** and take our work into parts of the world where the concept is less developed. We are enthusiastically working with some of the poorest communities around the world to develop and improve their homes and communities through adapting and adopting community-led approaches.

We will vigorously pursue efforts to **reduce our own carbon emissions** and encourage our partners to do the same. Our own carbon emissions have reduced significantly as we have travelled less as a result of travel restrictions. We aim to avoid a return to usual approach and retain the best of what we have learned over the last year. We will adopt new policies that enable us to achieve an increased impact against our strategic objectives and continue to reduce our emissions towards zero.

We will develop our own housing-based carbon offsetting programme that invests in the construction of net-zero carbon homes in Africa, so that it can be verified and enable others to invest.

We will continue to review and monitor our financial investments. We will be changing our investments to more progressive investments that are in line with our ethical policy, with a final decision made by our Board of Trustees in September. We aim to ensure our investments are free from arms sales to military regimes, unethical lending practices, human rights violations, environmental degradation and activities that are incompatible with the 2015 Paris Agreement to limit the increase in global average temperature to 2°C and pursue efforts to limit the increase to 1.5°C.

We will continue to work with the local community to provide greater public access and undertake environmental improvements to our land assets.

**How our activities deliver public benefit**

When planning activities for the year World Habitat trustees had due regard to guidance on public benefit produced by the Charity Commission. Our charitable activities focus on the prevention or relief of poverty, and the advancement of education for the public benefit.

In particular our programs aim to increase the provision of adequate housing for people with few housing choices. Our work in operating and promoting the World Habitat Awards aims to fuel innovation and inspire others to adopt the best housing practice and enable the best housing projects to scale up, expand and be replicated where they are needed most. This, we believe, will enable more people in housing need to be better housed.

Our Community-Led Housing programme aims to create the conditions in which community led-housing can scale up and expand. This will provide a greater provision and greater choice of low-cost housing benefiting people on low incomes.

Our European End Street Homelessness campaign aims to help end street homelessness in participating cities in Europe. Street homelessness is the most extreme form of social exclusion. People living on the streets have dramatically worse health, lower life expectancy and lower life chances than others in society. This campaign aims to create the conditions in which people living on the streets are quickly and permanently housed.

Trustees believe undertaking our main activities described above fully meets the requirements of section 17 of The Charities Act 2011 to deliver public benefit.

**FINANCIAL REVIEW**

**Overview of the year**

In 2018, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021). The implementation of the plan started during 2019.

The total income for the year was **£1,147,178**. This represents a 17 per cent reduction on the income in 2019 of **£1,379,706**. The reduction is primarily due to the impact of the COVID-19 pandemic. The investment income was severely reduced due to companies cancelling their dividend payments. The principal funding source is income received from financial investments (**£1,114,622** i.e. 97.2 per cent), with the remaining 2.8 per cent secured from grants, rental income, interest and sales. Expenditure in the year was **£1,010,206**. This was lower than income by **£136,972**. This was lower than budgeted expenditure due to lower office costs, with the office being closed due to the COVID-19 pandemic and lower programme costs due to there being no international travel. Events were held online, and local experts were used to carry out the evaluation visits for the World Habitat Awards.

Carbon offsetting costs have increased in the year, as we have started to develop our carbon offsetting programme to enable others to invest in housing-related programmes.

Funds have been applied in respect of research costs and in the governance and administration of the organisation, with 92 per cent of funds expended relating to research and 8 per cent to governance and administration.

**Investment powers, policy and performance**

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. Investments are held to provide an income to further the objectives of the Foundation, both now and in the future, the investment policy has been amended to reflect the slight shift in emphasis towards income, rather than capital growth.

Capital appreciation of the investments continues to ensure that the value of the original gift is maintained in real terms in the longer term, recognising that there will be short-term fluctuations due to changes in stock market values. World Habitat seeks to ensure that a sufficient income stream is generated to cover its current activities without incurring undue financial risk for the charity.

The income from the charity's investments reduced by 16.6 per cent from **£1,373,590** in 2019 to **£1,145,770** in 2020. There was a decrease of **£2,162,222** in the valuation of the World Habitat total investment portfolio at the year end from **£34,669,806** in 2019 to **£32,507,584** in 2020. This decrease was due to the uncertainty around the COVID-19 pandemic, with many companies reporting a reduction in trading income and therefore cancelling their dividend payments. The investment portfolio recovered well during November 2020 due to the announcement of the vaccine to fight the pandemic.

**Key management personnel remuneration**

Key management personnel are defined in the Charity SORP as *'those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any Directors of the charity'*. World Habitat trustees consider that key management personnel of the charity are: the trustees, the Chief Executive and all other members of the senior executive team.

