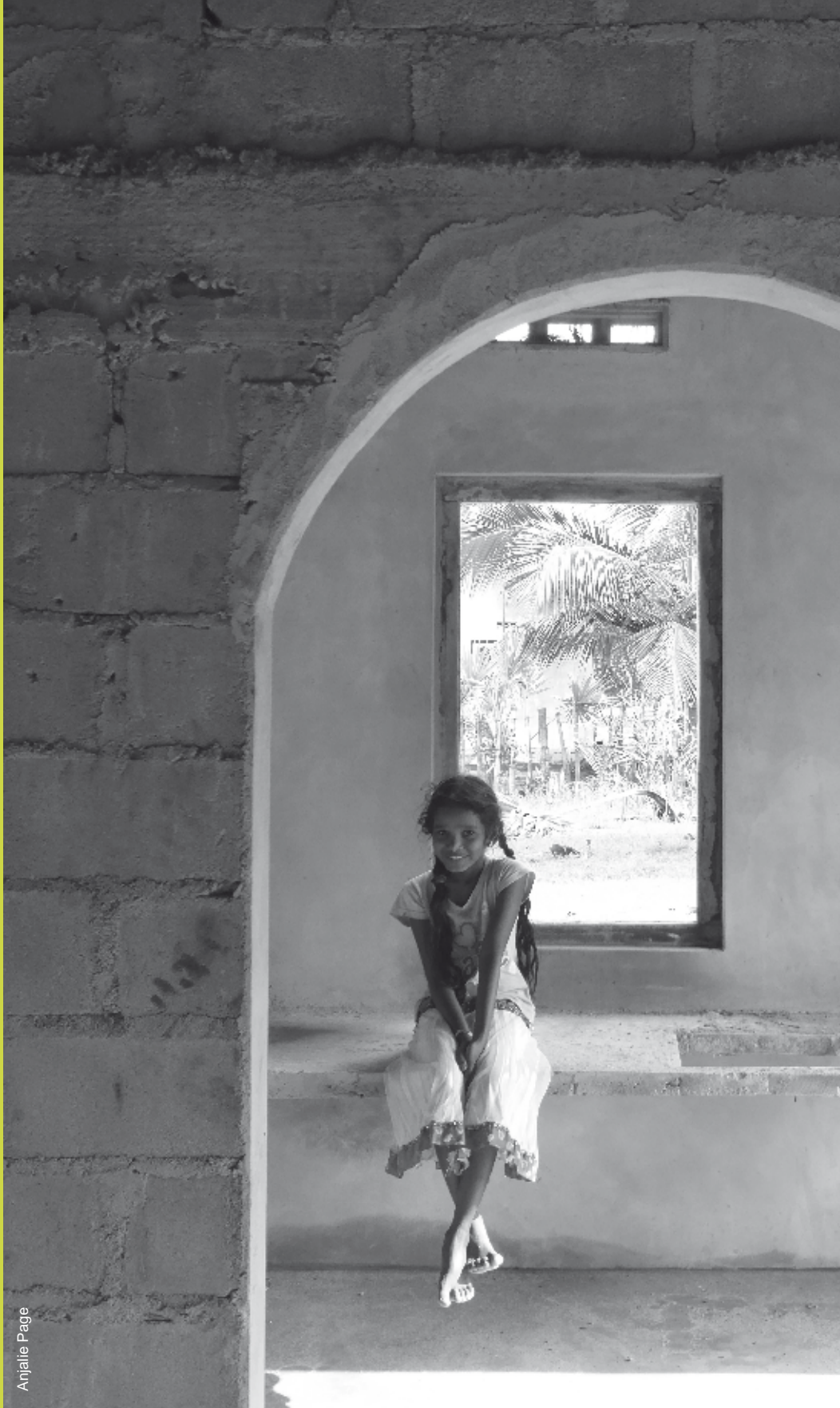


# every one

deserves to live  
in stability

ANNUAL REPORT 2015/16





Anjalle Page

Krishanthini sits in what will be the kitchen of her new home, constructed as part of the Indian Housing Project in Batticaloa, in the Eastern Province of Sri Lanka. Returning to their home town after spending many years enduring the difficulties of living in temporary shelter, Krishanthini and her parents are relieved to finally have a home to call their own, and enjoy the security and permanence it affords.

# In side



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Who we



Anjalee Page

**HABITAT FOR HUMANITY SRI LANKA** is a Voluntary Social Services Organization whose mission is to provide decent and affordable housing to people living in poor conditions. Families partnering with Habitat for Humanity Sri Lanka receive the helping hand they need to break the cycle of poverty and build a better life. Now in our 21<sup>st</sup> year, we have helped 23,142 families make their housing dreams a reality, thanks to generous support from our donors.

The organization is duly registered under the Voluntary Social Services Organizations (Registration and Supervision) Act No. 31 of 1980, bearing Registration Number FL-93516 and registered under the Companies Act No. 07 of 2007 as a Guarantee Limited Company, with Registration Number G A 393 (Old No. N (A) 411), with its registered office at No. 42/14 Ananda Coomaraswamy Mawatha, Colombo 3, Sri Lanka.

## Vision

A world where everyone has a decent place to live.

## Mission

Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

In 21 years  
Habitat for Humanity  
Sri Lanka has  
supported

**23,142**

families in making  
their housing dreams  
a reality



Anjalee Page

*Volunteers assisting families on World Habitat Day 2015.*

Through our work across the nation, we have seen firsthand that when we build shelter, we are also building **STRENGTH**, **STABILITY** and **SELF-RELIANCE**.

# Our Achievements

## 2015/16



**7,588**

Individuals supported



**4,469**

Volunteer hours contributed



**240**

GN divisions worked in



**1,897**

Families served



**104**  
million

Funds raised



## Statement from the President of the Board

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I am pleased to communicate with you through our 2015/16 Annual Report for the first time, since taking over as President of the Board of Directors of Habitat for Humanity Sri Lanka. My journey with Habitat for Humanity commenced in 2005 as a member of a volunteer team from Coca-Cola Beverages Sri Lanka Limited, responsible for post-tsunami construction efforts. It has been a privilege and a true honor to serve an organization devoted and committed to see a world where everyone has a decent place to live, by fundamentally putting God's love into action, and thereby providing hope and strength to communities not only across Sri Lanka but across many nations in the world.

It is tremendous that every four minutes, Habitat for Humanity helps a family in need of better housing somewhere in the world. Since its founding four decades ago in 1976, Habitat has helped over 6.8 million people achieve strength, stability and self-reliance through shelter. With a little help, we all have the potential to stand on our own. It is an incredible experience to help home-owners build or improve a place to live and see how they are then able to build a better life for themselves and their families.

Our previous year witnessed the organization complete its 20th year of operations in Sri Lanka, during which we have rehabilitated and empowered large sections of society by building homes and hope. Despite the fact that Sri Lanka has now moved up into the Middle Income category, many people are still living in semi-permanent and transitional shelter with no clean water, electricity or protection against the environment or other hazards, which is where Habitat for Humanity is making a substantial difference in shaping and transforming families and communities.

### Performance

The year under review was characterized by the continuation of the Indian Housing Project and the commencement of new projects funded by the European Union and the Jersey Overseas Aid Commission, which resulted in a busy period for the organization. The European Union funded project titled 'Homes not Houses: Building Sustainable Future Together' is being implemented in the North and East of Sri Lanka, in partnership with Habitat for Humanity EMEA and World Vision Lanka. With a financial envelope of €14.7 million, this is the first time in Habitat's history that such a large project has been won with the European Union. Being an implementing partner of Habitat for Humanity Great Britain for a Water & Sanitation project funded by the Jersey Overseas Aid Commission is another first for Habitat for Humanity Sri Lanka.

During the year, we achieved our mission to provide low-cost housing solutions and housing-related technical assistance. We were also able to mobilize funds to assist the survivors of the floods and landslides in May and are working with the Government to reconstruct houses that were destroyed during this time. Our home-owner driven approach has found much success as home partners take greater ownership of the home while feeling a sense of satisfaction and belief in their capabilities. One of the major changes in the



## “Habitat for Humanity along with its partners is committed to ending the cycle of poverty and lack of housing in Sri Lanka in our own inimitable way.”

---

organization during the year under review was the relocation to a new office in Colombo, which is now more centrally located.

### Governance

Good governance, uncompromising ethics, transparency and accountability are the defining qualities of the organization's operation and we will continue capacity building efforts for staff through focused and strategic training and development programs. We welcomed three new Directors on the Board this year and they bring with them valuable experience and leadership skills that will stand us in good stead. The Board of Directors met thrice, with three additional Executive Committee meetings.

### Future Prospects

Despite our over two decades of implementing ground-breaking and exhaustive projects in Sri Lanka, we have much more ground to cover before each and every citizen has access to adequate shelter and housing. Habitat for Humanity along with its partners is committed to ending the cycle of poverty and lack of housing in Sri Lanka in our own inimitable way. We also intend to rejuvenate our Global Volunteer programs in the future to highlight the organization's efforts, while mobilizing local and global communities to make a difference in Sri Lanka. We look forward to consolidating partnerships with institutional, corporate and private donors to work toward bridging the housing gap in the country.

### Acknowledgements

We would not be able to do what we do and make such an impact if not for our volunteers, donors, and institutional and corporate partners, who empower us in a myriad ways. I intend to take the legacy forged by the outgoing President Ramesh Schaffter forward, to the best of my ability,

supported by the inspiring and committed staff at Habitat for Humanity.

To the Board of Directors, who are all gracious volunteers, my sincere gratitude for your time, enthusiasm, support, expertise and precious experience that you all bring to the work of Habitat for Humanity Sri Lanka. I look forward to the valuable support from the Board of Directors to guide me in our common vision.

To the National Director and the staff of Habitat for Humanity Sri Lanka, thank you for your dedication, passion and commitment to help thousands of families achieve their dreams of owning a home. Your daily work impacts generations and contributes immensely to the breaking of the cycle of poverty. It is your contribution that lays the foundation for the future of thousands of families across our great nation. Thank you very much!

My sincere thanks goes out to Habitat for Humanity's Asia-Pacific regional office as well, for all their untiring efforts and support rendered in the past year. We are also blessed with wonderful and committed brand ambassadors, volunteers and donors. All your efforts have resulted in tremendous value to deserving families and communities.

It has been an exciting year and we have overcome all challenges together and I pray that the coming year will be full of greatness and through our work, families' dreams of having a home to call their own will be realized and thus lead to sustainable change in communities.

The challenges of combating poverty housing are complex but by working together and with God's grace and favor we will accomplish all that we set out to and be the catalyst of transformation in the housing sector of Sri Lanka.

God bless,

**Lakshan Madurasinghe**

President of the Board  
Habitat for Humanity Sri Lanka



## National Director's Review

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**“..working with these families and supporting them to fulfil their aspirations inspires us and fuels our passion for what we do.”**

---

Working with communities in Sri Lanka for over two decades has given us at Habitat for Humanity Sri Lanka the opportunity to build strength, stability and self-reliance through shelter. At the conclusion of another challenging year, it gives me great pleasure to reflect on the 1,897 families that we have served over the last twelve months – working with these families and supporting them to fulfil their aspirations inspires us and fuels our passion for what we do.

### Organization Performance

I am proud to state that our pursuit of driving greater value-addition for our stakeholders resulted in Habitat for Humanity Sri Lanka being selected as the implementing agency for the € 14.7 Million project funded by the European Union (EU), to build houses and improve community infrastructure for internally displaced people and returnees in selected divisions of the Killinochchi, Mullaitivu and Batticaloa districts. Our partner implementing agency on this three-year project is World Vision Lanka. Titled ‘Homes not Houses: Building Sustainable Future Together’, the project is a milestone for us and strengthens our ability to offer dignity of life to the economically under-privileged sections of society.

The completion of the Indian Housing Project in the East was another milestone achieved by Habitat for Humanity during the year, as one of the implementing agencies of the Indian Housing Project. We have also been selected as an implementing partner of the Indian Housing Project in the estate sector, with construction due to begin in the next fiscal year. These large-scale projects reflect the reputation and credibility of Habitat for Humanity that we work hard to protect and promote.

As a non-profit entity that does not receive funding from its parent organization, Habitat for Humanity Sri Lanka views the sourcing of funds as a key function of our operations. And we believe these large-scale projects can spur more resources towards our work in the country.

Support from the corporate sector enables us to reach more families and I am very appreciative of our corporate partners, who have continued to partner with us in our vision of a nation where everyone has a place to live.

