

**Habitat for Humanity Great Britain
Company Limited by Guarantee
Group Financial Statements
For the year ended 30 June 2012**

**Company No. 3012626
Charity No. 1043641**

Members of the board

Company Registration Number: 3012626

Charity Registration Number: 1043641

Registered Office and Principal Office: 46 West Bar Street
BANBURY
Oxfordshire
OX16 9RZ

Trustee Directors: Mr S A Baseley 'Chairman'
Mr D G Berry 'Treasurer'
Ms A Carr
Mr D S Haszczyń
Mr S L Howard
Mr L Johnson
Revd Dr S C Ledbetter
Mrs R Martin
Miss S Revell 'Deputy Chairman'
Mr L Sullivan
Mr S Thomas
Mr G Von Lehmden
Mr I K Whitehead

Secretary: Mr D C Stapleton

Patrons and professional advisers

Patrons:

HRH The Duke of Gloucester KG GCVO
Prof G Ashworth
Mr A Burt MP
Mr S Hughes MP
Mr M J Kirkwood CMG
Sir J Sacks - Chief Rabbi
Mr T Waite CBE

Bankers:

National Westminster Bank Plc
Bridge Street
BANBURY
OX16 5JS

Auditors:

Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
3140 Rowan Place
John Smith Drive
Oxford Business Park South
OXFORD
OX4 2WB

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Directors' Annual Report

The directors present their report together with financial statements for the year ended 30 June 2012.

Habitat for Humanity Great Britain is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The liability of the directors, as members, is limited to £1. The directors of the charity are its trustees for the purposes of charity law and throughout this report are collectively referred to as the directors.

Principal activities

Our principal activities are:

1. To champion decent housing as a human right.
2. To mobilise and support communities to implement projects that help people in housing need to claim their housing rights, create access to and overcome barriers to safe, decent and appropriate housing. Typically this is delivered by means of a local home-building or renovation project.
3. To make housing poverty and homelessness a matter of conscience and action so that it becomes unacceptable in every nation.

We seek to achieve our mission "from the inside out" by helping to develop and resource local community partners who are involved in community development by building and renovating safe, decent and appropriate housing in their own communities. Transformation takes place as a result of the broad participation of communities and home partners in their own solutions.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Organisation

The directors met 3 times in the financial year with our annual general meeting held in October 2011.

The National Director, Ian Walkden, is responsible for the day to day running of the charity at our Registered Office. During the year, the National Director had a team of 21 full-time equivalent staff, including a management team covering programmes, fundraising and communications, and finance and administration.

Related parties

Liverpool Habitat for Humanity (LHFH) is a legally independent registered charity affiliated to HFHGB by means of a Covenant Agreement, a Memorandum of Understanding and a Licensing Agreement. LHFH is responsible for completing its own financial statements due to its independent charitable status. Southwark Habitat for Humanity (SHFH) develops projects in London and the South and was also an independently registered affiliate of HFHGB during the year. In the year HFHGB raised funds and made grants to SHFH (see Note 15 to the Accounts). Any programme support is reflected in the accounts of the local affiliates.

Directors' Annual Report

At the year-end date SHFH formally registered as the new operating entity of the domestic programme, retaining its existing charitable registration under a new name of Habitat for Humanity Great Britain (Domestic Operations). The closing assets of this new entity are consolidated into the SOFA and Balance Sheet of IIFHGB as at 30 June 2012. Liverpool HFH elected to remain an independent affiliate of HFHGB and so their financials do not form part of this consolidation.

Business Review

The activities of IIFHGB are mostly focused on the international projects and volunteer programmes, with some support for key strategic domestic projects. The delivery of domestic projects is undertaken by the two related parties Habitat for Humanity Great Britain Domestic Operations (*formerly Southwark Habitat for Humanity*) and Liverpool Habitat for Humanity.

International Programmes

International volunteering programme ('Global Village')

Global Village team participants volunteer their time for Habitat for Humanity projects overseas. The teams raise a minimum £600 per team member (£400 for youth participants) to support Habitat for Humanity. In addition to the construction work carried out during trips, participant fundraising covers the cost of the trip, grants to host countries to help fund the cost of further homes in those countries and to support the wider work of the organisation. In the year £251,370 (2011: £261,407) was transferred to hosting HFH affiliates through this programme.

During the year, a total of 365 volunteers participated in this programme. We continued to develop the programme to help all volunteers better understand the impact of our work and to acquire an increased understanding of development issues. This is to encourage volunteers to return to the UK to become committed ambassadors for the elimination of poverty housing here in the UK and overseas. In March, we delivered the second session of our new team leader training programme to a further 16 team leaders. This year has seen the implementation of a new policy of placing a trained HFH team leader with each team. This has been very well received by hosting HFH organisations and volunteers alike. It has been particularly successful with our school groups who value the role played by the HFH team leader, leaving the school staff to focus on the experience for the students. We are seeing positive results in that all 2012 school teams have committed to return in 2013.

There are three main benefits for HFHGB in running our Global Village programme. One is the practical work of the volunteers to help build safe and decent homes. The second is the fundraising among friends and family that helps to finance the work of the local HFH affiliate and also contributes to our wider work. The third benefit, and one which we hope will have a significant effect in the long term, is the raised levels of awareness of the issue of poverty housing amongst the network of participant sponsors who are engaged in the process. Global Village is therefore more than simply a volunteer experience. It is a means to raise awareness, raise funds and change hearts and minds, as we strive to eliminate poverty housing both at home and overseas.

Directors' Annual Report

International Programme

We continue to develop new projects overseas by working with local country offices ('Global Programme Network') and HFH Area Offices and we support them financially and practically. Donations and grants were received from the general public, from trusts, companies, churches, other civic groups and governments. Total restricted income generated for international projects totalled £1,600,936 (2011: £1,379,194).

We are supporting projects in Bangladesh, Bolivia, Brazil, Cambodia, Egypt, Ethiopia, Ghana, Haiti, India, Japan, Lebanon, Madagascar, Mozambique, Nepal, New Zealand, Philippines, South Africa, Tajikistan, Vietnam and Zambia. These projects focus on the importance of the home in the key priority areas of:

- **Housing for orphans and vulnerable groups** (Cambodia, Ethiopia and Lebanon). In the year, the Cambodia programme was our largest. There, we work with families infected or affected by HIV/AIDS, providing them with shelter, financial education, vocational and enterprise training. In the year we added motivational training to the programme mix. We want to see how resources and education will transform their opportunities. We will be measuring this impact through a research project. Our main contributor to the Cambodia programme is the Elton John AIDS Foundation with additional support coming from the Jersey Overseas Aid Commission and other donors. In Ethiopia we are supporting a leprosy housing programme and in Lebanon we are supporting vulnerable families with shelter improvements. Over the year our total support in this area amounted to £429,669.
- **Building disaster resilience** (Bangladesh). The aim of the programme is to work in areas where disasters are predictable and help communities prepare for disasters, so that when they strike those affected will recover quicker and the impact will be less severe. Income to support this activity has decreased in the year from 2011 levels, but is due to increase in the next financial year. The Bangladesh project has focused on developing stronger community leadership, especially involving women, and has provided support for families to renovate and strengthen their houses. This may be the simple addition of metal roof straps, tying down the roof so that it is not blown off by a hurricane, or undertaking some community based work such as flood channels so that the poorest (who live on the most vulnerable land) can benefit from further protection. During the year we transferred £27,636 to this project.
- **Disaster response and reconstruction** (Haiti, Vietnam, Philippines, Cambodia, Japan, Nepal, New Zealand). We continue to respond to a range of disasters and are especially grateful for the support of the Jersey Overseas Aid Commission and the Vitol Foundation. Our disaster framework is called "Pathways to Permanence" and focuses on a variety of routes to move different groups into permanent shelter, tying in to the overall objective of the charity. We tend to support early recovery, helping people back into their homes and out of temporary shelter. Such shelter tends to be local schools, so our approach enables the schools to reopen earlier than would otherwise be the case and enables the community to re-establish normal activity as soon as possible. This is often through shelter kits and information so that people can clean their homes or make temporary repairs so that they can move back home. Over the year our total support to disaster related projects amounted to £296,555.