All trustees give up their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 8 to the accounts. One employee received remuneration above £60,000.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises. The pay of the senior management personnel is reviewed annually and normally increased in accordance with average earnings and set at market rates. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

**Diversity, Equality and Inclusion**

As an organisation that is committed to social justice across the globe, diversity is intrinsic to everything we seek to do. Events in 2020, particularly the murder of George Floyd in Minneapolis and the subsequent global reaction, caused us to reflect on how well we measured up to the aims we aspire to. Trustees acknowledge that minority groups are underrepresented in both the staff team and the board, and have made a commitment to make further improvements with the aim of addressing this. We revised and shared our commitment to diversity, equality and inclusion and set out a new series of objectives that we will review and update so that we continuously improve.

- **Commitment to improvement** – In our 2019–2021 strategy we committed to improving diversity. We have agreed to increase diversity on the board of trustees, and have introduced a ratchet so that diversity will not decrease again in the future. All staff and trustees have received diversity training. Our commitment to increasing our diversity has been published on our website and reflected in our delivery plans with a set of clear actionable steps. We have committed to ensure that our website and social media reflect this commitment.
- **A good employer** – Trustees have committed to update and receive annual diversity monitoring. We are revising our recruitment process in line with good practice. We have committed to regular diversity training for all staff (at least once a year).
- **Improving how we work with others** – As a global charity, trustees have committed to a range of actions to more effectively develop our approach to diversity and inclusion through our partnerships and the work we deliver. As we develop our new strategy, we will take active steps to improve our diversity and improve the impact of our programme delivery. We will increase our accountability and our understanding by building on the diverse nature of our networks to improve our work by actively involving them in shaping that work and seeking feedback.
- To help us measure our progress we have recently signed up to the National Centre for Diversity Investors in Diversity for Small Charities Award. We will seek accreditation in 2021.

### Reserves policy

World Habitat operates within a comparatively low-risk funding environment, as it does not rely on any external financial support in delivering its charitable objectives. We fund virtually all of our activities from the revenue generated from the financial investments, land and property that we received as a gift in 1976.

As at the 31<sup>st</sup> December 2020 the World Habitat investment portfolio is currently managed by four investment managers, M & G (28 per cent), Newton Investment Management (NIM) (37.9 per cent), CCLA (5.3 per cent) and Schroders (28.8 per cent). World Habitat is committed to maintaining the value of the original gift in real terms.

This reserves policy has been developed as part of an ongoing integrated financial governance process which includes development of a strategic plan, a risk management policy and an investment policy.

In 2018, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following three years (until December 2021). Implementation of the plan started during 2019. As a result of this review, business plans are developed which identify specific levels of anticipated income and expenditure in each year, together with details of the expected outputs and outcomes of the activities.

In the event of a collapse of the international financial markets, the organisation retains sufficient resources in readily accessible funds to meet its current operating obligations.

The value of reserves held by World Habitat as of 31<sup>st</sup> December 2020 was **£33,623,032**. This consisted of the following:

• Designated Funds	<b>£23,486,049</b>
• Revaluation Reserve	<b>£8,580,354</b>
• General Unrestricted Funds	<b>£1,556,629</b>
• Restricted Funds	<b>£0</b>

### Designated Funds

Designated funds are made up of the income maintenance fund and gift maintenance. An income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives.

Transfers are made to this reserve of surpluses generated from activities after providing for a level of unrestricted reserves reflecting six months planned activity. The gift maintenance fund has been created to maintain the original gift from East Midlands Housing Association in real terms value.

### Revaluation Reserve

A revaluation reserve is maintained in respect of those amounts by which investments and other assets exceed their historical cost.

### General Unrestricted Funds

General unrestricted funds should represent approximately six months planned activity. The balance of the funds as of 31<sup>st</sup> December 2020 is **£1,556,629**. This currently represents thirteen months planned activity. This is acceptable in the current time due to the uncertainty around the impact on our investments from COVID-19.

The reserves of World Habitat are held as a form of endowment in order to generate income for the organisation. The income provided should be sufficient to cover the charitable activities of the organisation so the capital is not diminished. World Habitat requires a minimum level of reserves of **£25m** to allow the charity to fund its core activities, any additional income generated above the required level will increase the money spent on the charitable aims of the organisation.

If the reserves of the organisation go below **£25m** then we would need to adjust our spending. If this was a short-term dip, then we would review the dividends we receive, if the dip was long-term, we would look to review our future budget and strategy.