Responding to the impact of Cyclone Roanu, which devastated many lives in Sri Lanka, was another key focus for Habitat for Humanity Sri Lanka's efforts to reconstruct homes and help rebuild lives, and is still an ongoing initiative. The support of the government, community, donors and corporate and international partners has been outstanding, as we work together to help affected communities build strength and stability.

The internal theme for the 2015/16 financial year was, 'Think Differently and Make a Difference', and the people at the heart of Habitat of Humanity's achievements - our employees - worked hard through the period to help deliver a successful year for the organization. This year, several focused training and development programs were conducted to empower staff to succeed in its mission to serve more communities across Sri Lanka.

### Future Outlook

During the next year, we will continue work on our many projects and also enhance our fundraising efforts. Habitat for Humanity Sri Lanka is also considering the possibility of becoming a facilitator in the microfinance arena, amongst other plans to gain greater visibility. We believe it is time we enhanced brand equity further in order to attract donor funding to give wings to our vision.

### Appreciation

I take this opportunity to thank the Board of Directors and to the Habitat for Humanity's Asia-Pacific Regional Office for their support and encouragement. We are also so grateful to our corporate and institutional partners for sharing our vision to build and empower sections of society, and partnering with us in our mission. Our brand ambassadors, volunteers and donors have been agents of positive change, without whom none of our achievements would have been possible. Last but not least, the staff of Habitat for Humanity Sri Lanka has worked tirelessly through the year and I commend them for their commitment. It has been a challenging year, but our performance has been strong during the period under review and we plan to build on our successes going ahead.

In partnership,

**Dr. Dinesh Kanagaratnam**

National Director

Habitat for Humanity Sri Lanka

# Board of Directors



## Mr. Lakshan Madurasinghe

President

*Manager, Public Affairs, Communication, Corporate Sustainability and Crisis Resolution, Coca-Cola Beverages Sri Lanka Limited*

Mr. Lakshan Madurasinghe is a Public Relations, Communication, Corporate Responsibility and International Development focused professional with an academic background in Management, Diplomacy and International Relations, Human Resource Management, Psychology and Economics. He has ten years of experience in the non-profit sector and is presently engaged with Coca-Cola Beverages Sri Lanka Limited. He has had a decade-long relationship with Habitat for Humanity Sri Lanka including leadership roles and served as President from September 2015.



## Ms. Amila de Mel

Vice President

*Chartered Architect*

Ms. Amila de Mel is a Chartered Architect with a special interest in low cost and sustainable architecture. She manages her private architectural practice and has previously worked in the Studio of Mr. Geoffrey Bawa and Mr. C. Anjalendran. She is a Chartered Architect and has served Habitat for Humanity Sri Lanka since 2006, and was appointed as Vice-President of the Board of Directors in 2014.



## Ms. Sarita de Fonseka

Secretary

*Attorney-at-Law*

Ms. Sarita de Fonseka is an Attorney-at-Law and joined the Board in 2010. She currently serves as the Secretary.



## Mr. Christopher M. Anthonisz

Treasurer

*Consultant – Finance*

Mr. Michael Anthonisz was previously Vice-President and Head of Internal Audit at John Keells Holdings. A renowned artist and painter, he is also a key figure in Sri Lanka's swimming arena. He joined the Board of Habitat for Humanity Sri Lanka in 2014.



### **Maj. Gen. Lohan Goonewardene**

**Member**

*Managing Director – Smarased Property Holdings (Pvt.) Ltd.*

Major General Lohan Goonewardene RSP VSV USP serves as the Head of Administration at F J & G de Saram (Attorneys-at-Law) and is Chairman of the Board of Trustees of the Unity Mission Trust. Serving in the Army for 35 years, he held various senior appointments and retired in 2003 as Chief of Staff. He joined the Board of Directors of Habitat for Humanity Sri Lanka in 2010, and served as Secretary from 2011 to 2014.



### **Mr. Rohan T. Fernando**

**Member**

*Executive Director – CEAT – Kelani Group Companies*

Mr. Rohan Fernando currently serves as the Managing Director of Kelani Tyres PLC and Silverstock Holdings Group of Companies and is also the Executive Director at CEAT Sri Lanka Group of Companies. He joined the Board of Directors of Habitat for Humanity Sri Lanka in 2011, serving as the Treasurer from 2012 to 2015.



### **Mr. Rathika de Silva**

**Member**

*Consultant*

Mr. Rathika de Silva is the Country Head of DNV GL Sri Lanka and a Director of the United Nations Global Compact Network, Sri Lanka. He has over 20 years of experience in senior management and last served as the Vice-President for Sustainable Development at Holcim Lanka Ltd. He has served on the Board of Habitat for Humanity Sri Lanka since 2010.



### **Dr. Ravi Fernando**

**Member**

*Chairman/CEO, Global Strategic Corporate Sustainability (Pvt) Ltd.*

Dr. Ravi Fernando has been in academia at the INSEAD Advanced Management Program, INSEAD Business School and INSEAD Social Innovation Centre in France. He has also served as visiting faculty member at the Deusto Business School, Universtat of Pompeu Fabra, Spain; University of Colombo (MBA); and at the Malaysian Blue Ocean Strategy Institute. He was the United Nations Global Compact focal point for Sri Lanka 2003-2010. His career spans multinationals Unilever, Sterling Health International, Smithkline Beecham International and Reckitt Benckiser covering Africa, Middle East and Asia in CEO/Marketing Management positions. He joined the Board of Habitat for Humanity Sri Lanka in 2016.

## Board of Directors



### Mr. Revanke de Silva

Member

*Director – Operations - Heritage Teas (Pvt) Ltd.,*

Mr. Revanke de Silva is the Director of Operations at Heritage Teas (Pvt) Limited and has served on the Board of Habitat for Humanity Sri Lanka since 2012.



### Mr. Eardley Perera

Member

*Director – Dunamis Capital PLC*

Mr. Eardley Perera is currently serving as a Director of a number of companies including First Capital PLC, United Motors PLC, Dunamis Capital PLC, Janashakthi Insurance PLC and Keells Food Products PLC. He has served on the Board of Habitat for Humanity Sri Lanka since 2013.



### Pastor Neroshan Perera

Member

*Executive Pastor for the People's Church – Assembly of God (PCAG)*

Pastor Neroshan Perera serves as a Pastor for the People's Church – Assembly of God (PCAG) both as Executive Pastor from -2015 and Relief Coordinator, leading relief efforts to those affected by the civil war. He has been a Mission Pastor and a Regional Pastor where he pioneered relief efforts in areas severely affected by the 2002 drought and has also served as a Church Planter in Uganda. He currently holds Board Member positions at People's Church Assembly of God, Global Impact, Sama Link, Prison Fellowship and The Sportsman in Action (SIA) – Chaplain. He joined the Board of Habitat for Humanity Sri Lanka in 2016.



### Professor Priyan Dias

Member

*Dept. of Civil Engineering - University of Moratuwa*

Professor Priyan Dias is a Civil Engineering Professor at the University of Moratuwa and a Fellow of the National Academy of Sciences in Sri Lanka. An Associate Editor of the International Journal of Civil Engineering and Environmental Systems, he has held Commonwealth and Fulbright Research Fellowships at the universities of Bristol (1992/93) and Carnegie Mellon (2000/01). He joined the Board of Habitat for Humanity Sri Lanka in 2014.



### Mr. Rajith Stephan Fernando

Member

*Manager – Media and Communications, Sri Lankan Cricket Board*

Mr. Rajith Fernando currently serves as the Manager of Media and Communications at the Sri Lankan Cricket Board. He joined the Board of Habitat for Humanity Sri Lanka in 2014.



### Mr. Ernesto Castro

Member

*Director, Regional Programs for Asia-Pacific, Habitat for Humanity International, Asia-Pacific Region*

Mr. Ernesto Castro is the Director for Regional Programs for Asia-Pacific at Habitat for Humanity International. He has more than 15 years of experience with Habitat for Humanity including working in roles in disaster response in Latin America, serving as the Project Director 2005-06 for the Tsunami Response in Thailand, and project managing the Jimmy and Rosalyn Carter Work Project 2004 and 2006 in Mexico and India, respectively. He joined the Board of Directors of Habitat for Humanity Sri Lanka in 2012.



### Ms. Almudena Bartayrés Arcas

Member

Ms. Almudena Bartayrés Arcas currently functions as the Associate Director of Regional Programs in the Asia-Pacific office of Habitat for Humanity International. Her previous experience includes roles within Action Against Hunger, The Spanish Institute of Foreign Trade at Senegal supporting five countries in West Africa and at various savings banks in Spain. She joined the Board of Habitat for Humanity Sri Lanka in 2015.



### Ms. Manjula Mathews

Member

Ms. Manjula Mathews is Executive Chairman at First Capital Holdings PLC and Kelsey Developments PLC, Chairman and Managing Director at Dunamis Capital PLC, Managing Director at First Capital Ltd. (Sri Lanka) and Non Executive Director at Janashakthi Insurance. She has over two decades of experience in finance, marketing and general management. She joined the Board of Directors of Habitat for Humanity in 2015.

# Management Team



**Dr. Dinesh Kanagaratnam**

National Director

Dr. Dinesh Kanagaratnam joined Habitat for Humanity Sri Lanka in 2013. He previously held the post of Chief Operations Officer at Vision Fund Lanka. With over 23 years of management experience, Dr. Kanagaratnam is on the visiting lecturing panel of microfinance programs at the Institute of Bankers Sri Lanka and the Sri Lanka Institute of Credit Management. He is also a Director of ECLOF Lanka Guarantee Limited. He holds a PhD in Risk Management in Microfinance from the University of Honolulu.



**Edward Fernando**

Senior Manager, Programs

Edward Fernando has served at Habitat for Humanity Sri Lanka for 10 years. A member of the Board of Directors of the Kurunagela affiliate of Habitat for Humanity since its inception, he went on to become the International Partner for Nepal and Bangladesh at the Asia-Pacific Regional office and also served as the Training Coordinator for Asia-Pacific. He has also served as the National Director of Habitat for Humanity Bangladesh. Previously employed at Caritas Sri Lanka, he holds a Diploma in Community Development from the Coady National Institute, Canada.



**Clerence Gunarajah**

Senior Manager, Finance

Clerence Gunarajah has over 30 years experience in the finance sector. He joined Habitat for Humanity Sri Lanka in 2005 and has served in management and senior management positions within the organization. Previously, he was employed with Brandix Intimate Apparel Ltd. and St. Anthony's Group of Companies. He holds a qualification in AAT (UK) and part qualification in CIMA (UK). He also holds a NIBM Diploma in Business Management.





### Anjalie Page

Senior Manager, Strategic Partnerships

Anjalie Page joined Habitat for Humanity Sri Lanka in March 2015. She holds a BSc (Hons) in Psychology and a MSc in Economics, Finance and Management. Prior to joining Habitat for Humanity Sri Lanka, she worked at Ernst & Young LLP, United Kingdom.



### Joseph Jeyamaran

Senior Project Manager

Joseph Jeyamaran joined Habitat for Humanity Sri Lanka as Senior Project Manager in January 2016. He counts over 17 years' professional work experience in planning, implementing and managing development, rehabilitation and emergency/relief related programs. Prior to this, he has worked at ICRC, UN-Habitat, UNICEF, UNOPS and GTZ. He holds a Master in Business Administration (MBA, Merit pass) from the University of Colombo, Sri Lanka, and B.Sc. in Civil Engineering (Hons) from the University of Peradeniya.