Directors' Annual Report

- **Housing for hard pressed families** (Egypt, Ghana, India, Mozambique, South Africa and Zambia). These projects focus on loan based activity, lending to the poor through micro housing loans. Home partners will use the funds to repair or extend existing homes, or in some cases, use the loan for partial construction of a new home. The poor often build homes stage by stage, as they have funds. These loans help the beneficiaries to improve their homes by adding another room, improving water and sanitation facilities, connecting electricity and other home improvements. The families decide their priority and Habitat for Humanity supports them through the provision of skills training and information, so they can get the best value for money from their small project. The outcome is improved homes that can enable students to study with more space and light, or enable a family to take on employment to improve their livelihood. The Egypt project, for example, is funded by Embrace the Middle East (formerly Biblelands) and focuses on loans for home improvements designed to improve healthier living. The poorest of the poor receive grant based help as they do not have the means to repay loans. Over the year our total support in this area amounted to £272,287
- **Water, sanitation and hygiene promotion** (Bangladesh, Cambodia, Madagascar, Tajikistan and Vietnam). We regard water and sanitation to be an integral part of the home so we incorporate these into many housing projects as well as a stand-alone activity. When we ask people about water quality in baseline studies, the response is often that if water looks clean then it probably is clean. Unfortunately this is unrealistic and is compounded by the poor toilet facilities (often polluting water supplies) and a lack of knowledge about hand washing. Combined, this can lead to many water borne diseases, poor health and childhood mortalities. Our largest water and sanitation project is based in Vietnam and funded by DFID. This project came to an end in the year and a full evaluation will be completed early in the next financial year. . The total project cost is £454,580 and £120,853 was transferred to the project in the financial year. Over the year our total transfers for Water and Sanitation projects amounted to £141,653.
- **Land rights security** (Bolivia and Brazil). These DFID funded projects are focused on local advocacy, helping people to claim their constitutional rights to secure land tenure. Secure land tenure is often a prerequisite for home improvement and is therefore a key to improving shelter. By focusing on local advocacy, we not only impact beneficiaries in the specific project area, but through policy change, we can influence a much larger population. The Bolivia project saw a significant milestone being reached in the year when legislation was signed by the President that increased the rights of Women in land titling. The Bolivia project is in its second year of activity and runs to 31 March 2015. The total project cost is £416,439 and £77,459 was transferred to the project in the year. The Brazil project is now into its first year of activity and also runs to 31 March 2015. The total project cost is £475,636 and £92,775 was transferred to the project in the year. Over the year our total transfers for all land rights projects amounted to £170,234

Domestic Programme

After several years of consultation and planning, the HFHGB Board resolved in June 2011 to develop a new structure based on a closer alignment between HFHGB and SHFH, with the latter becoming the primary operating company for domestic projects. In September 2011 the SHFH Board adopted a resolution to implement the proposal. Legal and procedural work was completed in June 2012 with formal registration of the new operating company taking place at the year-end date of 30 June 2012. This results in voluntary income of £1,465,415 (being the net assets gifted) reported in the group statement of financial activities and the inclusion of the subsidiary's assets and liabilities within the group balance sheet at 30 June 2012.

Directors' Annual Report

London and the South

SHFH (*now HFHGB (DO)*) has sought to develop a diverse portfolio of projects, so far covering multiple sites in London and in Banbury, Oxfordshire. These include:

- **New Housing.** Construction of 10 one-bedroom flats in Banbury which was officially opened by Sir Tony Baldry MP on 24 February 2012. The flats have been designated for occupancy by young people in housing need. The site provided certified training for 20 local young people who, at the start of the project, were not in education, employment or training. Most of these individuals have now moved on into full-time employment or further quality training opportunities. This project was delivered in partnership with Sanctuary Housing, Cherwell District Council, Oxford & Cherwell Valley College and the local Connexions agency who provided life-coaching and support for the young people.
- **Empty Houses to Homes:** There are thousands of empty homes in London that lie derelict and blight communities by attracting anti-social behaviour. They also represent a potential resource for providing much needed homes for people. SHFH has developed a scheme in partnership with local authorities and private landlords to bring empty homes back into use, making them available to people on the local housing registers. The first project began in April 2011 in Nunhead Green, Peckham and now statutory grant funding has been allocated for the charity to provide 35 more units of affordable accommodation over the next 3 years in London and Banbury.
- **Community Projects:** Renovation service for other housing and community organisations within the voluntary sector. Various projects were undertaken during the year including the refurbishment of YMCA hostels, a project developing a community playground benefitting young people with physical disabilities, and the provision of a purpose-built Soup Kitchen facility for The American Church in London. Many corporate supporter volunteer teams have assisted the charity with these projects in the year.

During the year HFHGB made grants to SHFH amounting to £46,999. The income and expenditure of SHFH is reported separately within the accounts of that entity, with solely the closing asset balances consolidated into the financial statements of HFHGB at 30 June 2012.

Liverpool

2011/12 was a critical year for Liverpool Habitat for Humanity (LHFH) in preparing the groundwork to complete the remaining houses on its Kingsley Road site. The culmination of this was the conclusion of a £2 million contract with Cosmopolitan Housing Association to build the remaining 23 houses on the site. Other critical activities included:

- Securing the assistance of the Territorial Army and the 75 Engineer Regiment to build the road and infrastructure as a 'Military Aid to the Civilian Community' (MACC) and at no cost to the charity. LHFH secured £30K of drainage materials from Birse Civils through Balfour Beatty Construction.

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- Selling the show home above market value to Cosmopolitan Housing Association. This not only enabled LHFH to repay loans to HFHGB and HFHI, but Cosmopolitan allowed LHFH to retain possession of the show home to utilise as a marketing and office suite. As part of a Graduate Programme, Redrow trainees redesigned and turned this show home into the marketing and office suite at a cost of £10K to Redrow.
- Training 60 people in construction skills.
- Increasing staff to 10 personnel in preparation for significant increase in construction activities in the 2nd half of 2012.

Fundraising Performance

(All financial data in this section relates purely to the operations of the charity (HFHGB)).