**TRUSTEES' REPORT**

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The Business Plan is reviewed on an annual basis, with both income and expenditure projected forward on an on-going basis. This reserves policy is also subject to review on an annual basis and the World Habitat trustees will carry out this review after giving due consideration to its planned programme of activity and the advice of its financial advisers as to likely income levels, any associated risks and the broader investment climate.

**TRUSTEES' REPORT**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

Under the provisions of the Companies Act 2006, a resolution is no longer required at the Annual General Meeting to nominate the auditors for the coming year.

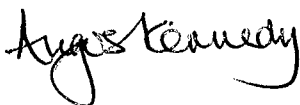
The trustees who held office at the date of approval of this Annual Report, as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information required by the charity's auditor in connection with preparing their report) of which the charity's auditors are unaware; and
- as the directors of the charity the trustees have taken all the steps they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**EMPLOYEE INVOLVEMENT AND APPRECIATION**

All members of staff have been regularly consulted on issues of concern with regular staff meetings being held and have been kept informed on specific matters where necessary by the Chief Executive. The trustees meet with all members of staff at the quarterly board meetings and staff members present their work to trustees at the meetings. Sincere thanks are expressed to all members of our staff for their dedicated service to the organisation during the year and to the excellent results that are being achieved as a result of their work.

**By order of the trustees**



**Dr A Kennedy OBE (Chair)**

28 June 2021

**Independent auditor's report to the trustees of World Habitat****Opinion**

We have audited the financial statements of World Habitat (the 'charity') for the year ended 31 December 2020 which comprise of 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 FRS 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 charity's affairs as at 31 December 2020 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 Charities Act 2011.

**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 charity 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 charity'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 other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 AUDITOR'S REPORT**

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**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

**INDEPENDENT AUDITOR'S REPORT**

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Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

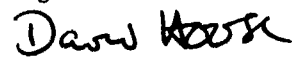
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

**Use of the audit report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:

  
**David Hoose**

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 14/7/2021

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**WORLD HABITAT**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020  
(Incorporating the income and expenditure account)**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME FROM</b>					
Donations and legacies:					
General grants		-	-	-	-
Charitable activities:					
Grant income	3	1,404	-	1,404	5,213
Investments	4	1,145,770	-	1,145,770	1,373,590
Other trading activities:		4	-	4	903
<b>TOTAL</b>		<u>1,147,178</u>	<u>-</u>	<u>1,147,178</u>	<u>1,379,706</u>
<b>EXPENDITURE ON:</b>					
Raising funds		65,165	-	65,165	51,715
Charitable activities		945,041	-	945,041	964,820
<b>TOTAL</b>	5	<u>1,010,206</u>	<u>-</u>	<u>1,010,206</u>	<u>1,016,535</u>
<b>NET INCOME</b>		136,972	-	136,972	363,171
<b>Transfers between funds</b>		-	-	-	-
<b>Other recognised gains/(losses):</b>					
<i>Gains and losses on investment assets:</i>					
Realised Loss on Fixed Asset		-	-	-	(210)
Income on Land – Overage		-	-	-	186,268
Profit on sale of fixed assets		30	-	30	-
Taxation charge on overage income	9	(1,880)	-	(1,880)	(33,574)
Unrealised gains/(losses) on investment assets	10	(2,162,222)	-	(2,162,222)	3,715,412
<b>Net movement in funds for the year</b>		<u>(2,027,100)</u>	<u>-</u>	<u>(2,027,100)</u>	<u>4,231,067</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>35,650,132</u>	<u>-</u>	<u>35,650,132</u>	<u>31,419,065</u>
<b>Total funds carried forward</b>		<u>33,623,032</u>	<u>-</u>	<u>33,623,032</u>	<u>35,650,132</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on page 28-40 form part of these financial statements.

**WORLD HABITAT**

**BALANCE SHEET – COMPANY REGISTRATION NUMBER: 1247918**

	Note	£	2020 £	£	2019 £
<b>Fixed Assets</b>					
Tangible	11		134,354		140,404
Investments	12		<u>32,507,584</u>		<u>34,669,806</u>
			32,641,938		34,810,210
<b>Current Assets</b>					
Investments	13	11,805		11,805	
Debtors	14	13,524		11,734	
Cash in hand		<u>1,022,669</u>		<u>908,391</u>	
		1,047,998		931,930	
<b>Creditors:</b>					
Amounts falling due within one year	15	<u>(66,904)</u>		<u>(92,008)</u>	
<b>Net Current Assets</b>			981,094		839,922
<b>Provisions for liabilities</b>					
Other provisions			-		-
<b>Total Assets Less Current Liabilities</b>			<u>33,623,032</u>		<u>35,650,132</u>
<b>Capital and Income Funds:</b>					
<i>Unrestricted funds:</i>					
Designated funds	17	23,486,049		23,350,091	
Revaluation reserve	17	8,580,354		10,742,576	
General unrestricted funds	17	<u>1,556,629</u>		<u>1,557,465</u>	
		33,623,032			35,650,132
<i>Restricted funds</i>					
			-		-
			<u>33,623,032</u>		<u>35,650,132</u>