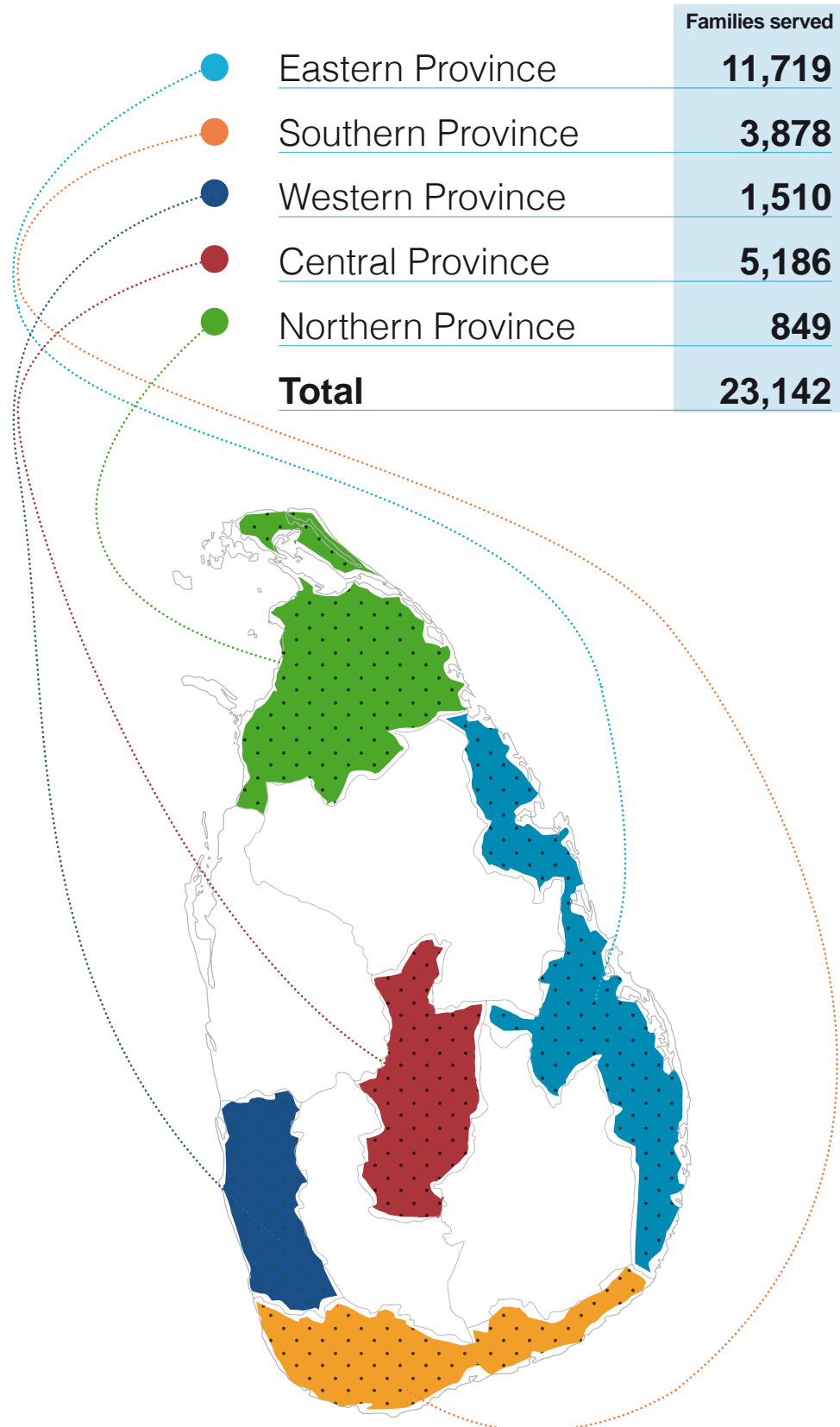


### Deepika Seneweera

Manager, Human Resources and Support Services

Deepika Seneweera joined Habitat for Humanity Sri Lanka in March 2016. With 14 years of experience in human resources and administration, she has worked for a number of different commercial organizations and NGOs. She holds a Post-Graduate Diploma in Labour Law and Human Resources Management from the University of Colombo and an Advanced National Diploma in Human Resource Management from the National Institute of Business Management (NIBM).

# Country Footprint





Nimal Chanthirathilaka



Nimal Chanthirathilaka

Completed Habitat houses

**Building**

**Homes  
Communities  
Hopes**





# Project Review



## Project Review



Left to Right : Dr. D. Kanagaratnam, Ms. N. R. Ranjani (Secretary, Ministry of Hill Country New Villages, Infrastructure and Community Development), Mr. Arindam Bagchi (Deputy High Commissioner of India to Sri Lanka, High Commission of India), Mr. Chandru Appar (Second Secretary, Development Cooperation, High Commission of India)

This Project is funded by:



### Indian Housing Project

Habitat for Humanity Sri Lanka has successfully completed the construction of 3,700 houses in Trincomallee and Batticaloa as part of the Indian Housing Project. Once again, our home-owner driven construction model witnessed a fulfilling partnership between the organization and the home-owners.

We have recently signed a Memorandum of Understanding with the Government of India to act as an implementing partner of the Indian Housing Project in the Estate Sector.



EYERIS Creations



Anjalle Page

## Case Study

One of the beneficiaries of the Indian Housing Project assisted by Habitat for Humanity Sri Lanka, K. Rathini and her family were able to pick up the pieces of their fragmented lives after moving into their newly completed home in Kaddaiparichan South, Trincomalee.

Losing her father a year after she was born, Rathini and her brother Keertheeswaran were raised by their widowed mother, Vijayalakshmi. Forced to flee during the conflict without any personal belongings, they lived in various temporary shelters for over a decade. Finally returning to their hometown, Rathini, who faced the daunting prospect of being the sole breadwinner, was selected as a beneficiary for the Indian Housing Project.

Construction of her house began in early 2015 with the house being completed in October of the same year. Motivated by having their dream of a permanent home realised, Rathini and her mother participated enthusiastically in the home-owner driven project, taking a keen interest in the design and construction of their home with the guidance of the implementing agency.

Reassured by a stable home, Rathini turned her focus to building her fledgling business, a small shop at the front of her home, using the profits she earned to add more details to the house. Of all the rooms of the 550 square foot home, mother and daughter now take the most pride in their kitchen, which is adorned with decorative wall tiles, purchased with her earnings.

***“We are now independent”, says Rathini, “I love having my house and being able to keep my mother and brother safe and happy.”***

## Project Review



Christian Sujith



Christian Sujith



Christian Sujith

Focus group discussions and community meetings in the North and East.



This Project is funded by:



## Homes not Houses: Building a Sustainable Future Together

The project 'Homes not Houses: Building a Sustainable Future Together' aims to bridge the gap between relief, rehabilitation and development for resilient and secure communities in the North and East. Funded by the European Union, the project commenced on 15th January 2016 and will run for 36 months.

**Regarding the project, Mr. Greg Foster, Area Vice President for Habitat for Humanity Europe, Middle East and Africa (EMEA) said, "In Habitat for Humanity, we believe that housing is not a product but a process. It is not enough to build houses, we need to turn them into homes and empower homeowners to transition from poverty and dependency to independence and self-sufficiency. This is exactly what we have suggested to do for the war affected communities in Sri Lanka."**

With a financial envelope of € 14.7 million, thousands of people are expected to benefit from the support provided by the EU to build houses and improve community infrastructure for internally displaced people and returnees. The activities will be implemented in select divisions of the Killinochchi, Mullaitivu and Batticaloa districts.

As part of this project, incremental houses will be constructed for families under the accompanied home-owner driven approach. This approach encourages home-owners to take ownership of their homes, with extensive orientation and training given on technical aspects and house lifecycle management. The participatory method of decision-making within this approach helps home-owners to develop their skills and self-reliance.



Left to right: Ms. Libuše Soukupová (Head of Development Cooperation, Delegation of the European Union to Sri Lanka & the Maldives), Mr. V. Sivagnanasothy (Secretary, Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs), H.E. Mr. David Daly (Ambassador and Head of Delegation, Delegation of the European Union to Sri Lanka & the Maldives), Mr. Greg Foster (Area Vice President, Habitat for Humanity EMEA) and Dr. Dinesh Kanagaratnam (National Director, Habitat for Humanity Sri Lanka)

To ensure the development of integrated and sustainable communities, that are empowered to make informed decisions regarding their future, flanking measures will be provided by World Vision Lanka as part of this project.

Some of the more focused initiatives are training in construction and alternative building materials and methods and support of construction entrepreneurs or micro, small and medium enterprises to create sustainable livelihood and supply chain solutions. Furthermore, financial literacy and small livelihood loans will be provided and beneficiaries encouraged to join Savings Clubs. Community-based organizations will also be strengthened in planning, training, leadership development and peace building.

The contract signing ceremony was held on 7th December 2015, with H.E. Mr. David Daly (Ambassador and Head of Delegation, Delegation of the European Union to Sri Lanka & the Maldives) and Mr. Greg Foster (Area Vice President of Habitat for Humanity EMEA) being the signatories.

## Project Review

### Kalutara Housing Project

Habitat for Humanity Sri Lanka completed construction of a 120 square-foot permanent room for each of 13 families living in Bolwaechchcadeniyalanda, Kalutara, with the support of donors. The beneficiary families had been living in temporary wooden structures with limited protection from adverse weather and intruders. Using the home-owner-driven approach, Habitat Sri Lanka built a concrete extension for each of these homes, which could be used as a bedroom or kitchen. Each family contributed materials and unskilled labour towards the construction of their new home. Completed in time for the December holidays, these home-owners were pleased to have a safe and permanent room to celebrate the season. In addition to construction support, each family also received jak and teak plants for their home gardens. Animal clinics were also held for the wider community, where dogs were vaccinated and the community was educated about the proper care of animals. Brand Ambassador of Habitat for Humanity Sri Lanka, Ms. Otara Gunewardene, officially handed over the houses to the home-owners.



Families stand with Ms. Otara Gunewardene at the handing over and house dedication ceremony



Ms.Otara Gunewardene helps young Charini plant a teak plant.

Anjalie Page



Muriel laughs at a community meeting

Anjalie Page

## Case Study

Muriel Perara lives with her two daughters Indrani and Irangi. With her two daughters unmarried and currently unable to find stable work, the only steady source of income for all three ladies is Muriel's late husband's monthly pension.

Privacy and security are of utmost importance to these three women. Fear and uneasiness were a constant concern for this family, that did not feel safe in their own home.

Muriel and her daughters were excited and relieved to finally have a stable and secure room that promises them the privacy that they desire. This is only the beginning, as the ladies will incrementally expand their house. Indrani and Irangi are also glad that their aging mother will have a place that keeps her safe from the adverse weather conditions, leading to fewer health problems.

"We are so happy that we now have a place that when we lock the door, we feel completely safe. We also finally have privacy. We are no longer afraid, since other people cannot see into our rooms," Indrani says happily.



Indrani and Irangi stand at the door of the lockable room constructed with Habitat Sri Lanka

Anjalie Page

## Project Review



Anithra Varita

Homeowners attend the house dedication and handover ceremony in Mannar. Habitat for Humanity Sri Lanka's staff donated clothes and household items to the families.



Anithra Varita

Mr. Srikanthakumar (Divisional Secretary for Manthai West) lights the traditional oil lamp, joined by Dr. Dinesh Kanagaratnam (National Director, Habitat for Humanity Sri Lanka)



Anjalee Page

Mrs. Niyaz and her daughter Fathima smile at the door of their new home

This Project is funded by:



## Kabbalah Centre for Charitable Causes

Habitat for Humanity Sri Lanka marked the completion of the housing project for internally displaced families in Sannar, Mannar, with a house dedication ceremony in February 2016. This project was funded by the Kabbalah Centre for Charitable Causes and implemented by Habitat for Humanity Sri Lanka. Incremental houses were constructed for 100 families who previously lived in temporary, makeshift huts. The house dedication ceremony was attended by the Divisional Secretary of Manthai West, Mr. Srikanthakumar, who was the Chief Guest at the event, and the National Director and staff of Habitat for Humanity Sri Lanka.



Rasina stands proudly in her new home with her sewing machine

## Case Study

Internally displaced due to the conflict, Rasina, her husband and two young children returned to their village in Sannar, Mannar, after years of living among the internally displaced population. Compelled to share their hovel with Rasina's mother and brother, the family had little space to maneuver in the small confines of the shack which provided scant privacy and poor protection from inclement weather. It was not uncommon to have snakes and scorpions crawl into their temporary shelter. These dismal conditions left Rasina in constant fear that her children would be bitten or would fall ill due to flooding during the monsoon season.

Today, Rasina stands tall in her permanent home built in partnership with Habitat for Humanity, which would not have been possible with her husband's earnings as a daily wage labourer. Always resourceful in adversity, with the donation of a sewing machine from a donor, Rasina has been able to start earning an income as a seamstress to supplement her husband's income. She is overjoyed to have been selected as a beneficiary as she feels her life has been transformed and she sees promise for the future. Her two children, Vidhushan and Kamsiga, sleep peacefully in their new home without fear of snakes, scorpions or inclement weather conditions.

A home like this would have remained a pipedream for poor people like us," says Rasina, "but thanks to Habitat for Humanity, we not only have such a lovely home now, but we have become more hopeful about the future."