Total income for the charity in the year was £3.2m (2011: £2.7m). The main factors contributing to a 16% increase in income were a recovery in our corporate support and in the Global Village programme together with a boost in income provided by a one off fundraising event focused on our programme in India.

We have seen our corporate support recover slightly from a low point of £0.25m in 2010/11 to just over £0.5m in the year. This income stream is still volatile and we rely upon a limited number of larger donations. In our efforts to broaden our public support we are also seeking to develop greater breadth in our corporate funding with a range of gift levels across more donors.

Our income generated through the Global Village programme recovered from a recent low of £0.6m in 2010/11 to £0.8m during the year. Despite this growth in income our participant numbers were slightly lower in the year. This apparent anomaly is largely attributed to an increased fundraising challenge which participants have risen to.

In the past few years we have developed our capabilities in programme management and institutional fundraising. In 2009/10 we quadrupled our income from statutory and institutional sources and subsequently saw a further 48% growth in this income stream in 2010/11. During 2011/12 we maintained the level of this income stream at £1,055,972 (2011: £1,086,919).

Ideally we would like to invest more in expanding our general supporter base to increase the level of unrestricted donations in the future. Inevitably there is a significant cost of such a fundraising campaign in the early period. Over the last few years we have applied a cautious approach to such an investment to protect the declining level of unrestricted funds, however, we will be working with HFHI to consider a more aggressive investment in fundraising over the next five years with their help.

In addition to the general collaboration with HFHI, we received a limited amount of grant funding from HFHI of £56,015 (2011: £104,665).

Directors' Annual Report

A detailed breakdown of income by donor type can be seen in Note 1 to the Accounts.

HFHGB would like to thank the following organisations and major supporters. Without their significant contribution, we would not have been able to help people in housing need both at home and overseas:

Addleshaw Goddard LLP, AEGON Direct Marketing Services Europe Ltd, Aleph Zain Limited, Aon UK Ltd, Appleby (Isle of Man) LLC, Baillie Gifford and Company, Bakehouse Ltd, Bank of America, Barclays Bank PLC, Bellway PLC, Bibby Line Group Ltd, Black River Asset Management (UK) Ltd, Bloomberg LP, Bovis Homes Ltd, Buxted Construction Ltd, C Anderson and Sons LLP, Cargill Europe Ltd, CB Richard Ellis Limited, Charities Aid Foundation (CAF), City of Ely Community College, COINS Foundation, Cook & Partners Solicitors, Croudace Homes Ltd, Daughters of Jesus, Department for International Development, Diageo Foundation, E C Harris, Ebenezer Methodist Church Jersey, Elton John Aids Foundation, Embrace the Middle East (formerly Biblelands), Emmanuel Methodist Church Barnsley, Equality Accreditation Services Ltd, European Care & Lifestyles UK Ltd, GE Money UK, Guernsey Overseas Aid Commission, Gwendolen House Nursery School, Heriot-Watt University, Home Builders Federation, HSBC Bank PLC, Investec Ltd, JATO Dynamics, Jersey Overseas Aid Commission, King Edward VI Five Ways School Birmingham, Lampton School Hounslow, Lenham United Reformed Church, Lovell Partnerships Ltd, Ludlow Methodist Church, Marks & Spencer PLC, Martin Howden Ltd, Merlin Housing Society, National House-building Council NHBC, North East Scotland H4H (Habitat For Humanity), Parish Church of St Mary's Nantwich, Parish of St Pius the Tenth Bristol, Prism Communications & Management Ltd, Reed Elsevier, Robert Bion & Co Ltd, Rotary Club of Faringdon & District, Souter Charitable Trust, SpeedyHire PLC, St Davids Church Blaenporth, St Erkenwald's Church Barking, St John the Baptist Church Burford, St Margaret's PCC Burnage, St Paul's Church Beckenham, Taylor Wimpey (West Yorkshire), The Beatrice Laing Trust, The Bryan Guinness Charitable Trust, The City of Edinburgh Methodist Church, The Rosedale Hewens Academy Trust, The Royal High School Edinburgh, The Tisbury Telegraph Trust, Thomson Reuters, Toton Churches, TRH The Duke and Duchess of Gloucester Charitable Trust, Vitol Charitable Foundation, Wanderwide Charitable Trust, Warner Bros Entertainment UK.

In addition, we would like to express our appreciation to the hundreds of individual donors, volunteers and other organisations who also gave so generously during the year to support the work of Habitat for Humanity both in Britain and abroad.

Financial Review

(All financial data in this section relates purely to the operations of the charity (HFHGB)).

Total income rose by 16% to £3.2m in the year. During the year, contributions were received from: individuals (£604,106), churches & civic groups (£41,980), companies (£507,713), statutory, foundations, organisations and institutions (£1,055,972), legacies (£24,776) and income associated with the international volunteering programme totalling £788,637. Other income was received from gift aid recovery (£79,000) and interest (£7,376).

Directors' Annual Report

In the year, charitable expenditure (Note 5) included grants to other HFH projects totalling £1,606,917 (2011: £1,512,591). These grants were made to HFH organisations worldwide and to local HFH organisations in Great Britain. The purpose of these grants is for house repair and construction, local affiliate capacity development, specialised shelter related projects, advocacy programmes and disaster response/reconstruction. In addition to these grants, other direct project expenditure of £439,795 (2011: £376,701) was incurred, primarily in sending teams of volunteers through our 'Global Village' programme.

Other costs of the organisation incurred in the delivery of charitable activities, in generating funds and in governance (employment, overhead and other expenses) totalled £1,257,937 (2011: £1,339,096). Employment and overhead expenses are apportioned to each of the main expense categories as shown on the Statement of Financial Activities.

These apportionments are based upon staff time dedicated to charitable activities, to activities undertaken to generate funds and in governance work. In total the employment costs of the organisation were £681,480 (2011: £680,689) and represent 21% (2011: 21%) of total expenditure in the year.

The company's assets are held to further its charitable objectives. At 30 June 2012, the charity held net assets totalling £1,262,893 (2011: £1,398,967). The assets of the group totalled £2,728,308 at 30 June 2012 following the acquisition of assets (£1,465,415) as shown in the Statement of Financial Activities.

Grant Making Policy

We make payments to other HFH entities in Great Britain and overseas. These payments are made from both restricted and unrestricted funds generated within Great Britain. Payments are made to organisations with aims consistent with our charitable objectives.

In respect of grants made to domestic projects, we have traditionally made payments to affiliated HFH groups. We have worked alongside the local affiliates to monitor usage of the funds. This practice will change from FY12/13 as we route any such grants through the newly established domestic operating company.

In respect of grants to overseas projects, we transfer funds directly to HFH organisations. Disbursement is managed through authorisation processes involving the area offices of Europe/Central Asia and that of the recipient HFH organisation. We also manage the monitoring and reporting of project funding in liaison with, and supported by, HFH area offices relevant to where funding is directed. Partnership Agreements are established between HFHGB and the implementing organisation for all major projects. The viability and standing of all recipient HFH organisations are reviewed before making grants, and throughout the project cycle by means of our monitoring/reporting role.