The financial statements on pages 22 to 40 were approved by the board of trustees on 28/6/21 and signed on its behalf by:



DR A KENNEDY OBE

- CHAIR

**WORLD HABITAT****CASHFLOW TO THE FINANCIAL STATEMENTS**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	(a)	(1,025,236)	(991,638)
<b>Cash flows from investing activities:</b>			
<b>Returns on investments</b>			
Dividends, interest and rents from investments		1,145,770	1,373,590
Purchase of property, plant and equipment		(4,376)	(17,860)
Proceeds from sale of investments		-	186,268
Cash held on investment (Increase) Decrease		-	422,095
Purchase of investments		-	(984,108)
Taxation paid		(1,880)	(100,502)
<b>Net cash provided by (used in) investing activities</b>		<b>1,139,514</b>	<b>879,483</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>114,278</b>	<b>(112,155)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>908,391</b>	<b>1,020,546</b>
Cash and cash equivalents at the end of the reporting period		1,022,669	908,391

**FOOTNOTES TO THE CASH FLOW STATEMENT****(a) Reconciliation of net outgoing resources for the year to net inflow/(outflow) from operating activities**

Net incoming resources	136,972	363,171
Less: dividends & interest	(1,145,770)	(1,373,590)
Add: depreciation	10,426	10,254
Profit on fixed asset disposal	30	-
(Increase) Decrease in debtors	(1,790)	201
Increase (Decrease) in creditors	(25,104)	8,325
<b>Net cash inflow from operating activities</b>	<b>(1,025,236)</b>	<b>(991,638)</b>

**(b) Increase/(Decrease) in Cash**

Opening balance	908,391	1,020,546
Balance at 31 December 2020	1,022,669	908,391
Increase/(Decrease) in year	114,278	(112,155)

## 1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

### **Basis of Preparation and assessment of going concern**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

World Habitat meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees and Senior Management Team of World Habitat are aware of the risks associated with COVID-19 including a reduction in the value of our investments and dividend income. We will look to mitigate the risks by reviewing our future budgets and strategy where necessary. As a result, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### **Funds Structure**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Within unrestricted funds are a number of designated funds.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Included within designated funds is a revaluation reserve representing the restatement of investments and other assets at market values.
- Restricted funds are those funds where restrictions are imposed by the donor in respect of how the funds can be expended.

### **Incoming Resources**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Interest on funds held is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Resources Expended**

Expenditure is recognised once there is a legal constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs associated with generating income, consisting of investment manager's fees, plus a proportion of support costs.
- Charitable expenditure comprises those costs incurred by the charity in achieving its charitable objectives, and their associated support costs. Research expenditure is included within the year in which it is incurred. Governance costs including those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity are included within charitable expenditure.
- Other expenditure represents those items not falling into any other heading.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Where research is commissioned over a period of time, the costs incurred are estimated based on the time elapsed as at the year end.

**Allocation of Support Costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative costs, finance, personnel and premises expenses. Those costs that are not specific to an activity are apportioned on the basis of the time spent in the different categories as set out in note 6.

**Termination Benefits**

Termination costs are included in the period in which the decision has been made and communicated to employees. The terminated costs are paid based on statutory levels.

**Fixed Assets and Depreciation**

Freehold buildings are stated at market value less depreciation. There have been no indications that impairment has occurred and no impairment review has been carried out. All other fixed assets are stated at purchase price less depreciation. Depreciation is calculated to write off fixed assets over their estimated useful lives at the following annual rates:

Freehold buildings	2% of revaluation
Office and other equipment	25% of cost
Motor vehicles	25% of cost

**Investment Property**

Investment properties are included in the balance sheet at their market value. Depreciation is not provided on investment property

**Mixed Use Property**

The charity has mixed use property, where it occupies part of the property and rents out the remainder. The proportion of the building that is considered to be investment property, is based on the number of floors occupied by the charity in relation to the number of floors rented out.