The remains of the shack that Rasina and her family called home

# Project Review

This Project is funded by:



## Water and Sanitation Project

Habitat for Humanity Great Britain is partnering with Habitat for Humanity Sri Lanka on a project funded by the Jersey Overseas Aid Commission (JOAC), wherein JOAC funds will provide clean water and sanitation facilities to families in two neighbouring villages in the mountainous region of Matale, Sri Lanka.

The project will impact at least 1,000 vulnerable, low-income individuals living in villages in Navarathnegoda and Bandarapola by providing access to clean water for 660 individuals and access to adequate sanitation facilities for 82 families in two schools. Water, sanitation and hygiene training will also be provided to the communities.

Orientation meetings were held in each area, attended by representatives from each family as well as community leaders. In these meetings, the communities highlighted their challenges and required key areas of focus.



Due to limited access to water, residents of the villages have to trek long distances to collect clean water

Anjalle Page



Mr. E. Fernando (Senior Manager, Programs) speaks to beneficiaries at a community meeting

Anjalle Page

Anjalle Page



*The path to the closest well is rife with hazards. It is reached through narrow and steep terrain and residents have suffered numerous snake and wild boar attacks along the trail. Unable to transport enough water on one trip, this journey is required to be made multiple times every day. Water collection is primarily the responsibility of women, the elderly or children – many of whom have suffered from snake bites and broken bones in the process.*

# Corporate Support

The support of our corporate partners has helped Habitat for Humanity Sri Lanka fund key projects while establishing strong relationships with enabling partners for mutual benefit. These projects have touched many lives and had a positive impact in uplifting communities, while improving communal facilities. Together with our corporate partners, we have been able to rekindle hope amongst many families by providing the stability and safety of a home, as well as providing assistance in areas such as water, sanitation and hygiene, livelihoods, financial literacy training and disaster risk reduction.



*The company name has now changed to 'Siam City Cement (Lanka) Limited'.*





## New Corporate Partnerships

### Corporate Partnership with Tokyo Cement

Habitat for Humanity Sri Lanka forged a corporate partnership with Tokyo Cement this year. As a result of this partnership, Tokyo Cement will provide Habitat for Humanity Sri Lanka's home-owner families with discounted cement and the opportunity to participate in specially designed residential training courses at the AYS Gnanam Construction Training Academy.

*“Habitat for Humanity is an organisation with a proven track record and passionate team dedicated to sheltering those that need it the most. We admire their diligent process of identifying those that have the greatest requirement for housing. Further, the manner in which Habitat directly engages the beneficiaries throughout the design, procurement, and construction process is what gives these future homeowners a greater sense of ownership of their new homes.*”

*Tokyo Cement is proud to collaborate with Habitat through the provision of technical assistance and subsidized materials in an effort to build homes that last. We are humbled to call Habitat for Humanity our partner in nation building.” - Tokyo Cement, Corporate Partner*

### Partnership with Retail Genius

Retail Genius, an online shopping portal in Sri Lanka, donated Rs.150/- to Habitat for Humanity Sri Lanka for every transaction completed on their website, for a period of four months.

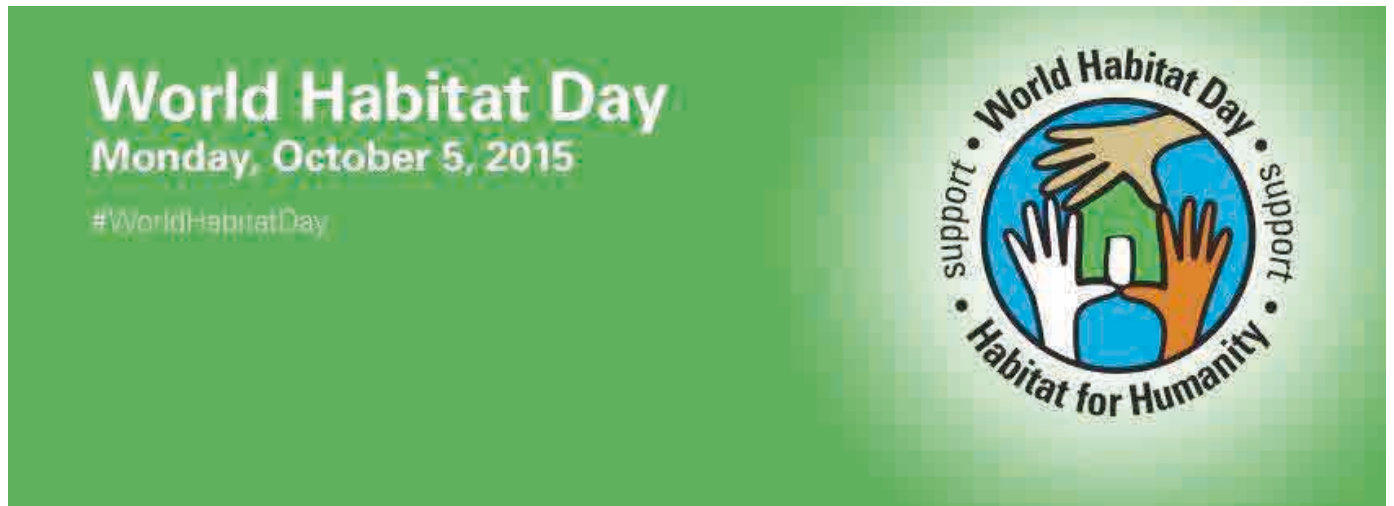


Top (Left to Right) : Dr. D. Kanagaratnam, Mr. R. Schaffter (former President, Habitat Sri Lanka) and Mr. S. R. Gnanam (Managing Director, Tokyo Cement)

Left : Mr. S. R. Gnanam and Mr. R. Schaffter sign the partnership agreement



Left to Right: Dr. D. Kanagaratnam, Mr. R. Schaffter (former President, Habitat Sri Lanka) with Mr. Abishek Sithampalam (Co-founder and CEO, Retail Genius)



## Art Workshop & Exhibition

Habitat for Humanity Sri Lanka organized an Art Workshop and Exhibition at the Lionel Wendt Gallery to raise awareness on the challenges of poverty housing amongst the youth of Sri Lanka, in commemoration of World Habitat Day.

The Art Workshop, which was held on 5th October 2015, gathered 90 students to express the challenges of poverty housing through their art. Teachers from the Shyamala School of Art facilitated the workshop. The young artists displayed their talents under the guidance of the teachers, resulting in a collection of brightly coloured artwork using a variety of materials.

The students' artworks were displayed at the exhibition on 6th October 2015. H.E Mr. James Dauris, British High Commissioner for Sri Lanka; Artist and Board Member of Habitat for Humanity, Michael Anthonisz; popular media personality Danu Innasithamby; and journalist and author Ilika Karunaratne were amongst the invitees that graced the occasion.



H.E. Mr. James Dauris (British High Commissioner for Sri Lanka)



Participants at the workshop



Participants at the workshop

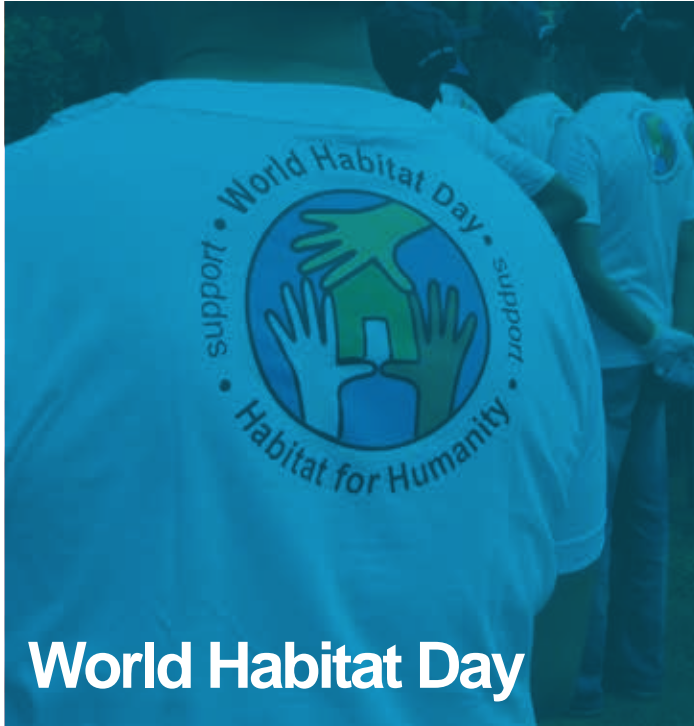


Christopher Schokman



Ms. Shyamala Pinto Jayawardena  
(Principal, Shyamala School of Art) facilitates the workshop

Anjalee Page



## World Habitat Day

The UN-designated World Habitat Day provides the inspiration to remind us all of our collective responsibility for the future of the human habitat. Every year, we mark the special day with impactful projects that provide a new beginning for many.

### Corporate Build

Habitat for Humanity Sri Lanka also commemorated World Habitat Day by hosting the Corporate Build 2015. This was the first event of its nature organized by Habitat for Humanity Sri Lanka, and gathered members of the senior management teams of several organizations to volunteer on a one-day guided construction event. The Build provided an opportunity for socially responsible organizations to give back to the community.

The Corporate Build collaborated with leading corporate organizations to help change the lives of 13 families. World Habitat Day 2015 proved successful as a result of BASF,



Left to right: Mr. Panduka Weerasinghe (Managing Director, BASF), Mrs. Arunthathy Edwardpulle (Head of HR and Corporate Communication, BASF), Dr. D. Kanagaratnam (National Director, Habitat Sri Lanka) and Mr. Lakshan Madurasinghe (President, Habitat Sri Lanka) volunteered alongside home-owner Nadeesha Fernando and her extended family



Chief Guest Ms. Otara Gunewardene hands over the foundation stones to home-owners



Volunteers work on site

Anjalle Page



Anjalle Page

Millennium IT, Finlays and Lafarge Holcim coming forward to volunteer with Habitat for Humanity Sri Lanka on a construction site in Kalutara.

These corporate volunteers worked alongside homeowners to dig and lay the foundations. The corporate partners with Habitat's Corporate Build program not only engaged their employees in team building activities, but also provided them with an opportunity to give back to the community by volunteering and donating to provide homes for the underprivileged.

The support of these organizations has played a valuable role in enhancing the lives of home-partner families, who previously lived in wooden, semi-permanent housing.

Otara Gunewardene, Habitat for Humanity Sri Lanka's Brand Ambassador, and the main donor on this project was Chief Guest at the event.



## International Women's Day

Conceptualizing a unique way to mark International Women's Day, Habitat for Humanity Sri Lanka launched the #BuildHerUp campaign, with the aim of raising funds to provide vulnerable women and girls with access to permanent shelter and hygienic and private sanitation facilities. On average, females are disproportionately impacted by inadequate housing and unhygienic sanitation facilities. Through the online Facebook campaign, led by Habitat for Humanity Sri Lanka's Brand Ambassador, people were asked to upload a video of themselves 'building up' or showing appreciation for five inspiring women in their lives, tagging them in the video and encouraging them to upload a similar video. Participants were invited to donate toward the campaign via the website.

This innovative campaign succeeded in raising a total of Rs. 508,000/- which is being utilized to 'build up' a young mother living in semi-permanent shelter with her two year old son. The death of her husband almost two years earlier had left her facing an uncertain future, but as a result of this campaign by Habitat for Humanity, she has now been empowered with the stability of a home and can focus her energy on bringing up her child, and planning for their future.



Mr. Yohan Galapitage hands over the donation raised to Dr. D. Kanagaratnam



## Valentine's Day

The English Cake Co. celebrated Valentine's Day by pledging 50% of its proceeds from sale of its chocolate cakes to be donated to Habitat for Humanity during the period 5th to 14th February 2016. After the close of the campaign period, the popular bakery donated funds to be used in house construction.



Anjali Page

## Melomaniac Sessions

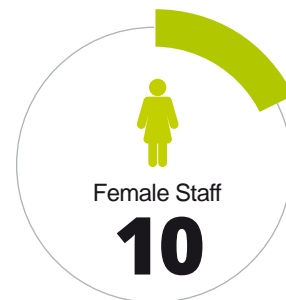
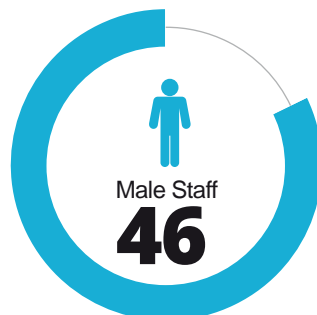
Habitat for Humanity was part of the Melomaniac sessions as part of their 4th anniversary celebrations. During the awareness raising event, the Melomaniac team performed songs that highlighted the importance of a home.