In addition to controls in place within the HFH network, all grant payments are subject to internal financial controls and transfer policies. This helps to ensure an appropriate level of management control is exerted over grants made from unrestricted and restricted funds.

Directors' Annual Report

Risk Assessment

On a periodic basis the directors review, with management, the major risks the charity faces. This is achieved through a risk register review process and through our regular Board meetings and sub-committee structure. In respect of financial risk, the Board receive financial reports on a quarterly basis to enable them to assess these risks. Normal policy is for the organisation to maintain sufficient unrestricted cash to cover ongoing costs in the near term and to build up a reserve fund to help meet obligations in the event of material adverse conditions. However, this policy has been temporarily set aside as the organisation pursues a plan to broaden its public funding base. (See 'Reserves Policy' below).

Alongside this, regular systems and internal financial controls have been established to mitigate financial risks. During uncertain economic conditions we continue to review our business risks.

Other risks include implementation risk (that the work supported by IIFHGB funds will not achieve the planned results), health and safety risk (that our overseas volunteer programme and work carried out overseas by HFHGB staff may pose risk) and funding risk (not having the resources to support the planned activities). These are also monitored regularly by management and Board sub-committees.

Reserves Policy

The directors have reviewed the charity's need for reserves in line with the Charity Commission guidelines. Normal policy is to hold unrestricted reserves to protect against the risks of shortfalls in cash balances due to uncertainties in the timing of fundraising opportunities for unrestricted funds.

In previous years the directors had established a reserve fund to reach a level of 6 months operating costs, reviewed annually and built up to the desired level in stages consistent with the charity's overall financial position and its need to maintain and develop its charitable activities. From 2010/11 the Directors set aside this principle as the organisation pursues the growth in public fundraising.

The low year-end balance in the unrestricted fund was anticipated and the charity projects this to continue into the coming year as it endeavours to expand the supporter base. Vulnerability to a short term unrestricted fund deficit is supported by a bank overdraft facility underwritten by a Letter of Credit provided by Habitat for Humanity International. Advice has been obtained from the charity's legal advisors and auditors to ensure that this strategy can be pursued. The Letter of Credit backed overdraft facility enables the charity to discharge its responsibilities to disburse all monies due from the Restricted Fund at any point in time.

The trustees have reviewed the charity's activities, financial position and risk management policies together with the factors likely to affect future development, including the impact of economic uncertainties on voluntary income. They have concluded that it is reasonable to expect the charity to have adequate resources to continue in operational existence for the foreseeable future. Accordingly the going concern basis of accounting continues to be adopted in preparing the financial statements.

Funding

The charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

Directors' Annual Report

Directors

The directors, who are the charity trustees, and who have served during the year are listed below.

Mr S A Baseley
Mr D G Berry
Ms A Carr
Mr D S Haszczyn
Mr S L Howard
Mr L Johnson
Mr M J Kirkwood CMG (resigned 31 October 2011)
Revd Dr S C Ledbetter
Mrs R Martin
Miss S Revell
Mr I Sullivan
Mr S Thomas
Mr G Von Lehmden
Mr G J S Wallis OBE (resigned 31 October 2011)
Mr I K Whitehead

The company has no share capital and is limited by guarantee. The members' liability is limited to a maximum of £1 each.

Induction and training of new Trustees

When trustees join Habitat for Humanity Great Britain they are provided with a pack of information on the charity and its activities, this is backed up by a personal briefing by the National Director.

Directors' Responsibilities for the Financial Statements

The trustees (who are also directors of Habitat for Humanity Great Britain for the purposes of company law) are responsible for preparing the Trustees' 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.

Under that law the trustees have elected to prepare the financial statements 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

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

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

Directors' Annual Report

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fixed Assets

The movements in fixed assets are set out in Notes 8-10 to the Accounts.

Charitable and Political Contribution

There were no donations to charitable organisations or political contributions made during the period.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



Mr D Stapleton
Secretary

Report of the Independent Auditor to the Directors of Habitat for Humanity Great Britain

We have audited the financial statements of Habitat for Humanity Great Britain for the year ended 30 June 2012 which comprise Principal Accounting Policies, the Group Statement of Financial Activities incorporating the Summary Income and Expenditure Account, the Group and Parent Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10-11, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2012 and of the group's incoming resources and application of resources, including the group's and the parent 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditor to the Directors of Habitat for Humanity Great Britain

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Grant Thornton UK LLP

Paul Creasey
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford

2 November 2012

Principal accounting policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with the recommendations in the Statement of Recommended Practice: Accounting by Charities (the SORP) issued in 2005.

The principal accounting policies have remained unchanged from the previous year and are set out below. There has been one change in accounting policy with respect to our Global Village programme (see page 17) and the consolidation of HFHGB (Domestic Operations).

In accordance with section 397 of the Charity SORP 2005, and section 408 of the Companies Act 2006, the charity has not prepared a separate Statement of Financial Activities for the Charity.

Consolidation

HFHGB (Domestic Operations), formerly Southwark Habitat for Humanity, is regarded as a subsidiary undertaking by virtue of the Charity being the entity's sole member and its ability to direct and control HFHGB (DO). The financial statements consolidate the results of HFHGB (DO) with effect from the date that control was established, 30 June 2012.

Incoming Resources

Grants Receivable

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Donations and Gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Legacies to which the company is entitled are included in the statement of financial activities unless they are incapable of measurement.

Gifts-in-kind are accounted for at the directors' estimate of value to the company or sale value as follows:

- assets received for distribution by the company are recognised only when distributed
- assets received for resale are recognised, where practicable, when receivable or otherwise when sold
- gifts of funds for acquiring fixed assets for company use are accounted for as restricted funds immediately on receipt.

Principal accounting policies

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included in income.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the statement of financial activities.

Investment Income

Investment income is recognised when receivable.

Resources Expended

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objectives (charitable activities)
- expenditure incurred directly in the effort to raise voluntary contributions (costs of generating voluntary income) and
- expenditure incurred directly attributable to the governing of the charity (governance costs).

Items of expenditure involving more than one cost category are apportioned on the basis of the estimated costs relating to each category appropriate. Notes 3 to 5 detail the basis of apportioning costs. In summary:

- governance costs are costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Governance costs includes external audit, legal and professional fees, remuneration to trustees and costs associated with constitutional and statutory requirements. Also included within this category are any costs associated with the strategic management of the charity's activities.
- office costs and employment costs are apportioned based on staff time analysis.
- grants to Habitat for Humanity projects, projects expenses, fundraising and publicity, and travel costs are charged directly to the project or programme to which they relate.

Grants

Grant expenditure is treated as outgoing when it is payable, provided payment conditions have been met, unless it relates to a specified future period, in which case it is treated as prepaid.

Principal accounting policies

Liabilities

Liabilities are recognised when there is a legal and constructive obligation committing the charity to the expenditure.

Corporation Tax and VAT

The company has charitable status and is exempt from corporation tax on the income it has received. The company is not registered for VAT.

Pension Contributions

At the year end the company operated a stakeholder pension scheme into which the employer and employees make contributions on a matching basis. The pension costs charged against the Statement of Financial Activities are the contributions payable to this scheme in respect of the accounting period, as shown in Note 6.

