
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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LEGAL AND ADMINISTRATIVE INFORMATION

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

Web 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 4th 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) Male (6) Prefer not to say (1)	Asian, Asian British (0) Black, Black British, Caribbean or African (0) 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

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 31st December 2023 the World Habitat investment portfolio is currently managed by two investment managers, Sarasin (41.9 per cent) and Schroders (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 31st December 2023 was **£35,471,022**. This consisted of the following:

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

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 31st 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.

TRUSTEES' REPORT

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

Angus Kennedy

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

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

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. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT

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 £
INCOME FROM					
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	-
TOTAL		<u>1,169,426</u>	<u>-</u>	<u>1,169,426</u>	<u>1,144,525</u>
EXPENDITURE ON:					
Raising funds		95,102	-	95,102	18,656
Charitable activities		1,036,631	-	1,036,631	1,126,851
TOTAL	5	<u>1,131,733</u>	<u>-</u>	<u>1,131,733</u>	<u>1,145,507</u>
NET INCOME		37,693	-	37,693	(982)
Transfers between funds		-	-	-	-
Other recognised gains/(losses):					
<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)
					-
Net movement in funds for the year		<u>1,761,963</u>	<u>-</u>	<u>1,761,963</u>	<u>(4,139,780)</u>
Reconciliation of funds					
Total funds brought forward		<u>33,709,059</u>	<u>-</u>	<u>33,709,059</u>	<u>37,848,839</u>
Total funds carried forward		<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.

BALANCE SHEET – COMPANY REGISTRATION NUMBER: 1247918

	Note	£	2023 £	£	2022 £
Fixed Assets					
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>
Current Assets					
Investments	13	326,999		43,801	
Debtors	14	33,716		32,322	
Cash in hand		<u>346,524</u>		<u>550,746</u>	
		707,239		626,869	
Creditors:					
Amounts falling due within one year	15	<u>(69,007)</u>		<u>(71,590)</u>	
Net Current Assets			638,232		555,279
Total Assets Less Current Liabilities					
			<u>35,471,022</u>		<u>33,709,059</u>
Capital and Income Funds:					
<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

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CHAIR

CASHFLOW TO THE FINANCIAL STATEMENTS

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	(a)	(1,128,149)	(1,146,094)
Cash flows from investing activities:			
Returns on investments			
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)
Net cash provided by/ (used in) investing activities		923,927	1,097,046
Change in cash and cash equivalents in the reporting period		(204,222)	(49,048)
Cash and cash equivalents at the beginning of the reporting period		550,746	599,794
Cash and cash equivalents at the end of the reporting period		346,524	550,746
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		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) Increase/(Decrease) in Cash			
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
	£	£
Grant Income:		
Rural Payments Agency	913	1,124
	<u>913</u>	<u>1,124</u>

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

4 INVESTMENT INCOME

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

In 2022, all income from investments was unrestricted.

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

5 RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Raising funds:				
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
Charitable activities:				
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 £
Overheads:				
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)	-
Premises Expenses:				
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

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%	-	-

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	1,761,963	(4,139,780)
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	-	-

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

10 GAINS/(LOSS) ON INVESTMENTS

	2023 £	2022 £
UNREALISED GAIN/(LOSS):		
Market Value of Investments at year end	34,822,606	33,140,396
Original cost of Investments	35,647,759	35,696,267
	(825,153)	(2,555,871)
GAIN/(LOSS) ON INVESTMENTS		
Unrealised gains/(losses) on investments	1,282,218	(4,148,985)
Realised gains/(loss) on investments	(6,422)	-
Total gain/(loss) on investments	1,275,796	(4,148,985)
Unrealised revaluation gain on investment property	448,501	10,267
Total gain/(loss) on investments	1,724,297	(4,138,718)
REALISED GAINS/(LOSS) ON SALE OF INVESTMENTS:		
	2023 £	2022 £
Proceeds	57,442	-
Historical Cost	(63,864)	-
Realised Loss in the year	(6,422)	-
Split between:		
Gains realised in the year	-	-
Losses realised in the year	(6,422)	-
Total realised gain/(loss)	(6,422)	-

11 TANGIBLE FIXED ASSETS

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

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

12 INVESTMENTS

	2023 £	2022 £
At valuation:		
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 27th 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>
Listed investments		
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 £
Investment valuation and holding:			
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 £
Financial assets		
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 £
Designated Funds:						
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
General Funds	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 £
Designated Funds:					
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
General Funds	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 £
Cash and cash equivalents				
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 1st 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.

	2023	2022
	£	£
Operating leases which expire:		
Within 1 year	30,791	24,176
Within 1 and 5 years	<u>23,732</u>	<u>2,400</u>
	<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:		
EESHHC		
Stopa Slovenska	-	2,730
Arrels	4,728	-
Carusel	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
World Habitat Awards		
UrbaMonde – France	24,180	15,269
Community Land Trust Brussels	-	7,856
Newcastle City Council	-	20,000
Urbasen	9,986	-
Global Community-led Housing		
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	-
Total Grants	<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>
Overheads:					
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
	£	£
Interest on deposits:		
Schroder	-	-
Sarasins	3,914	-
Barclays	1,046	214
	4,960	214
Dividends from common investments funds	1,138,082	1,113,908
	<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.