Clicks by Tuan

## Habitat for Humanity Staff

Habitat for Humanity Sri Lanka has a team of dedicated and passionate staff whose hard work is inspired by the knowledge that their actions have a direct and lasting positive impact on communities across Sri Lanka. It is their commitment and tireless effort, in collaboration with our partners, that allows us fulfil our objective to fuel the world around us with hope.







Staff at the annual outbound training program



**23** National Office



**22** Eastern Province



**07** Northern Province



**04** Central Province

# Annual Report of the Directors for the year ended 30th June 2016

The Directors present herewith the audited Financial Statements for the year ended 30th June 2016. The Board of Directors is responsible for preparing and presenting the Financial Statements set out therein in accordance with the Sri Lanka Accounting Standards.

## Principal Activities

The principal activities of the company were:

To touch the lives of people by demonstrating the love of God in obedience to the Great Commandment and in the Spirit of Unity based on ecumenical principles. Provide a way for sharing between the affluent and those in need.

To take steps to improve the economic and social conditions of the people by the construction of simple, decent and affordable houses in partnership with those in great need without favoritism or discrimination of race or religion.

To assist the poor and underprivileged by means of Loans and Technical Expertise to repair extend and build houses at no profit, and to use the repayments obtained on such houses to achieve similar objectives.

## Financial Results

The extract from the profit and loss account is appended below.

	2015/2016	2014/2015
	Rs.	Rs.
Income	82,377,593	149,497,249
Excess of Income over Expenditure	(24,766,939)	46,593,417
Provision for Tax	(1,968,231)	(2,545,624)
Excess of Income over Expenditure after Tax	(26,735,170)	44,047,793

The Company changed its accounting framework from SLFRS for SME to recommendations made in Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (SORP for NPOs) issued by the Institute of Chartered Accountants in Sri Lanka effective 1 July 2015

## Property, Plant and Equipment

The movements in property, plant and equipment during each year are set out in Note 12 to the Financial Statement

## Investments

Association has invested its excess funds in Fixed Deposits which stood at Rs 44,339,878/- as at 30th June 2016.

## Donations

Association has made donation for Lanka Prison Fellowship, Rs.128,000.00 during the accounting period.

## Auditors' Report

The Report of the Auditors on the Financial Statements is included on the Annual Report.

## Remuneration of Committee of Management

No remuneration has been paid to the Committee members during the year under review.

## Committee of Management Interest in Contracts and Proposed Contracts with the Association

The Committee of Management does not have interest in contracts and proposed contracts with the Association.

## Statutory Payments

To the best of their knowledge and belief, the Committee of Management is satisfied that all statutory payments in relation to the Government and to the Employees have been settled to date or provided for in the books of the company.

## Events after Balance Sheet Date

The materiality of events after the balance sheet was considered and where necessary, appropriate adjustments or disclosures have been made.

## Auditors

Messrs. Pricewaterhouse Coopers , Chartered Accountants, served as the Auditors during the year under review. The

Auditors have confirmed that they have had no interest in or relationship other than that of Auditors. They confirm that they are independent in accordance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

Messrs., Pricewaterhouse Coopers, Chartered Accountants have expressed their willingness to continue in office. A resolution to re-appoint them and to authorize the Committee of Management to fix their remuneration will be proposed at the Annual General Meeting.

Fees payable to Auditors for the financial year is given in Note 08 to the Financial Statements.

### **Annual Report**

The Board of Directors approved the financial statements on 31.08.2016.

**Mr. Lakshan Madurasinghe**  
Chairman

**Mr. Christopher M. Anthonisz**  
Hony. Treasurer

**Secretaries**  
Accounting Systems Secretarial Services (Private) Limited





**Audited  
Financial  
Report**



# Independent Auditor's Report

*(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)*

To the Members of Habitat for Humanity - Sri Lanka (Guarantee) Limited

## Report on the Financial Statements

1 We have audited the accompanying financial statements of Habitat for Humanity - Sri Lanka (Guarantee) Limited which comprise the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information as set out in pages 45 to 69.

## Management's Responsibility for the Financial Statements

2 Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations issued by the Institute of Chartered Accountants of Sri Lanka, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

4 In our opinion the financial statements give a true and fair view of the financial position of Habitat for Humanity - Sri Lanka (Guarantee) Limited as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations issued by the Institute of Chartered Accountants of Sri Lanka.

## Report on Other Legal and Regulatory Requirements

5 These financial statements also comply with the requirements of Section 151 (2) of the Companies Act, No. 07 of 2007.

CHARTERED ACCOUNTANTS

31 August 2016

COLOMBO

**Habitat for Humanity - Sri Lanka (Guarantee) Limited**  
*Financial Statements 30 June 2016*

## Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees)

	Note	Year ended 30 June	
		2016	2015
<b>Operating income</b>			
Incoming resources	5	59,987,279	141,459,414
Total operating income		59,987,279	141,459,414
<b>Operating expenditure</b>			
Direct project cost	6	(20,676,093)	(18,639,987)
Direct project staff cost	6	(34,515,066)	(32,715,058)
Indirect project cost	6	(19,760,974)	(16,044,114)
Total project expenditure		(74,952,133)	(67,399,159)
<b>Net (deficit) / surplus on project activities</b>		<b>(14,964,854)</b>	<b>74,060,255</b>
Administration and other operating expenses	7	(32,192,399)	(35,504,673)
Other income	8	22,390,314	8,037,835
<b>Net (deficit) / surplus before income tax</b>	9	<b>(24,766,939)</b>	<b>46,593,417</b>
Income tax expense	10	(1,968,231)	(2,545,624)
<b>Net (deficit) / surplus after income tax</b>		<b>(26,735,170)</b>	<b>44,047,793</b>

The notes on pages 49 to 69 form an integral part of these financial statements.

Independent auditor's report on page 44.

**Habitat for Humanity - Sri Lanka (Guarantee) Limited**  
*Financial Statements 30 June 2016*

## Statement of Financial Position

(all amounts in Sri Lanka Rupees)

	Note	As at 30 June	
		2016	2015
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	12	19,348,407	15,970,124
Homeowner receivables	13	1,365,083	5,746,424
Investments	14	44,339,878	13,430,813
		65,053,368	35,147,361
<b>Current assets</b>			
Homeowner receivables	13	3,609,904	8,951,143
Prepayments and other receivables	15	13,286,849	24,615,657
Cash and cash equivalents	16	69,182,252	82,083,556
		86,079,005	115,650,356
<b>Total assets</b>		<b>151,132,373</b>	<b>150,797,717</b>
<b>Reserves and liabilities</b>			
<b>Funds and reserves</b>			
Unrestricted funds	20	75,061,740	75,131,113
Restricted funds	20	61,615,428	62,239,665
Total funds and reserves		136,677,168	137,370,778
<b>Non current liabilities</b>			
Defined benefit obligations	17	6,867,570	7,805,915
		6,867,570	7,805,915
<b>Current liabilities</b>			
Income tax payable		4,698,341	3,841,156
Creditors and other payables	18	1,328,015	1,276,631
Borrowings	19	1,561,279	503,237
Total liabilities		14,455,205	13,426,939
<b>Total reserves and liabilities</b>		<b>151,132,373</b>	<b>150,797,717</b>

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.

.....  
 Finance Manager

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were authorised for issue by the Board of Directors on 31/08/2016

.....  
 Directors

The notes on pages 49 to 69 form an integral part of these financial statements.  
 Independent auditor's report on page 44.



**Habitat for Humanity - Sri Lanka (Guarantee) Limited**  
*Financial Statements 30 June 2016*

## Statement of Changes in Accumulated Fund

(all amounts in Sri Lanka Rupees)

	Restricted funds	Unrestricted funds	Total Fund
Balance as at 1 July 2014	32,859,549	60,463,436	93,322,985
Net surplus for the year	Nil	44,047,793	44,047,793
Fund received during the year	97,549,488	Nil	97,549,488
Fund transferred to statement of comprehensive income	(97,549,488)	Nil	(97,549,488)
Transferred from unrestricted funds	29,380,116	(29,380,116)	Nil
Balance as at 30 June 2015	62,239,665	75,131,113	137,370,778
Balance as at 1 July 2015	62,239,665	75,131,113	137,370,778
Net deficit for the year	Nil	(26,735,170)	(26,735,170)
Fund received during the year	70,668,279	Nil	70,668,279
Fund transferred to statement of comprehensive income	(44,626,719)	Nil	(44,626,719)
Transferred to unrestricted funds	(29,248,612)	29,248,612	Nil
Transferred from unrestricted funds	2,582,815	(2,582,815)	Nil
Balance as at 30 June 2016	61,615,428	75,061,740	136,677,168

The notes on pages 49 to 69 form an integral part of these financial statements.

Independent auditor's report on page 44.

**Habitat for Humanity - Sri Lanka (Guarantee) Limited**  
*Financial Statements 30 June 2016*

## Statement of cash flows

(all amounts in Sri Lanka Rupees)

	Note	Year ended 30 June	
		2016	2015
<b>Cash flows from operating activities</b>			
Net (deficit) / surplus before taxation		(24,766,939)	46,593,417
<b>Adjustment for:</b>			
Depreciation charge	12	4,558,373	4,972,689
Provision for defined benefit plans	17	2,549,285	1,230,906
Profit on disposal of property plant and equipment	8	(15,747,894)	(3,485,449)
Interest income	8	(5,404,650)	(3,202,171)
Fund balance adjustments to incoming resources	20	26,041,558	Nil
<b>Net cash (outflows) / inflows before working capital changes</b>		<b>(12,770,267)</b>	<b>46,109,392</b>
<b>Changes in working capital</b>			
Proceeds in home owners		9,722,580	4,757,639
(Increase) / decrease in inventories		Nil	603,851
(Decrease) / Increase in prepayments and other receivables		11,328,808	(10,284,560)
Increase / (decrease) in creditors and payables		51,384	(7,618,220)
<b>Cash generated from operations</b>		<b>8,332,505</b>	<b>33,568,102</b>
Income tax paid		(1,111,045)	(316,462)
Defined benefits paid	17	(3,487,630)	(1,012,753)
<b>Net cash generated from operating activities</b>		<b>3,733,830</b>	<b>32,238,887</b>
<b>Cash flows from investing activities</b>			
Addition of property, plant and equipment	12	(12,208,775)	(8,863,797)
Investment in interest bearing instruments	14	(30,909,065)	(853,394)
Proceeds from sale of property plant and equipment		20,020,013	4,781,728
Interest received	8	5,404,650	3,202,171
<b>Net cash used in from investing activities</b>		<b>(17,693,176)</b>	<b>(1,733,292)</b>
<b>(Decrease) / Increase in cash and cash equivalents</b>		<b>(13,959,346)</b>	<b>30,505,595</b>
<b>Movement in cash and cash equivalents</b>			
At start of year		81,580,319	51,074,724
(Decrease) / increase in cash and cash equivalents		(13,959,346)	30,505,595
At end of year	16	67,620,973	81,580,319

The notes on pages 49 to 69 form an integral part of these financial statements.

Independent auditor's report on page 44.

**Habitat for Humanity - Sri Lanka (Guarantee) Limited**  
*Financial Statements 30 June 2016*

# Notes to the Financial Statements

*(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)*

## 1 General information

1.1 The Habitat for Humanity - Sri Lanka (Guarantee) Limited (HFHSL) is a non governmental organisation and is registered with the Department of Social Services under the Voluntary Social Service Organisation (Registration and Supervision) Act, No. 31 of 1980 as amended by Act, No. 8 of 1998.

HFHSL has been incorporated under the Companies Act, No. 17 of 1982 and re-registered under Companies Act, No. 7 of 2007 on 1 September 2009 as a Company limited by guarantee. In the event the Company is wound up the liability of the members is limited to Rs 2,500 per member.

1.2 The principal activity of HFHSL is the provision of financial assistance in the form of re-imbursement of expenses on construction, to needy families to assist in constructing houses.