Fund Accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the directors.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £250, and are stated at cost net of depreciation.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Fixtures, fittings and equipment	-	over 5 years, on a straight line basis.
Computer equipment	-	over 3 years, on a straight line basis.

Programme related investments

Programme related investments are stated at cost price at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on repayments and disposals throughout.

Principal accounting policies

Leased Assets

All leases are regarded as operating leases and the payments made under them are charged to the statement of financial activities on a straight line basis over the lease term.

Global Village funds

A change in accounting treatment of Global Village income and expenditure has been implemented in the year. This is reflective of the nature of the programme which is both an international volunteer programme and a fundraising vehicle. In taking part in the programme, participants raise funds for the charity out of which trip costs and donation to host country are paid with surplus funds being generated to develop the programme and support the wider work of the charity. As such it has been deemed that the previous method of accounting for funds as restricted at source with surpluses carried to unrestricted upon trip completion is not appropriate. This change has become effective this financial year with opening funds also included within this change in treatment by means of an inter fund transfer (see note 15).

Group Statement of Financial Activities (incorporating an income and expenditure account and a statement of recognised gains and losses)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Income					
Incoming resources					
Incoming resources from generated funds					
Voluntary income:					
- Grants and donations	1	1,475,445	1,685,754	3,161,199	2,714,945
- Value of net assets acquired in HFHGB (Domestic Operations)	22	1,457,655	7,760	1,465,415	-
Total Voluntary income	1	2,933,100	1,693,514	4,626,614	2,714,945
Investment income		7,376	-	7,376	9,979
Total incoming resources	2	2,940,476	1,693,514	4,633,990	2,724,924
<hr/>					
<i>Income from HFHGB activities</i>		<i>1,482,821</i>	<i>1,685,754</i>	<i>3,168,575</i>	<i>2,724,924</i>
<i>Value of assets acquired on consolidation</i>		<i>1,457,655</i>	<i>7,760</i>	<i>1,465,415</i>	<i>-</i>
Total incoming resources		2,940,476	1,693,514	4,633,990	2,724,924
<hr/>					
Expenditure					
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	3	427,105	65,202	492,307	541,358
Charitable activities	4	1,140,828	1,580,722	2,721,550	2,637,801
Governance costs		90,792	-	90,792	89,216
Total resources expended	5	1,658,725	1,645,924	3,304,649	3,268,375
<hr/>					
Net incoming/(outgoing) resources before transfers		1,281,751	47,590	1,329,341	(543,451)
<hr/>					
<i>Net outgoing resources from HFHGB activities</i>		<i>(175,904)</i>	<i>39,830</i>	<i>(136,074)</i>	<i>(543,451)</i>
<i>Value of assets acquired on consolidation</i>		<i>1,457,655</i>	<i>7,760</i>	<i>1,465,415</i>	<i>-</i>
Net incoming/(outgoing) resources before transfers		1,281,751	47,590	1,329,341	(543,451)
<hr/>					
Transfers		236,719	(236,719)	-	-
Net income and expenditure and movement in funds		1,518,470	(189,129)	1,329,341	(543,451)
Total funds brought forward at 1 July 2011		(18,754)	1,417,721	1,398,967	1,942,418
Total funds carried forward at 30 June 2012	13	1,499,716	1,228,592	2,728,308	1,398,967

There were no recognised gains or losses other than the surplus for the financial period. All incoming resources and resources expended derive from continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

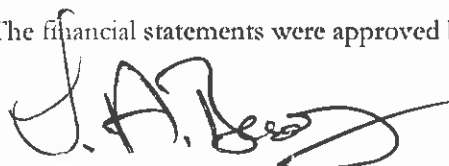
Habitat for Humanity Great Britain
Company Limited by Guarantee
Financial statements for the year ended 30 June 2012

Balance Sheet

	Note	Group		Charity	
		2012	2011	2012	2011
		£	£	£	£
Fixed assets					
Tangible assets for use by the charity	8	59,593	37,662	23,967	37,662
Investments	9	-	-	-	-
Programme Related Investments	10	638,448	-	-	-
		<u>698,041</u>	<u>37,662</u>	<u>23,967</u>	<u>37,662</u>
Current assets					
Debtors	11	370,355	220,220	265,240	220,220
Cash at bank and in hand		1,817,614	1,262,176	1,083,960	1,262,176
		<u>2,187,969</u>	<u>1,482,396</u>	<u>1,349,200</u>	<u>1,482,396</u>
Creditors - amounts falling due within one year	12	<u>157,702</u>	<u>121,091</u>	<u>110,274</u>	<u>121,091</u>
Net current assets		<u>2,030,267</u>	<u>1,361,305</u>	<u>1,238,926</u>	<u>1,361,305</u>
Net Assets		<u>2,728,308</u>	<u>1,398,967</u>	<u>1,262,893</u>	<u>1,398,967</u>
Funds					
Unrestricted funds	14	1,499,716	(18,754)	42,061	(18,754)
Restricted funds	15	1,228,592	1,417,721	1,220,832	1,417,721
		<u>2,728,308</u>	<u>1,398,967</u>	<u>1,262,893</u>	<u>1,398,967</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the Directors on: 1 November 2012



S A Baseley
 Director and Chairman



D G Berry
 Director and Treasurer

Company number 3012626
 Charity number 1043641

The accompanying accounting policies and notes form an integral part of these financial statements.

**Habitat for Humanity Great Britain
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Financial statements for the year ended 30 June 2012**

Notes to the financial statements

1 Voluntary income

	Unrestricted £	Restricted £	2012 Total £	2011 Total £
Grant income:				
Non-United Kingdom Governments	-	319,777	319,777	334,404
Habitat for Humanity International	56,015	-	56,015	104,665
Department for International Development	-	298,977	298,977	265,352
Embrace the Middle East (<i>formerly Biblelands</i>)	-	64,122	64,122	141,262
	<u>56,015</u>	<u>682,876</u>	<u>738,891</u>	<u>845,683</u>
Donation income:				
Individuals	371,269	232,837	604,106	476,899
Churches	33,346	6,955	40,301	36,469
Companies	107,679	400,034	507,713	246,332
Gifts in kind	3,000	-	3,000	30,000
Civic groups	1,679	-	1,679	5,576
Legacies	24,776	-	24,776	-
Foundations, Organisations & Institutions	10,044	363,052	373,096	345,901
Gift Aid recovered on donations from individuals	79,000	-	79,000	112,333
	<u>630,793</u>	<u>1,002,878</u>	<u>1,633,671</u>	<u>1,253,510</u>
International Volunteering Programme	<u>788,637</u>	<u>-</u>	<u>788,637</u>	<u>615,752</u>
Value of net assets acquired in HFHGB (Domestic Operations), see note 23	<u>1,457,655</u>	<u>7,760</u>	<u>1,465,415</u>	<u>-</u>
Total voluntary income	<u>2,933,100</u>	<u>1,693,514</u>	<u>4,626,614</u>	<u>2,714,945</u>

The gifts in kind relate to archive services donated in the year.

2 Total incoming resources

Income attributable to geographical markets outside the United Kingdom amounted to 14% (2011: 20%).