**Fixed Asset Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Cash Flow Statement**

World Habitat has prepared a cashflow statement in accordance with FRS 102.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

**Contributions to pension funds**

The company is a member of a defined contribution pension scheme. The amount charged through the statement of financial activities in respect of pension costs is the contributions payable in the year. In the past, the company also contributed to the Pensions Trust's Flexible Retirement Plan further details of which are included in note 20.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the statement of financial activities on a straight line basis over the period of the lease.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

**CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will by definition, seldom equal the related actual results. The Trustees have identified the valuation of investment properties as an area which involves critical accounting judgement or key sources of estimation uncertainty when determining the fair value of the investment properties.

**2 LEGAL STATUS**

The charity is a company limited by guarantee registered in England and has no share capital. 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. The registered office is stated on the Legal and Administrative page.

**3 CHARITABLE ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Grant Income:</b>		
Rural Payments Agency	1,404	1,752
The National Forest	-	3,461
	<u>1,404</u>	<u>5,213</u>

In 2019, all of the income was to unrestricted funds.

**4 INVESTMENT INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Listed:</b>		
Dividends on unit trusts and Common Investment Funds	1,114,622	1,340,058
<b>Cash on Deposit:</b>		
Interest received	255	839
<b>Other:</b>		
Rental income	30,893	32,693
	<u>1,145,770</u>	<u>1,373,590</u>

In 2019, all income from investments was unrestricted.

## NOTES TO THE FINANCIAL STATEMENTS

## 5 RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
<b>Raising funds:</b>				
Professional & investment fees	50,788	-	50,788	36,489
Support costs (see note 6)	14,377	-	14,377	15,226
	65,165	-	65,165	51,715
<b>Charitable activities:</b>				
Awards	40,556	-	40,556	31,709
Salaries and pensions	572,270	-	572,270	497,761
Research travel (overseas)	12,449	-	12,449	19,047
Research travel (UK)	4,285	-	4,285	19,399
Research dissemination materials	-	-	-	17,264
Recruitment and training	8,719	-	8,719	16,292
Subscriptions	6,863	-	6,863	6,188
External research meetings –WH	119,410	-	119,410	163,046
External research meetings – Others	70	-	70	695
WH research meetings	1,914	-	1,914	6,495
Publication of research	35,914	-	35,914	35,656
Auditor's remuneration and related costs	13,208	-	13,208	14,235
Support costs (see note 6)	129,383	-	129,383	137,033
	945,041	-	945,041	964,820
	1,010,206	-	1,010,206	1,016,535

In 2019, the unrestricted expenditure was £1,016,535.

## 6 SUPPORT COSTS

The Charity allocates its support costs (all of which are unrestricted) as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Raising funds £	Charitable activities £	2020 Total £	2019 Total £
<b>Overheads:</b>				
Administrative salaries	6,187	55,680	61,867	65,270
Stationery, postage and telephone	149	1,339	1,488	1,529
Motor and travelling expenses	93	838	931	1,635
Miscellaneous expenses	28	259	287	1,029
Carbon Offsetting	1,803	16,223	18,026	11,750
Lease charges	94	847	941	1,566
Bank charges	129	1,162	1,291	1,954
Foreign exchange rate differences	-	-	-	237
<b>Premises Expenses:</b>				
Rates, heat and light	1,036	9,319	10,355	11,875
Repairs	2,944	26,494	29,438	36,350
Insurance	871	7,839	8,710	8,809
Depreciation	1,043	9,383	10,426	10,255
	14,377	129,383	143,760	152,259

**NOTES TO THE FINANCIAL STATEMENTS**

**7 STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	546,227	481,885
Social security costs	50,473	46,395
Pension costs	37,437	34,751
	<u>634,137</u>	<u>563,031</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff restructuring costs comprise:		
Redundancy payments	22,382	0
Severance payments	2,360	0
Settlement payments	8,267	0
	<u>33,009</u>	<u>0</u>

	<b>No.</b>	<b>No.</b>
The average number of persons directly employed during the year was:		
Research and development	10	11
Administration and support	2	2
	<u>12</u>	<u>13</u>

	<b>No.</b>	<b>No.</b>
The number of higher paid employees was:		
Earning between £60,000 and £70,000	0	0
Earning between £80,000 and £90,000	0	1
Earning between £90,000 and £100,000	1	0

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Total cost for the management team	<u>291,198</u>	<u>299,148</u>

The management team cost £291,198 for 2020 is for a management team of 4 and £299,148 for 2019 is for a management team of 6.

**8 NET INCOME/(EXPENDITURE) FOR THE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Operating lease rentals	25,927	28,556
Depreciation	10,426	10,254
Auditor's remuneration:		
- Audit services	7,500	7,476
- Non-audit services	0	1,590

During the year ended 31 December 2020, travel expenses totalling £931 were paid to 3 trustees (2019: £1,635).

No remuneration was payable to members of the Board of Trustees during the year (2019: £Nil).