1.3 The Company had entered in to agreements with the following donor organisations to conduct activities in furtherance of its objectives:

- Kabbalah Centre
- Indian High Commission
- Millennium IT
- Habitat for Humanity - Australia
- Habitat for Humanity - Japan
- Habitat for Humanity - EMEA (EU Project)
- Habitat for Humanity - Great Britain

1.4 HFHSL which operated through several HRCs and the National office ceased operations of HRCs effective 30 June 2015.

## 2 Basis of preparation

### 2.1 Statement of compliance

The Company's financial statements for the year ended 30 June 2016 are prepared under accounting policies that comply with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations. The Company's transition date from SLFRS for SME to Sri Lanka

Statement of Recommended Practice for Not-for-Profit Organisations is 1 July 2015. The statements of financial position, financial activities, changes in accumulated fund and the cash flows together with the accounting policies and notes to the financial statements comply with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations issued by the Institute of Chartered Accountants of Sri Lanka.

### 2.2 Basis of measurement

The financial statements have been prepared using the historical cost convention.

### 2.3 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees (Rs.), which is the Company's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest thousand, except when otherwise indicated.

### 2.4 Changed in accounting framework

The Company changed its accounting framework from SLFRS for SME to recommendations made in Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations (SORP for NPOs) issued by the Institute of Chartered Accountants in Sri Lanka effective 1 July 2015. Accordingly, the current year transactions have been recorded in accordance with the SORP for NPOs. The major changes related to, accounting for income where all income received irrespective of whether project specific or not, were accounted as income in the year in which income was received are now accounted separately as:

- (a) restricted funds in the balance sheet where funds received are project specific; and
- (b) as unrestricted income to the income statement where funds received are for general purposes.

Accordingly, the financial statements for the year ended 30 June 2016 show following changes from that of the previous accounting framework;

**Habitat for Humanity - Sri Lanka (Guarantee) Limited**  
*Financial Statements 30 June 2016*

## Notes to the Financial Statements

*(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)*

a)	Year end 30 June 2016
<b>As per SLFRS for SMEs</b>	
Support and revenue	66,630,223
Other Income	15,747,370
	82,377,593
<b>As per SORP for NPOs</b>	
Incoming resources	59,987,279
Other Income	22,390,314
	82,377,593
b)	Year end 30 June 2016
<b>As per SLFRS for SMEs</b>	
Support service expenses	(80,385,291)
Programme related expense	(26,759,241)
	(107,144,532)
<b>As per SORP for NPOs</b>	
Direct project cost	(20,676,093)
Direct project staff cost	(34,515,066)
Indirect project cost	(19,760,974)
Administration and other operating expenditure	(32,192,399)
	(107,144,532)
c)	Year end 30 June 2016
<b>As per SLFRS for SMEs</b>	
Accumulated fund	136,677,168
<b>As per SORP for NPOs</b>	
Unrestricted funds	75,061,740
Restricted funds	61,615,428
	136,677,168

### 2.5 Changes in accounting policies and disclosures

The accounting policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years, except for the changes in accounting policies specified by the SORP for NPOs adopted effective 1 July 2015. With the adoption of SORP for NPOs income which had been accounted on cash basis on receipts on funds are now accounted as discussed in 2.4 above.

### 2.6 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates can result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### (a) Estimated impairment of non-current assets

The carrying value of property, plant and equipment is reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognised in the statement of comprehensive income unless it reverses a previous revaluation surplus for the same asset.

**(b) Provisions**

The Company recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each date of the statement of financial position and adjusted to reflect the Company's current best estimate.

**(c) Useful life times of assets**

The Company has reviewed the useful life time of all non current asset as of 30 June 2016, and amend the financial statements accordingly as per the accounting policy stated above.

**3 Summary of significant accounting policies****3.1 Foreign-currency transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within support service expenses.

**3.2 Cash and cash equivalents**

Cash and cash equivalents are defined as cash in hand, demand deposits, short term investments readily convertible to identified amounts of cash and which are not subject to any significant risk of change in value.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits

held at call with banks and fixed deposits held at banks, net of bank overdrafts.

**3.3 Inventories**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the price at which inventories can be reasonably expected to be sold in the market place, less any estimated cost necessary to make the sale.

Cost incurred to bringing inventories to its present location and condition include cost of raw materials on a first in first out basis, any direct labour, and an appropriate portion of any other direct overhead.

Items donated for distribution or resale are not included in the financial statements until such time as they are distributed or resold.

**3.4 Property, plant and equipment**

All items of property, plant and equipment are stated at cost less accumulated depreciation. The cost of self-constructed assets includes the cost of materials, direct labor and an appropriate proportion of production overheads.

Buildings owned are used for purposes of the Company and therefore do not fall under the definition of investment property.

All property, plant and equipment is initially recorded at cost and stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. The

## Notes to the Financial Statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

carrying amount of the replaced part is derecognised. All repairs and maintenance costs are charged to statement of comprehensive income during the financial period in which they are incurred.

During the year the entity has reassessed the useful life time of each non current asset and resulting amendments have been taken into account in the current year financial statements.

Depreciation is calculated on the straight-line method to write off the cost of each asset, to their residual values over their estimated useful lives.

Estimated useful life time of the non current assets after the reassessment is as follows:

	2016	2015
Building	10 years	10 years
Warehouse and construction equipment	3 years	3 years
Office equipment	5 years	5 years
Computer hardware and software	2 years	2 years
Motor vehicles	4 years	4 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining excess of income over expenditure.

### 3.5 Receivables

Receivables are carried at fair value. An impairment assessment is made for doubtful receivables based on a review of all outstanding amounts at the year end. Irrecoverable balances are written-off during the year in which they are identified.

### 3.6 Employee Benefits

#### a. Defined benefit plan - Gratuity

The retirement gratuity is a defined benefit plan. The Company is liable to pay gratuity in terms of Gratuity Act, No. 12 of 1983. In order to meet this liability, a provision is carried in the balance sheet that is based on the half-month's salary as of the last month of the financial year for all employees for each completed year of service commencing from the first year of service. The difference between the provision that is brought forward at the beginning of the year and the provision that is required to be carried forward at the end of the year is adjusted through the statement of comprehensive income.

This provision is not externally funded. However, in accordance with the Payment of Gratuity Act, No. 12 of 1983, this liability arises only on the completion of five years of continued service of any employee.

#### b. Defined contribution plans

All employees are eligible to contribution to the Employee's Provident Fund and the Employee's Trust Fund in accordance with the relevant statutes and regulations. The Company contributed a defined percentage of the gross emoluments of the employees to the Employees' Provident Fund and to the Employee's Trust Fund respectively.

### 3.6 Accounting for receipts and utilisation of funds

#### a. Unrestricted Funds

Unrestricted funds are those that are available for use by Habitat for Humanity Sri Lanka at the discretion of the Board, in furtherance of the general objectives and which are not designated for specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor Agreements or with the subsequent approval of the Donor.

Contributions received from the general public are recognized in the statement of financial activities on a cash basis.

#### b. Restricted Funds

Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the statement of financial activities to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund accounts and included under accumulated fund in the balance sheet until such time as they are required.

Funds collected through a fund raising activity for any specific or defined purpose are also included under this category.

Where approved grant expenditure exceeds the income received and there is certainty that the balance will be received such amount is recognized through receivables in the balance sheet.

The activities for which these restricted funds may and are being used are identified in the notes to the financial statements.

#### 3.6.2 Grants and subsidies

Grants and subsidies are recognised in the financial statements at their fair value. When the grant or subsidy relates to an expense it is recognised as income over the period necessary to match it with the costs, which it is intended to compensate for on a systematic basis.

Grants and subsidies related to assets are generally deferred in the balance sheet and credited to the statement of comprehensive income over the useful life of the asset.

#### 3.7 Statement of comprehensive income

##### a. Incoming Resources

Income realized from restricted funds is recognized in the statement of financial activities only when there is certainty that all of the conditions for receipt of the funds have been complied with and the relevant expenditure that is expected to compensate has been incurred and charged to the statement of financial activities. Unutilised funds are carried forward as such in the balance sheet.

Gifts and donations received in kind are recognised at valuation at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purposes of the Project at the point of such sale.

All other income is recognised when the Company is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through fund raising activities and donations.

Grants are recognised in the financial statements at their fair value. When the grant relates to an expense it is recognised as income over the period necessary to match it with the costs, which it is intended to compensate for on a systematic basis.

##### b. Revenue

Interest earned is recognised on an accrual basis.

Net gains and losses on the disposal of property, plant and equipment and other non current assets, including investments, are recognised in the statement of financial activities after deducting from the proceeds on disposal, the carrying value of the item disposed of and any related selling expenses.

Other income is recognised on an accrual basis.

#### 3.8 Expenditure recognition

Expenses in carrying out the projects and other activities of the Company are recognised in the statement of comprehensive income during the period in which they are incurred. Other expenses incurred in administering and running the Company and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the statement of comprehensive income.

#### 3.9 Taxation

Income tax is provided in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and subsequent amendments, Inland Revenue (Amendment) Act, No. 10 of 2007, and is based on the elements of income and

## Notes to the Financial Statements

*(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)*

expenditure reflected in the statement of comprehensive income and on the elements of grants received, subject to exemptions referred to in Note 10 to the financial statements.

### 3.10 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of Habitat for Humanity - Sri Lanka. It may also be a present obligation that arises from past events but in respect of which an outflow of economic benefit is not probable or which cannot be measured with sufficient reliability. Such contingent liabilities are recorded under Note 21. For certain operational claims reported as contingent liabilities, it is not practical to disclose detailed information on their corresponding nature and uncertainties.

### 4. Going concern

These financial statements are prepared on the assumption that the Company is a going concern, i.e. as continuing in operation for the foreseeable future. It is therefore assumed that the Company has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.



## 5 Incoming resources

Activities in furtherance of organisation's objectives

	2016	2015
	National Office	National Office
Grants-Restricted Fundings (Note 6)	44,626,719	97,549,488
Grants-Unrestricted Fundings	15,360,560	43,909,926
	59,987,279	141,459,414

## Notes to the Financial Statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

### 6 Project activity summary

Identified project	Organisation	Transferred from restricted funds Amount	Received during the year from unrestricted funds and other sources	Total amount expended		Total cost	Surplus/ (deficit) on projects	
				Direct	Indirect			
Indian Embassy houses (LK12025)	Local cash contributions	35,623,000	Nil	(28,354,635)	Nil	(15,682,091)	(44,036,726)	(8,413,726)
Kabalah funded project for Sannar village, Mannar (LK14006)	HFHI Cash Transfers	150	Nil	(1,855,591)	(17,419,236)	(1,560,059)	(20,834,886)	(20,834,736)
Kalutara project (LK16002)	Local cash contributions	2,000,000	Nil	(102,100)	(2,654,601)	(82,151)	(2,838,852)	(838,852)
Indian High Commission-plantation (LK16003)	Local cash contributions	1,030,894	Nil	(608,405)	Nil	(422,489)	(1,030,894)	Nil
Construction of water tank and connections (LK16007)	Local cash contributions	419,214	Nil	(196,372)	Nil	(222,842)	(419,214)	Nil
Construction of 1 house for Ms Thanuja-Mannar (LK16008)	Local cash contributions	367,256	Nil	Nil	(367,256)	Nil	(367,256)	Nil
Muturajawela project (LK16009)	Local cash contributions	Nil	Nil	Nil	(235,000)	(3,100)	(238,100)	(238,100)
Homes not Houses: Building sustainable future (LK16011)	GFN cash Transfers	5,186,205	Nil	(3,397,963)	Nil	(1,788,242)	(5,186,205)	Nil
Total		44,626,719	Nil	(34,515,066)	(20,676,093)	(19,760,974)	(74,952,133)	(30,325,414)

There had not been any transfers from both restricted and unrestricted opening fund balances during the current year to meet project expenses of the year except transfers from restricted funds received during the year, since company changed its accounting framework from SLFRS for SMEs to SORP for NPOs effective 1 July 2015

## 7 Administration and other operating expenses

	2016	2015
	National Office	National Office
Establishment cost	26,109,252	27,215,829
Other operating expenses	6,083,147	8,288,844
	32,192,399	35,504,673

Other operating expenses includes repair and maintenance costs for houses constructed which were incurred out of unrestricted funds.