Notes to the financial statements (continued)

3 Costs of generating voluntary income

	Unrestricted £	Restricted £	2012 Total £	2011 Total £	Basis of allocation
Fundraising and promotion	173,700	65,202	238,902	287,020	Direct
Employment costs	195,462	-	195,462	184,842	Staff time
Support costs	57,943	-	57,943	69,496	Staff time
	<u>427,105</u>	<u>65,202</u>	<u>492,307</u>	<u>541,358</u>	

4 Charitable activities

	Unrestricted £	Restricted £	2012 Total £	2011 Total £
International programme	104,266	1,445,478	1,549,744	1,503,479
International volunteering programme	824,673	-	824,673	834,438
Domestic programme	52,719	57,704	110,423	92,442
Advocacy	236,710	-	236,710	207,442
Programme support recoverable *	(77,540)	77,540	-	-
Total	<u>1,140,828</u>	<u>1,580,722</u>	<u>2,721,550</u>	<u>2,637,801</u>

* In accordance with the terms agreed with specific donors and grant providers, programmatic support costs (including financial management, monitoring project outputs, evaluation, the sharing of learning and best practice), representing up to 20% of funds received, are met by those amounts held within restricted funds. The above figures represent the change in the amount recoverable from restricted funds between brought forward and carried forward restricted funds.

Notes to the financial statements (continued)

5 Analysis of resources expended

	Cost of generating funds £	Charitable activities £	Governance £	2012 Total £	2011 Total £	Basis of allocation
Grants to HFH projects	-	1,606,917	-	1,606,917	1,512,591	Direct*
Grants returned	-	-	-	-	39,987	Direct*
Project expenses	-	439,795	-	439,795	376,701	Direct*
Fundraising and promotions	238,902	124,215	-	363,117	385,633	Direct*
Employment costs	195,462	427,413	58,605	681,480	680,689	Staff time
Office costs	51,470	112,550	14,231	178,251	197,915	Staff time
Travel costs	6,466	16,810	2,586	25,862	29,943	Direct*
Training	(929)	1,081	360	512	7,243	Direct*
Audit and accountancy	-	-	10,026	10,026	10,000	Governance
Consultancy costs	936	2,436	375	3,747	9,111	Direct*
Recruitment costs	-	-	-	-	-	Governance
Legal and Professional	-	-	4,609	4,609	5,223	Direct*
Directors expenses	-	-	-	-	63	
Loan Interest	-	-	-	-	7,117	Staff time
Loss/(Gain) on foreign exchange	-	(9,667)	-	(9,667)	6,159	Staff time
	<u>492,307</u>	<u>2,721,550</u>	<u>90,792</u>	<u>3,304,649</u>	<u>3,268,375</u>	

Total resources expended include:

	2012 £	2011 £
Auditors remuneration:		
Audit services	10,000	10,000
Depreciation:		
Tangible fixed assets	<u>17,186</u>	<u>16,368</u>

* Costs that are allocated on a "Direct" basis are charged directly to the project or programme to which they relate; no apportionment of those costs is required.

All grants were paid to institutions and none to individuals.

Notes to the financial statements (continued)

6 Employees

	2012	2011
	£	£
Wages and salaries	594,677	595,873
Social security costs	59,538	58,960
Pension costs	22,702	22,292
Death in service	4,563	3,564
	<u>681,480</u>	<u>680,689</u>

The average number of full time equivalent employees during the period, analysed by activity, were as follows:

	2012	2011
	Number	Number
Costs of generating funds	6	6
Charitable activities	13	13
Governance	2	2
	<u>21</u>	<u>21</u>

During the year one employee received emoluments of between £60,000 and £70,000 (2011: one). Employer contributions to the pension fund of this employee amounted to £5,440 (2011: £4,824).

7 Payments to Directors and connected persons

No director or person with a family or business connection with a director received remuneration in the period directly or indirectly, from either the charity or an institution or company controlled by the charity.

No trustees received reimbursement of travel expenses during the year (2011: £63).

Habitat for Humanity Great Britain
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Financial statements for the year ended 30 June 2012

Notes to the financial statements (continued)

8 Tangible fixed assets

Group	Fixtures, fittings and equipment £
Cost	
At 1 July 2011	162,552
Assets acquired through consolidation	53,398
Additions	5,741
	<hr/>
At 30 June 2012	221,691
	<hr/>
Depreciation	
At 1 July 2011	124,890
Assets acquired through consolidation	17,954
Provided in the period	19,254
	<hr/>
At 30 June 2012	162,098
	<hr/>
Net book amount at 30 June 2012	59,593
	<hr/>
Net book amount at 30 June 2011	37,662
	<hr/>
	<hr/>
Charity	Fixtures, fittings and equipment £
Cost	
At 1 July 2011	162,552
Additions	3,491
	<hr/>
At 30 June 2012	166,043
	<hr/>
Depreciation	
At 1 July 2011	124,890
Provided in the period	17,186
	<hr/>
At 30 June 2012	142,076
	<hr/>
Net book amount at 30 June 2012	23,967
	<hr/>
Net book amount at 30 June 2011	37,662
	<hr/>

**Habitat for Humanity Great Britain
Company Limited by Guarantee
Financial statements for the year ended 30 June 2012**

Notes to the financial statements (continued)

9 Investments

The Charity is the Sole Member and, as a result of the rights of the Sole Member, controls Habitat for Humanity Great Britain (Domestic Operations) as of 30 June 2012, see note 23. The investment is carried at 30 June 2012 in the Charity's balance sheet at £nil.

10 Programme Related Investments

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Cost or Valuation:				
At 1 July 2011	-	-	-	-
Acquired on consolidation	638,448	-	-	-
Repayments	-	-	-	-
At 30 June 2012	<u>638,448</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

11 Debtors

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Loan to Liverpool Habitat for Humanity	-	100,000	-	100,000
Trade debtors	24,582	-	-	-
VAT	4,593	-	-	-
Other debtors	302,466	90,056	230,772	90,056
Prepayments	38,714	30,164	34,468	30,164
	<u>370,355</u>	<u>220,220</u>	<u>265,240</u>	<u>220,220</u>

12 Creditors: amounts falling due within one year

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Social security and other taxes	24,071	17,052	17,520	17,052
Trade creditors	85,058	84,902	61,804	84,902
Accruals	28,155	19,137	16,532	19,137
Deferred income	20,418	-	14,418	-
	<u>157,702</u>	<u>121,091</u>	<u>110,274</u>	<u>121,091</u>

Notes to the financial statements (continued)

13 Fund movements summary

Group	Unrestricted funds (note 13) £	Restricted funds (note 14) £	Total funds £
At 1 July 2011	(18,754)	1,417,721	1,398,967
Incoming resources	2,940,476	1,693,514	4,633,990
Expenditure	(1,658,725)	(1,645,924)	(3,304,649)
Transfers	236,719	(236,719)	-
At 30 June 2012	<u>1,499,716</u>	<u>1,228,592</u>	<u>2,728,308</u>

Charity	Unrestricted funds (note 13) £	Restricted funds (note 14) £	Total funds £
At 1 July 2011	(18,754)	1,417,721	1,398,967
Incoming resources	1,482,821	1,685,754	3,168,575
Expenditure	(1,658,725)	(1,645,924)	(3,304,649)
Transfers	236,719	(236,719)	-
At 30 June 2012	<u>42,061</u>	<u>1,220,832</u>	<u>1,262,893</u>

The transfers in the year represent the release of funds permitted to be spent by the charity in line with its general charitable activities, as agreed with the grant provider and/or donor and therefore no longer held for restricted purposes.