Trustee indemnity insurance is included in the total insurance cost of £8,554 (2019: £8,809) paid in January 2020.

The percentage of income arising outside the United Kingdom was 0% (2019: 0%).

**9 TAXATION**

During the year the Charity didn't receive anything subject to Corporation Tax. The tax charge of £1,880 recognised in the year relates to the under provision of the overage charge on the previous years' income.

**Analysis of taxation charge in the year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Tax on profit on ordinary activities at 19%	1,880	33,574

**Factors affecting tax charge for period**

The difference between the tax assessed for the period and the tax assessed for the period and the standard rate of corporation tax are explained as follows

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) on ordinary activities before tax	(2,027,100)	4,231,067
Standard rate of corporation tax in the UK	19.00%	19.00%
	<b>£</b>	<b>£</b>
Items not subject to corporation tax	(2,027,100)	4,043,362
Under provision from previous periods	1,880	-
Tax on profit	1,880	33,574

**10 GAINS ON INVESTMENTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Unrealised gain:</b>		
Market Value of Investments at year end	32,507,584	34,669,806
Original cost of Investments	24,022,737	24,022,737
	8,484,847	10,647,069
Plus: Gains realised from previous years		-
Less: Unrealised gains on investments brought forward	(10,647,069)	(6,931,657)
Unrealised (loss)/gain in the year	(2,162,222)	3,715,412

**11 TANGIBLE FIXED ASSETS**

	<b>Freehold Property £</b>	<b>Office and Other Equipment £</b>	<b>Total £</b>
<b>Cost or valuation:</b>			
At 1 January 2020	128,333	93,941	222,274
Additions	-	4,376	4,376
Disposals	-	(2,853)	(2,853)
At 31 December 2020	<u>128,333</u>	<u>95,464</u>	<u>223,797</u>
<b>Depreciation:</b>			
At 1 January 2020	5,133	76,737	81,870
Charge for the year	2,567	7,859	10,426
Depreciation written back on disposals	-	(2,853)	(2,853)
At 31 December 2020	<u>7,700</u>	<u>81,743</u>	<u>89,443</u>
<b>Net Book Value:</b>			
At 31 December 2020	<u>120,633</u>	<u>13,721</u>	<u>134,354</u>
At 31 December 2019	<u>123,200</u>	<u>17,204</u>	<u>140,404</u>

**Freehold Property**

The freehold property was valued at a market value of £385,000 on the 10<sup>th</sup> October 2018 by Fisher German LLP, who are not connected with the charity. The trustees are not aware of any material changes in value since that date. The historical cost of the property together at 31 December 2020 was £32,826.

Two thirds of the Freehold property is accounted for as an investment property.

**12 INVESTMENTS**

	<b>2020 £</b>	<b>2019 £</b>
<b>At valuation:</b>		
Freehold property	848,667	848,667
Listed investments	31,658,917	33,821,139
	<u>32,507,584</u>	<u>34,669,806</u>

All investments are held within the UK.

Investments are held in order to provide an investment return for the purposes of funding the charity's activities.

NOTES TO THE FINANCIAL STATEMENTS

12 INVESTMENTS (continued)

Freehold Property

At 10 October 2018, Fisher German, Chartered Surveyors, prepared valuations of all of the Foundation's investment properties. In the opinion of the Board of Trustees, the valuations represent the true market value of the land held for investment purposes as at 31 December 2020.

	2020 £	2019 £
At beginning of year	848,667	848,667
Additions	-	-
Revaluations	-	-
Disposals at opening book value	-	-
	<u>848,667</u>	<u>848,667</u>
Historical cost at 31 December	<u>76,592</u>	<u>76,592</u>
<b>Listed investments</b>		
At beginning of year	33,821,139	29,121,619
Acquisitions at cost	-	984,108
Disposals at opening book value	-	-
Net (loss) gains on revaluation in the year	<u>(2,162,222)</u>	<u>3,715,412</u>
Market value at 31 December	<u>31,658,917</u>	<u>33,821,139</u>
Historical cost as at 31 December	<u>23,946,145</u>	<u>23,946,145</u>

These assets include indirect investments in listed securities, through a combination of Common Investment Funds and Unit Trusts. Included in listed investments are the following investments, which individually represent over 5% of the total year-end value of the investment portfolio:

	Quantity of Stock Held No	Market Value 2020 £	Market Value 2019 £
<b>Holding:</b>			
Charity Multi Asset Fund	10,601,425	6,108,541	5,941,039
Equity Fund	3,706,056	1,916,772	2,277,372
Responsible Multi Asset Fund	2,010,765	1,083,601	1,036,504
M&G "Charifund"	646,559	8,874,471	10,737,335
Global Growth & Income	8,239,940	11,974,281	12,038,553
COIF Charities Property Fund	<u>1,515,049</u>	<u>1,676,251</u>	<u>1,765,336</u>

All investments are carried at their fair value. Holdings in common investment funds and unit trusts are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so there ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are traded in markets with good liquidity and high trading volumes.