## 8 Other income

	2016			2015		
	HRCs	National Office	Company	HRCs	National Office	Company
Profit on sale of property, plant and equipment	Nil	15,747,894	15,747,894	1,062,955	2,422,494	3,485,449
Interest income	Nil	5,404,650	5,404,650	Nil	3,202,171	3,202,171
Recoveries from write-offs	Nil	658,957	658,957	Nil	1,172,483	1,172,483
Application fees	Nil	Nil	Nil	Nil	20,550	20,550
Net foreign exchange transaction (loss) / gain	Nil	(524)	(524)	Nil	2,759	2,759
Other miscellaneous Income	Nil	579,337	579,337	Nil	154,423	154,423
	Nil	22,390,314	22,390,314	1,062,955	6,974,880	8,037,835

## Notes to the Financial Statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

### 9 Net (deficit) / surplus before income tax

The following items have been charged in arriving at net (deficit) / surplus before income tax:

	2016			2015		
	HRCs	National Office	Company	HRCs	National Office	Company
Directors' emoluments	Nil	Nil	Nil	Nil	Nil	Nil
Auditors' remuneration						
- Audit fee	Nil	465,000	465,000	Nil	465,000	465,000
- Other fees	Nil	60,000	60,000	Nil	110,000	110,000
Depreciation charge on property, plant and equipment (Note 12)	Nil	4,558,373	4,558,373	3,164,282	1,808,407	4,972,689
Staff costs (Note 11)	Nil	47,596,744	47,596,744	25,226,339	16,508,358	41,734,697
Provision for impairment - home owner receivables	1,719,928	Nil	1,719,928	1,440,983	Nil	1,440,983
Professional services		873,094	873,094	5,500	1,951,349	1,956,849

### 10 Taxation

Effective from 1 April 2011, the Company was liable to income tax at the rate of 28% on 3% of grants received as per Section 102 of Inland Revenue Act, No. 10 of 2006. In addition to the tax on the grants received, interest and other income, if any, are liable for income tax at the rate of 10%.

As explained in Note 1.1 to the financial statements, the Company had been registered as a Non Governmental Organisation with the Secretariat Branch of the Inland Revenue for the purposes of applying for remission of income tax from the Commissioner General of Inland Revenue and applied for remission in respect of the Years of Assessment 2014/2015 and 2015/2016. The Inland Revenue had granted remission of 62.82%, 63.38% for 2012/2013, 2013/14 respectively. Income tax remission in respect of the current year (Year of assessment 2015/2016) have not been filled with the Inland Revenue and the company intend to submit those requisitions on the due dates specified in the Income Tax Act.

	2016			2015		
	HRCs	National Office	Company	HRCs	National Office	Company
Tax charge for the year net of over provision (see Note below)	Nil	1,968,231	1,968,231	Nil	2,545,624	2,545,624
	Nil	1,968,231	1,968,231	Nil	2,545,624	2,545,624

## 10 Taxation (Contd.)

	2016			2015		
	HRCs	National Office	Company	HRCs	National Office	Company
Income tax on grants received during the year	Nil	688,401	688,401	Nil	1,060,840	1,060,840
Tax on other income						
Disposal profit on property-plant and equipment	Nil	1,574,789	1,574,789	Nil	348,545	348,545
Other miscellaneous Income	Nil	57,933	57,933	Nil	15,442	15,442
Recoveries from write-offs	Nil	65,896	65,896	Nil	117,248	117,248
Application fee	Nil	Nil	Nil	Nil	2,055	2,055
Special event income	Nil	Nil	Nil	Nil	485,032	485,032
Sales of home	Nil	Nil	Nil	Nil	516,462	516,462
	Nil	2,387,019	2,387,019		2,545,624	2,545,624
Adjustment for over provision in respect of previous year/s	Nil	(418,788)	(418,788)	Nil	Nil	Nil
	Nil	1,968,231	1,968,231	Nil	2,545,624	2,545,624

## 11 Staff costs

	2016			2015		
	HRCs	National Office	Company	HRCs	National Office	Company
Wages and salaries	Nil	39,206,314	39,206,314	21,608,174	13,721,413	35,329,587
Other employee benefits	Nil	827,484	827,484	398,871	320,749	719,620
Defined contribution plans	Nil	5,013,661	5,013,661	2,752,424	1,702,160	4,454,584
Defined benefit obligations (Note 17)	Nil	2,549,285	2,549,285	466,870	764,036	1,230,906
	Nil	47,596,744	47,596,744	25,226,339	16,508,358	41,734,697

Average monthly number of persons employed by the Company during the year:

Full time	58	58	44	19	63
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## Notes to the Financial Statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

### 12 Property, plant and equipment

	Freehold land	Building	Warehouse and construction equipment	Office equipment	Computer hardware	Motor vehicles	Total
<b>Year ended 30 June 2015</b>							
Opening net book amount	4,333,000	454,002	131,685	664,445	1,428,767	6,363,396	13,375,295
Additions / transfers: Cost	Nil	Nil	Nil	159,600	773,500	7,930,697	8,863,797
Disposals / transfers : Cost	Nil	Nil	(36,750)	Nil	Nil	(13,116,526)	(13,153,276)
Accumulated depreciation	Nil	Nil	36,750	Nil	Nil	11,820,247	11,856,997
Depreciation charge (Note 8)	Nil	(132,710)	(42,908)	(211,382)	(1,004,105)	(3,581,584)	(4,972,689)
<b>Closing net book amount</b>	<b>4,333,000</b>	<b>321,292</b>	<b>88,777</b>	<b>612,663</b>	<b>1,198,162</b>	<b>9,416,230</b>	<b>15,970,124</b>
<b>At 30 June 2015</b>							
Cost	4,333,000	1,327,102	2,793,269	3,921,797	6,036,594	24,962,961	43,374,723
Accumulated depreciation	Nil	(1,005,810)	(2,704,492)	(3,309,134)	(4,838,432)	(15,546,731)	(27,404,599)
<b>Net book amount</b>	<b>4,333,000</b>	<b>321,292</b>	<b>88,777</b>	<b>612,663</b>	<b>1,198,162</b>	<b>9,416,230</b>	<b>15,970,124</b>
<b>Year ended 30 June 2016</b>							
Opening net book amount	4,333,000	321,292	88,777	612,663	1,198,162	9,416,230	15,970,124
Additions / transfers: Cost	Nil	Nil	Nil	1,657,215	759,060	9,792,500	12,208,775
Disposals / transfers : Cost	Nil	Nil	(2,238,375)	(874,291)	(1,881,392)	(18,782,777)	(23,776,835)
Accumulated depreciation	Nil	Nil	2,200,277	866,318	1,837,715	14,600,406	19,504,716
Depreciation charge (Note 8)	Nil	(132,710)	(50,679)	(270,147)	(791,862)	(3,312,975)	(4,558,373)
<b>Closing net book amount</b>	<b>4,333,000</b>	<b>188,582</b>	<b>Nil</b>	<b>1,991,758</b>	<b>1,121,683</b>	<b>11,713,384</b>	<b>19,348,407</b>
<b>At 30 June 2016</b>							
Cost	4,333,000	1,327,102	554,894	4,704,721	4,914,262	15,972,684	31,806,663
Accumulated depreciation	Nil	(1,138,520)	(554,894)	(2,712,963)	(3,792,579)	(4,259,300)	(12,458,256)
<b>Net book amount</b>	<b>4,333,000</b>	<b>188,582</b>	<b>Nil</b>	<b>1,991,758</b>	<b>1,121,683</b>	<b>11,713,384</b>	<b>19,348,407</b>

**13 Homeowner receivables**

	2016	2015
<b>Non current</b>		
Receivables	2,506,284	9,279,994
Less - provision for impairment	(1,141,201)	(3,533,570)
Receivables - net	1,365,083	5,746,424
<b>Current</b>		
Receivables	6,627,761	8,954,522
Less - provision for impairment	(3,017,857)	(3,379)
Receivables - net	3,609,904	8,951,143
<b>Total</b>	<b>4,974,987</b>	<b>14,697,567</b>

- (a) Homeowner receivables represent the expenses incurred by homeowners for improvements to existing houses and also in supplementing construction of new houses re-imbursed by Habitat Resource Centers in previous years. The amounts collectible together with the administration charges are accounted as receivables.
- (b) Movement in provision for impairment

	2016	2015
<b>Balance as at 1 July</b>	<b>3,536,950</b>	<b>5,515,821</b>
Provision made during the year	1,719,928	1,440,983
Uncollectable receivables written off	(1,097,820)	(3,419,854)
<b>Balance as at 30 June</b>	<b>4,159,058</b>	<b>3,536,950</b>

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(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

### 13 Homeowner receivables (Contd)

	2016			2015		
	HRCs	National Office	Company	HRCs	National Office	Company
Institutional loan receivables	Nil	12,800,000	12,800,000	Nil	12,800,000	12,800,000
Less - repayments	Nil	(12,800,000)	(12,800,000)	Nil	(12,800,000)	(12,800,000)
	Nil	Nil	Nil	Nil	Nil	Nil
<b>Current</b>						
Receivables	6,627,761	Nil	6,627,761	8,954,522	Nil	8,954,522
<b>Non current</b>						
Receivables	212,452,047	Nil	212,452,047	210,125,285	Nil	210,125,285
Less - repayments	(170,218,346)	Nil	(170,218,346)	(162,215,693)	Nil	(162,215,693)
Less - write-offs	(39,727,417)	Nil	(39,727,417)	(38,629,597)	Nil	(38,629,597)
	9,134,045	Nil	9,134,045	18,234,517	Nil	18,234,517
Less - provision for impairment	(4,159,058)	Nil	(4,159,058)	(3,536,950)	Nil	(3,536,950)
<b>Net receivable</b>	<b>4,974,987</b>	<b>Nil</b>	<b>4,974,987</b>	<b>14,697,567</b>	<b>Nil</b>	<b>14,697,567</b>
<b>Total receivables</b>	<b>4,974,987</b>	<b>Nil</b>	<b>4,974,987</b>	<b>14,697,567</b>	<b>Nil</b>	<b>14,697,567</b>

### 14 Investments

	2016			2015		
	HRCs	National Office	Company	HRCs	National Office	Company
Investments in Fixed deposits	Nil	44,339,878	44,339,878	Nil	13,430,813	13,430,813
	Nil	44,339,878	44,339,878	Nil	13,430,813	13,430,813

Investments in fixed deposits include fixed deposit balance at DFCC Vardhana bank and Hatton National Bank as of the year end.



## 15 Prepayments and other receivables

	HRCs	2016		HRCs	2015	
		National Office	Company		National Office	Company
Deposits and receivables	Nil	810,250	810,250	275,000	221,500	496,500
Advances	Nil	577,709	577,709	306,014	255,124	561,138
Other receivables	Nil	11,898,890	11,898,890	1,240,793	22,317,226	23,558,019
	Nil	13,286,849	13,286,849	1,821,807	22,793,850	24,615,657

- (a) Deposits and receivables mainly consist of refundable deposits made amounting to Rs 762,500 (2015 - Rs 496,500) to obtain premises for the Company.
- (b) Advances comprise 1/3 of medical insurance recoverable from employee amounting to Rs.355,209 (2015 - Rs 263,948) ,business advances receivable from employees amounting to Rs 100,000 ( 2015 - 156,690) and loan receivable from employees of Rs 122,500 ( 2015- Rs 140,500).
- (c) Other receivables mainly comprise fund receivable in respect of Indian Housing Project of Rs 2,576,000 (2015 - Rs 20,849,500) , interest receivable for Fixed Deposit of Rs. 697,619 (2015 - Nil), deposit made for obtaining new premises for the National Office Rs.4,950,000 (2015 - Nil) and prepayments made in respect of vehicle insurance and 2/3 of health insurance.

## 16 Cash and cash equivalents

	HRCs	2016		HRCs	2015	
		National Office	Company		National Office	Company
Cash in hand	Nil	70,000	70,000	30,000	40,000	70,000
Cash at bank	Nil	69,112,252	69,112,252	3,926,010	78,087,546	82,013,556
	Nil	69,182,252	69,182,252	3,956,010	78,127,546	82,083,556

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:

	HRCs	2016		HRCs	2015	
		National Office	Company		National Office	Company
Cash and bank balances	Nil	69,182,252	69,182,252	3,956,010	78,127,546	82,083,556
Bank overdraft (Note 20)	Nil	(1,561,279)	(1,561,279)	Nil	(503,237)	(503,237)
	Nil	67,620,973	67,620,973	3,956,010	77,624,309	81,580,319

## Notes to the Financial Statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

### 17 Defined benefit obligations

The movement during the year is as follows:

	HRCs	2016 National Office	Company	HRCs	2015 National Office	Company
At beginning of year	Nil	7,805,915	7,805,915	3,627,574	3,960,188	7,587,762
Current service cost (Note 11)	Nil	2,549,285	2,549,285	466,870	764,036	1,230,906
Benefits paid	Nil	(3,487,630)	(3,487,630)	(460,753)	(552,000)	(1,012,753)
<b>At end of year</b>	<b>Nil</b>	<b>6,867,570</b>	<b>6,867,570</b>	<b>3,633,691</b>	<b>4,172,224</b>	<b>7,805,915</b>

Previous year HRC's current service cost and cash adjusted by the understatement of Rs 94,728 had been reversed in the current year corresponding figures since the adjustment had been limited to the Notes to the financial statements and not to the related charge to income statement and year end defined benefit obligation and cash balances in the statement of financial position. Accordingly, corresponding figures in staff costs Note too had been adjusted.