14 Unrestricted funds

Group	General undesignated funds £	Other designated funds	Total unrestricted funds £
At 1 July 2011	(28,851)	10,097	(18,754)
Incoming resources	2,940,476	-	2,940,476
Expenditure	(1,658,725)	-	(1,658,725)
Transfers	246,816	(10,097)	236,719
At 30 June 2012	<u>1,499,716</u>	<u>-</u>	<u>1,499,716</u>

Incoming resources of the group incorporate the net assets of the HFHGB (Domestic Operations) acquired on consolidation, see note 1.

Notes to the financial statements (continued)

14 Unrestricted funds (continued)

Charity	General undesignated funds £	Other designated funds	Total unrestricted funds £
At 1 July 2011	(28,851)	10,097	(18,754)
Incoming resources	1,482,821	-	1,482,821
Expenditure	(1,658,725)	-	(1,658,725)
Transfers	246,816	(10,097)	236,719
At 30 June 2012	<u>42,061</u>	<u>-</u>	<u>42,061</u>

General undesignated funds

This fund is available to the directors to apply for the general purposes of the charity as set out in its governing document. The directors are free to use these funds for any of the charity's purposes.

Other designated fund

These are funds which at the point of receipt had been classified as unrestricted, but where we had an expectation of a specific usage due to on-going dialogue with donors. At the year end all donor requirements concerning these funds had been met.

15 Restricted funds

Group	Genworth Financial fund £	Domestic programme £	International programmes £	Total Restricted funds £
At 1 July 2011	-	18,038	1,399,683	1,417,721
Incoming resources	7,760	84,818	1,600,936	1,693,514
Expenditure	-	(60,958)	(1,584,966)	(1,645,924)
Transfers	-	5,651	(242,370)	(236,719)
At 30 June 2012	<u>7,760</u>	<u>47,549</u>	<u>1,173,283</u>	<u>1,228,592</u>

Genworth Financial fund represents a grant received from Genworth Financial to be used to support the position of chief executive of HFHGB (Domestic Operations) acquired on consolidation, see note 23.

Charity	Domestic programme £	International programmes £	Total Restricted funds £
At 1 July 2011	18,038	1,399,683	1,417,721
Incoming resources	84,818	1,600,936	1,685,754
Expenditure	(60,958)	(1,584,966)	(1,645,924)
Transfers	5,651	(242,370)	(236,719)
At 30 June 2012	<u>47,549</u>	<u>1,173,283</u>	<u>1,220,832</u>

Notes to the financial statements (continued)

15 Restricted funds (continued)

Further breakdown of the reserves held for domestic programme activities:

Group and Charity	At 1 July 2011 £	Incoming resources £	Expenditure £	Transfers £	At 30 June 2012 £
Domestic programme development	7,615	-	(7,615)	-	-
Liverpool	(871)	-	-	-	(871)
London and the South	11,294	84,818	(53,343)	5,651	48,420
Total	18,038	84,818	(60,958)	5,651	47,549

Domestic programme development

The domestic programme development fund represents income and expenditure specifically restricted to the development of HFHGB's domestic programme strategy and the expansion of this programme throughout the country.

Domestic HFH affiliates

The domestic HFH affiliates' funds represent amounts collected on behalf of local affiliated groups. These groups, whilst affiliated to HFHGB, are independent charities. Their aims are to address issues of poverty housing and homelessness in their localities and are consistent with those of HFHGB. In addition to the amounts collected and granted to these groups, HFHGB provides programmatic support; the benefits of which are reflected in the accounts of the local affiliates. As at the year-end date our London affiliate (Southwark Habitat for Humanity) became legally registered as a new domestic operating company with a remit to manage and own all local projects. The balance showing at year end will be remitted to this new operating company in FY12/13.

Notes to the financial statements (continued)

15 Restricted funds (continued)

Further breakdown of the reserves held for international programme activities:

Group and Charity	At 1 July 2011	Incoming resources	Expenditure	Transfers	At 30 June 2012
	£	£	£	£	£
Global Village fund	242,370	-	-	(242,370)	-
Partnership Teams programme fund	89,853	-	-	(89,853)	-
Elton John AIDS Foundation	182,348	399,559	(424,229)	698	158,376
DFID Vietnam (CSCF 470)	2,559	126,721	(130,567)	-	(1,287)
DFID Bolivia (CSCF 495)	163	89,366	(89,779)	-	(250)
DFID Brazil (CSCF 538)	-	82,890	(101,228)	-	(18,338)
Sri Lanka Emergency fund	219,898	-	(112)	560	220,346
International grants fund	136,325	356,925	(328,599)	-	164,651
Other international projects	526,167	545,475	(510,452)	88,595	649,785
Total	<u>1,399,683</u>	<u>1,600,936</u>	<u>(1,584,966)</u>	<u>(242,370)</u>	<u>1,173,283</u>

'Global Village' international volunteering programme

This fund represents amounts collected to fund the cost of sending volunteers to build houses in Habitat for Humanity projects overseas, to make donations to those and other HFH projects and to develop the Global Village programme. See 'Accounting Policies' for explanation of new treatment of Global Village programme funds. The transfer of brought forward funds taken to unrestricted at start of the financial year in accordance with this change.

Partnership Teams programme fund

This fund represents remaining monies held from our, now discontinued, Partnership Teams programme. This programme, delivered in partnership with an external provider of overseas volunteer challenge services, ceased in 2008/09. We hold funds to support initiatives that are currently under development in India and Sri Lanka. All funds were transferred to our India and Sri Lanka general funds during the year.

Elton John AIDS Foundation (Cambodia)

This fund represents two sequential projects in Cambodia primarily funded by the Elton John Aids Foundation. Habitat for Humanity is working in partnership with a number of local organisations to deliver shelter solutions to people infected or affected by HIV/AIDS and orphans and vulnerable children. The first project finished and the second project began in the financial year. The expenditure of £424,229 relates to both projects.

Notes to the financial statements (continued)

15 Restricted funds (continued)

Department for International Development (Vietnam)

This three year project, funded by DFID (Civil Society Challenge Fund), totalling £454,580, began in July 2009 and is entitled 'Rural Water and Sanitation Capacity Building for Households Affected by Poverty in Vietnam'. The project aims to support the Government of Vietnam in attaining its 'National Target Programme for Rural Water Supply and Sanitation' objectives of improved health and living conditions in rural areas. The project concluded at the end of the financial year.

Department for International Development (Bolivia)

The 'Improving Access to Urban Land and Property Rights for Women and Excluded Families in Bolivia' project is funded by funded by DFID (Civil Society Challenge Fund). This five year project, totalling £416,439, commenced in June 2010, and will advocate for gender-responsive laws, policies and regulations, resulting in improved urban land governance.