NOTES TO THE FINANCIAL STATEMENTS

**12 INVESTMENTS (Continued)**

The charity has no material investment holdings in markets subject to exchange controls or trading restrictions. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

**13 CURRENT ASSET INVESTMENTS**

	2020 £	2019 £
Cash on deposit	11,805	11,805

**14 DEBTORS**

	2020 £	2019 £
Prepayments	9,461	6,375
Accrued income	4,063	5,359
	<u>13,524</u>	<u>11,734</u>

**15 CREDITORS (Amounts falling due within one year)**

	2020 £	2019 £
Other taxes and social security	11,513	12,116
Corporation Tax payable	-	35,349
Other creditors	55,391	44,543
	<u>66,904</u>	<u>92,008</u>

**16 FINANCIAL INSTRUMENTS**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	32,507,584	34,669,806
	<u>32,507,584</u>	<u>34,669,806</u>

Financial assets measured at fair value through income and expenditure comprise investment properties and investments.

## NOTES TO THE FINANCIAL STATEMENTS

## 17 UNRESTRICTED FUNDS

	At 1 Jan 2020 £	Incoming Resources (inc. Gains) £	Outgoing Resources £	Transfers £	At 31 Dec 2020 £
<b>Designated Funds:</b>					
Revaluation reserve	10,742,576	-	(2,162,222)	-	8,580,354
Income maintenance	14,291,778	-	-	-	14,291,778
Gift maintenance	9,058,313	-	-	135,958	9,194,271
<b>General Funds</b>	1,557,465	1,147,208	(1,012,086)	(135,958)	1,556,629
	35,650,132	1,147,208	(3,174,308)	-	33,623,032

**Purposes of Designated Funds**

**Revaluation Reserve** – The revaluation reserve fund represents the amounts by which investments and other assets exceed their historical cost.

**Income Maintenance** – The income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives. The fund is maintained by the transfer of the balance of realised gains after the funding of the gift maintenance fund and providing sufficient general funds to reflect six months planned activity.

**Gift Maintenance** – The gift maintenance fund has been created to maintain the original gift of £1,249,066 from East Midlands Housing Association in real terms value. The purpose of the original gift was to enable the generation of income to allow the charity to pursue and achieve its objectives. The underlying assets in which the funds are held are managed to do this. Maintenance of this fund is from realised gains on investment assets. A transfer of £135,958 was completed during the year.

**UNRESTRICTED FUNDS PRIOR YEAR**

	At 1 Jan 2019 £	Incoming Resources (inc. Gains) £	Outgoing Resources £	Transfers £	At 31 Dec 2019 £
<b>Designated Funds:</b>					
Revaluation reserve	7,027,164	3,715,412	-	-	10,742,576
Income maintenance	14,291,778	-	-	-	14,291,778
Gift maintenance	8,831,716	-	-	226,597	9,058,313
<b>General Funds</b>	1,268,407	1,565,974	(1,050,319)	(226,597)	1,557,465
	31,419,065	5,281,386	(1,050,319)	-	35,650,132

NOTES TO THE FINANCIAL STATEMENTS

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	General funds £	Designated funds £	Total 2020 £
Fixed assets	-	13,721	120,633	134,354
Investments	-	561,814	31,945,770	32,507,584
Current assets	-	1,047,998	-	1,047,998
Creditors	-	(66,904)	-	(66,904)
Provisions	-	-	-	-
	-	1,556,629	32,066,403	33,623,032

ANALYSIS OF NET ASSETS BETWEEN FUNDS PRIOR YEAR

	Restricted funds £	General funds £	Designated funds £	Total 2019 £
Fixed assets	-	17,204	123,200	140,404
Investments	-	700,339	33,969,467	34,669,806
Current assets	-	931,930	-	931,930
Creditors	-	(92,008)	-	(92,008)
Provisions	-	-	-	-
	-	1,557,465	34,092,667	35,650,132

19 CHANGES IN NET DEBT

	At 1 Jan 2020 £	Cash flows £	Other non- cash changes £	At 31 Dec 2020 £
<b>Cash and cash equivalents</b>				
Cash	908,391	114,278	-	1,022,669
Overdrafts	-	-	-	-
Cash equivalents	11,805	-	-	11,805
	920,196	114,278	-	1,034,474

20 PENSION SCHEME

The charity operates a pension scheme for the benefit of employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Total employer contributions paid in the year amounted to £37,437 (2019: £34,751) as at 31 December 2020 there were contributions outstanding of £0 (2019: £0).