### 18 Creditors and other payables

	HRCs	2016 National Office	Company	HRCs	2015 National Office	Company
Accrued expenses	Nil	107,630	107,630	50,450	66,044	116,494
EPF, ETF and PAYE payable	Nil	237,100	237,100	Nil	Nil	Nil
Accounts payable	Nil	982,970	982,970	76,823	684,742	761,565
Other payables	Nil	315	315	69,107	4,193	73,300
Save and build - homeowner savings	Nil	Nil	Nil	325,272	Nil	325,272
	<b>Nil</b>	<b>1,328,015</b>	<b>1,328,015</b>	<b>521,652</b>	<b>754,979</b>	<b>1,276,631</b>

- (a) Accrued expenses mainly consist of utility payables such as telephone, electricity and water in respect of services obtained.
- (b) Accounts payable consist of annual audit fee payable Rs 525,000 ( 2015 - Rs 575,000) ,amounts payable towards the Oddusudan project contractor's retention payment, Project audit fee for Kabbelah Project and other miscellaneous payables Rs 457,970 (2015 - Rs 186,565 ).
- (c) Other payables mainly consist of unpaid stamp duty amounting to Rs 315 (2015 - Rs 69,107 )
- (d) Save and build homeowner savings are the amounts initially received as deposit from homeowners.

## 19 Borrowings

Borrowings in respect of the year 2016 and 2015 wholly consist of bank overdraft.

	HRCs	2016		HRCs	2015	
		National Office	Company		National Office	Company
Commercial Bank-overdraft	Nil	1,561,279	1,561,279	Nil	503,237	503,237
	Nil	1,561,279	1,561,279	Nil	503,237	503,237

## 20 Funds

	2016	2015
	National Office	National Office
<b>a) Unrestricted Reserves/Funds</b>		
Balance at beginning of the year	75,131,113	60,463,436
Unrestricted (deficit) / surplus in operating activities	(26,735,170)	44,047,793
Transferred from restricted funds ( Note (b) below)	29,248,612	(29,380,116)
Transferred to restricted funds ( Note (b) below)	(2,582,815)	Nil
Balance at end of the year	75,061,740	75,131,113
<b>b) Restricted Funds</b>		
Balance as at beginning of year	62,239,665	32,859,549
Additional funds received during the year	70,668,279	97,549,488
Transferred to unrestricted funds ( Note (a) above)	(29,248,612)	29,380,116
Transferred from unrestricted funds ( Note (a) above)	2,582,815	Nil
Transferred to statement of comprehensive income	(44,626,719)	(97,549,488)
Balance as at year end	61,615,428	62,239,665

**Habitat for Humanity - Sri Lanka (Guarantee) Limited**  
*Financial Statements 30 June 2016*

## Notes to the Financial Statements

*(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)*

### 20 Funds (Contd.)

#### Restricted Funds

Project	Balance B/f	Funds received during the year	Transferred as incoming resources	Transferred (to) / from unrestricted funds	Transferred (to) / from other project	Balance
Cleaning of 1600 wells & 5 Pre-Schools- Cent&East (LK11024)	1,066,387	Nil	Nil	Nil	Nil	1,066,387
Indian Embassy houses (LK12025)	37,169,936	35,623,000	(35,623,000)	(8,413,726)	Nil	28,756,210
Land Rights Tenure Awareness-North & East-SL-Ph-II (LK14005)	2,381,140	Nil	Nil	Nil	(2,381,140)	Nil
Kabbalah funded project for Sannar village, Mannar (LK14006)	21,622,202	235,656	(150)	(20,834,886)	Nil	1,022,822
Kalutara Project (LK16002)	Nil	2,000,000	(2,000,000)	Nil	Nil	Nil
Indian High Commission-Plantation (LK16003)	Nil	1,030,894	(1,030,894)		Nil	Nil
Construction of Water Tank & Connections (LK16007)	Nil	419,214	(419,214)	Nil	2,381,140	2,381,140
Construction of 1 house for Ms Thanuja-Mannar (LK16008)	Nil	367,256	(367,256)	Nil	Nil	Nil
Muturajawela projects (LK16009)	Nil	750,000		238,100	Nil	988,100
Homes not Houses: Building Sustainable Future (LK16011)	Nil	25,922,038	(5,186,205)	Nil	Nil	20,735,833
Repairing houses on a existing Vakara project (LK16013)	Nil	2,325,064	Nil	Nil	Nil	2,325,064
Kalutara 1 house project- Commemoration Women's day (LK16014)	Nil	350,000	Nil	Nil	Nil	350,000
Disaster Response- Repairs & Improvements (LK16005)	Nil	191,422	Nil	Nil	Nil	191,422
Capacity Development (LK16012)	Nil	1,453,735	Nil	2,344,715	Nil	3,798,450
<b>Total</b>	<b>62,239,665</b>	<b>70,668,279</b>	<b>(44,626,719)</b>	<b>(26,665,797)</b>	<b>Nil</b>	<b>61,615,428</b>

## 21 Contingencies

### (a) Contingent liabilities

The Company is registered with the Secretariat Branch of the Inland Revenue and is entitled to apply for remission of income tax from the Commissioner General of Inland Revenue under Section 102 of the Inland Revenue Act, No. 10 of 2006 on the grounds that the Company is solely engaged in:

- a) rehabilitation and the provision of infrastructure facilities and livelihood support to displaced persons in any area identified by the Government for such purposes; and
- b) in other activities approved by the Minister as being humanitarian in nature, taking into consideration the nature and gravity of any disaster and the magnitude of relief consequently required to be provided,

The Company intends to appeal to the Department of Inland Revenue and obtain remission of taxes payable, in respect of Year of Assessments 2014/2015 and 2015/2016.

In the event the Company fails to obtain remissions from the Commissioner General of Inland Revenue for the Year of Assessment 2014/2015, it will be liable to tax on the basis specified explained in Note 10 on the grant income at the stipulated rate.

The Company has instituted legal action against a former employee which had arisen in the ordinary course operations and in the opinion of the directors, after taking appropriate legal advice, the outcome of such action will not give rise to any liabilities to the company.

Other than the above there were no material contingent liabilities or pending litigation outstanding as at 30 June 2016

### (b) Contingent assets

In the event the company is able to obtain a remission from the Commissioner General of Inland Revenue for the Year of Assessment 2015/2016, it will be entitled to a tax remission on the basis specified explained in Note 10 on the grant income at the stipulated rate.

## 22 Commitments

### Capital commitments

There were no material capital commitments outstanding at the balance sheet date.

### Financial commitments

There were no material financial commitments outstanding at the balance sheet date.

**Habitat for Humanity - Sri Lanka (Guarantee) Limited**  
*Financial Statements 30 June 2016*

## Notes to the Financial Statements

*(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)*

### 23 Directors' interest and related party transactions

#### 23.1 The directors during the financial year were ;

Mr. Rosanth Lakshan Madurasinghe  
 Ms. Amila de Mel  
 Ms. Sarita de Fonseka  
 Mr. Rohan T. Fernando  
 Maj. Gen. Lohan Goonewardene  
 Mr. Revanke de Silva  
 Mr. Rathika de Silva  
 Mr. Eardley Perera  
 Prof. W. Priyan Solomon Dias  
 Mr. Rajith Stephan Fernando  
 Mr. Christopher M. Anthonisz  
 Mr. Almudena Eloisa Bartayres Arcas  
 Mr. Manjula Mathews  
 Pastor Neroshan Perera  
 Dr. Ravi Fernando  
 Mr. Ernesto Castro

#### 23.2 The National Organization is affiliated with Habitat for Humanity International (HFHI) -USA, through the National Affiliation agreement. However it is incorporated by "Guarantee" in the Register of Companies (ROC) - Sri Lanka.

Mr. Ernesto Castro, Director-Regional Program-HFHI – Asia Pacific, represents HFHI Asia Pacific Region, as a Director in the National Board of Habitat for Humanity Sri Lanka.

#### 23.3 Following are the grants which have been received during the period through the Global Habitat for International (HFHI) countries for project and administrative activities.

Project / programme		Funds/grants received	
		2016	2015
Global village programme-	HFHI-HQ	2,102,505	5,284,283
	Grant Funding Networks countries (GFN)	Nil	17,629,824
Capacity Development	HFHI-HQ	8,577,500	5,340,000
EU Project	Grant Funding Networks countries (GFN)	25,922,038	Nil
Kabbalah Centre project	HFHI-HQ	235,506	3,205,188
		Nil	25,340,643
		<b>36,837,549</b>	<b>56,799,938</b>

Except for above, none of the directors were directly or indirectly involved in any contracts with the Company during the year ended 30 June 2016.

## **24 Events after the reporting period**

No events have occurred, since the balance sheet date which would require adjustments to, or disclosure in the financial statements.

## Notice of Meeting

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF HABITAT FOR HUMANITY SRI LANKA WILL BE HELD ON 23<sup>RD</sup> SEPTEMBER 2016 AT THE KINGSBURY HOTEL, NO.48, JANADHIPATHI MAWATHA , COLOMBO 01 AT 4.00 P.M.

### AGENDA

- A.G.M./2016/01 -** Confirmation of the previous Annual General Meeting minutes held on 29th September 2015.
- A.G.M./2016/02 -** To receive and adopt the Audited Balance Sheet as at 30th June 2016 and the Profit and Loss Account for the period ended 30th June 2015 and Report of the Auditors thereon;
- A.G.M./2016/03 -** To elect Office Bearers and Member-at-Large Representatives
- A.G.M./2016/04 -** To appoint Auditors for the period ending with the conclusion of the next Annual General Meeting and to fix their remuneration.
- A.G.M./2016/05 -** Any Other Business

BY ORDER OF THE BOARD  
HABITAT FOR HUMANITY SRI LANKA

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PRIVATE) LIMITED  
SECRETARIES

31.08.2016



# Form of Proxy

I/We, the undersigned.....being a member/s of HABILAT FOR HUMANITY SRI LANKA, hereby appoint.....(name) of .....(address) as my/our proxy to represent me/us and to vote for me/us and on my/our behalf for/or against the resolution and/or to speak at the Annual General Meeting of the Company, to be held on 23<sup>rd</sup> September 2016 and at any adjournment thereof.

	For	Against
1. To receive and adopt the Audited Balance Sheet as at 30th June 2016 and the Profit and Loss Account for the period ended 30th June 2016 and Report of the Auditors thereon;	<input type="checkbox"/>	<input type="checkbox"/>
2. To elect Office Bearers and Member-at-Large Representatives	<input type="checkbox"/>	<input type="checkbox"/>
3. To appoint Auditors for the period ending with the conclusion of the next Annual General Meeting and to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
4. Any Other Business	<input type="checkbox"/>	<input type="checkbox"/>

Signed this.....day of.....2016

.....  
Shareholder

## Instructions as to the completion of Proxy Form

A member is entitled to appoint a proxy to attend and vote in is/her/their place.

A proxy holder need not be a member of the Company.

A member wishing to vote by proxy at the meeting may use the form enclosed and interpolate the 'right to speak'.

To be valid, the completed form of proxy must be lodged at the registered office of the Company not less than 48 hours before the meeting.

In the case of a Company /corporation the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles



# Corporate Information

**Name of Company**

Habitat for Humanity Sri Lanka

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**Legal Form**

Voluntary Social Service Organization

Guarantee Limited Company

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**Registered Address**

No. 42/14 Ananda Coomaraswamy Mawatha,

Colombo 3,

Sri Lanka

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**Company Secretary**

Accounting Systems Secretarial Services (Private) Limited

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**Auditors**

PricewaterhouseCoopers

100, Braybrooke Place

Colombo 2

Sri Lanka

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**Bankers**

Commercial Bank

Commercial House,

21, Sir Razik Fareed Mawatha

P.O. Box 856

Colombo 1

Sri Lanka

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