Department for International Development (Brazil)

The 'Secure land tenure for women and vulnerable groups in Brazil' project commenced in July 2011 and is funded by DFID (Civil Society Challenge Fund). Totalling £475,636, over four years, the project aims to reduce urban poverty for women and vulnerable groups in Recife, in the state of Pernambuco by increasing their access to secure land tenure and property.

Sri Lanka Emergency Fund

Following a number of attempts to use the Sri Lanka Emergency fund as matched funding for other projects, which in the event did not materialise, we approached the Charity Commission to seek approval to move these funds into a less restricted fund called 'Building Resilience and Disaster Response'. Although the application was made within the financial year, the approval came through in the 2012/2013 financial year. We therefore show this fund in its original restriction within the 2011/12 financial statements. Going forward, although these funds will now be less specifically restricted, a proportion may still be used in Sri Lanka as matched funds should a suitable project emerge. Discussions on such a project began in the financial year.

International grants fund

This represents major grant funding for specific projects funded by institutional funders not disclosed separately elsewhere.

Other international projects

This represents restricted donations and grants for international projects and the subsequent transfer of funds to, and support for, HFH projects overseas.

Notes to the financial statements (continued)

16 Analysis of net assets between funds

Group	Unrestricted fund £	Restricted fund £	Total £
Tangible fixed assets	698,041	-	698,041
Current assets	1,007,797	1,180,172	2,187,969
Current liabilities	(157,702)	-	(157,702)
	<u>1,548,136</u>	<u>1,180,172</u>	<u>2,728,308</u>

Charity	Unrestricted fund £	Restricted fund £	Total £
Tangible fixed assets	23,967	-	23,967
Current assets	128,368	1,220,832	1,349,200
Current liabilities	(110,274)	-	(110,274)
	<u>42,061</u>	<u>1,220,832</u>	<u>1,262,893</u>

17 Share capital

Habitat for Humanity Great Britain is a company limited by guarantee and does not have a share capital.

18 Contingent liabilities

There were no contingent liabilities as at 30 June 2012 or 30 June 2011.

19 Operating lease commitments

At 30 June 2012 the company was committed to making the following payments during the next year in respect of operating leases:

Group	Buildings £	2012 Other £	Buildings £	2011 Other £
Leases which expire within:				
Two to five years	61,500	-	55,350	4,412
Within one to two years		4,412	-	-
	<u>61,500</u>	<u>4,412</u>	<u>55,350</u>	<u>4,412</u>

Charity	Buildings £	2012 Other £	Buildings £	2011 Other £
Leases which expire within:				
Two to five years	61,500	-	55,350	4,412
Within one to two years		4,412	-	-
	<u>61,500</u>	<u>4,412</u>	<u>55,350</u>	<u>4,412</u>

Notes to the financial statements (continued)

20 Capital commitments

There were no capital commitments as at 30 June 2012 or 30 June 2011.

21 Related party transactions

In 2009 a loan of £100,000 was made to Liverpool Habitat for Humanity; no interest was charged on this loan. At 30 June 2012 this loan had been settled in full.

Habitat for Humanity Great Britain continues to raise funds to support a number of affiliated Habitat organisations in the United Kingdom and abroad.

22 Controlling related party

The Directors/Trustees believe that they are the controlling related party.

23 Subsidiary undertaking

As set out within the Trustees Report and the Basis of Preparation Habitat for Humanity Great Britain (HFHGB) became the Sole Member of HFHGB (Domestic Operations), formerly Southwark Habitat for Humanity on 30 June 2012. As Sole Member the charitable company acquired control of HFHGB (DO) as defined by the Charity Statement of Recommended Practice 2005 (SORP) paragraph 388.

On 30 June 2012 the following assets were acquired and have been consolidated within the financial statements of HFHGB with effect from 30 June 2012:

HFHGB (Domestic Operations)	Total
	£
Tangible fixed assets	674,074
Current assets	838,769
Current liabilities	<u>(47,428)</u>
Total funds	<u>1,465,415</u>
Represented by:	
Unrestricted funds	1,457,655
Restricted funds	<u>7,760</u>
	<u>1,465,415</u>

The results of HFHGB (Domestic Operations) have been consolidated in line with the requirements of the Charity SORP and in accordance with Financial Reporting 2 and the requirements of the Companies Act 2006.

**Habitat for Humanity Great Britain
Company Limited by Guarantee
Financial statements for the year ended 30 June 2012**

Management information

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 29 and 30.**

Charity Detailed Income and Expenditure Account

	Year to 30 June 2012		Year to 30 June 2011	
	£	£	£	£
Income				
Grants		738,891		845,683
Donations		1,554,671		1,141,177
International volunteering programmes		788,637		615,752
Other		86,376		122,312
		<u>3,168,575</u>		<u>2,724,924</u>
Office expenditure				
Postage	7,626		9,762	
Telephone and fax	10,451		11,335	
Stationery and publications	2,420		2,411	
Subscriptions	3,259		3,118	
Photocopying	8,029		10,766	
Fundraising and promotion	363,117		385,633	
Insurance	1,505		1,544	
Other	841		328	
Depreciation	17,186		16,368	
Accountancy	10,026		10,000	
Rent and rates	89,705		89,844	
Printing	280		547	
IT systems and maintenance	22,871		21,001	
Office cleaning and maintenance	6,661		8,015	
Legal and professional fees	4,609		5,223	
Letter of Credit fee	-		7,839	
Overdraft facility fee	1,000		7,500	
Bank charges & Interest	4,874		4,992	
		<u>(554,460)</u>		<u>(596,226)</u>
Travel				
Hotel	2,075		4,194	
Subsistence	2,072		1,346	
Train	8,024		6,405	
Car rental	3,585		3,797	
Car parking	474		493	
Taxi	731		900	
Mileage	2,701		1,844	
Air travel	4,071		6,855	
Entertainment	1,911		3,547	
Coach/bus	219		562	
		<u>(25,863)</u>		<u>(29,943)</u>
Personnel				
Employment costs including staff recruitment, staff training, staff welfare and consultancy		(687,282)		(699,652)
		<u>(687,282)</u>		<u>(699,652)</u>
Carried forward		<u>1,900,970</u>		<u>1,399,103</u>

This page does not form part of the statutory financial statements which are the subject of the independent auditors' report on pages 11 and 12.

Charity Detailed Income and Expenditure Account (continued)

	Year to 30 June 2012		Year to 30 June 2011	
	£	£	£	£
Brought forward		1,900,970		1,399,103
Other direct charitable expenditure				
Grants to IHFI projects (international and domestic)	1,606,917		1,512,591	
Grants returned	-		39,987	
Project expenses (international and domestic)	439,795		376,701	
		<u>(2,046,712)</u>		<u>(1,929,279)</u>
Other income and expenditure				
Loan interest	-		(7,116)	
Net (loss)/gain on foreign currency transactions	9,668		(6,159)	
		<u>9,668</u>		<u>(13,275)</u>
Surplus/(Deficit) for the year		<u>(136,074)</u>		<u>(543,451)</u>