World Habitat participates in the Flexible Retirement Plan and Ethical Fund that are both operated by the Pension Trust. They are both multi-employer pension plans.

The Flexible Retirement Plan is a defined contribution fund and is compliant with auto-enrolment. The employee can select to invest in the default Target Date Fund or select their own funds.

**NOTES TO THE FINANCIAL STATEMENTS**

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The Ethical Fund is also a defined contribution fund and compliant with auto-enrolment requirements. Any funds paid into the Ethical Fund are invested in the Ethical Target Date Funds (TDFs), which enables members to invest in companies that meet globally recognised corporate responsibility standards.

The charities' staging date for auto-enrolment was 1<sup>st</sup> July 2016.

**21 LIMITED BY GUARANTEE**

The company is limited by guarantee and accordingly does not have issued share capital. Every member of the Association undertakes to contribute an amount not exceeding £10 to the assets of the association in the event of the same being wound up.

**22 RELATED PARTY TRANSACTIONS**

During the year World Habitat provided a grant of £Nil (2019: £4,610) to Action Homeless (Leicester) Limited as part of a project to support the initial development of a group of individuals with experience of rough sleeping who will facilitate the gathering and sharing of personal experiences. At the year-end a balance of £Nil (2019: £Nil) was due to Action Homeless (Leicester) Limited.

The payment of trustees' expenses is disclosed in note 8.

**23 COMMITMENTS UNDER OPERATING LEASES**

As at 31 December 2020 the charity had total commitments under non-cancellable operating leases as set out below.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	14,280	16,178
Within 1 and 5 years	1,632	2,448
	<u>15,912</u>	<u>18,626</u>

**WORLD HABITAT**

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT**

	Note	£	2020 £	£	2019 £
Rent receivable			30,893		32,693
Investment income	A		1,114,877		1,340,898
Grant			1,404		5,213
Misc			-		839
Sales			4		64
			<u>1,147,178</u>		<u>1,379,707</u>
<b>Overheads:</b>					
Salaries		61,867		65,270	
Professional and investment management fees		50,788		36,489	
Other professional fees					
Property expenses	B	11,786		13,458	
Stationery, postage and telephone		1,488		1,529	
Motor and travelling expenses		931		1,635	
Auditor's remuneration and other related costs		13,207		14,235	
Miscellaneous expenses		18,313		12,779	
Lease charges		941		1,566	
Bank charges		1,291		1,954	
Foreign Exchange rate difference		-		237	
		<u>160,612</u>		<u>149,152</u>	
Research costs	C	<u>849,594</u>		<u>867,384</u>	
			<u>1,010,206</u>		<u>1,016,536</u>
Surplus/(deficit) for the year			<u><u>136,972</u></u>		<u><u>363,171</u></u>

The following pages do not form part of the statutory financial statements.

**WORLD HABITAT**

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT**

**A. INVESTMENT INCOME**

	£	2019 £	£	2019 £
<b>Interest on deposits:</b>				
Schroder	20		716	
Barclays	235		123	
	255		839	
 Dividends from common investments funds		<u>1,114,622</u>		<u>1,340,059</u>
		<u>1,114,877</u>		<u>1,340,898</u>

**B. PROPERTY EXPENSES**

	Occupied By the Charity £	Own Property Let £	Total £
Rent, rates, heat and light	4,609	5,746	10,355
Repairs	24,950	4,488	29,438
Insurance	8,560	150	8,710
Depreciation of plant, fixtures and fittings, and buildings	10,426	-	10,426
	<u>48,545</u>	<u>10,384</u>	<u>58,929</u>
 Apportioned to research facilities	<u>38,836</u>	<u>8,307</u>	<u>47,143</u>
 Apportioned to overheads	<u>9,709</u>	<u>2,077</u>	<u>11,786</u>

**C. RESEARCH COSTS**

	2020 £	2019 £
Awards	40,556	31,709
Salaries and pensions	572,270	497,761
Research travel (overseas)	12,450	19,047
Research travel (UK)	4,285	19,399
Research dissemination materials	-	17,264
Recruitment and training	8,719	16,292
Subscriptions	6,863	6,188
External research meetings – WH	119,410	163,047
External research meetings – Others	70	695
WH Internal research meetings	1,914	6,495
Research facilities	47,143	53,831
Publication of research	35,914	35,656
	<u>849,594</u>	<u>867,384</u>

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