



Habitat
for Humanity®
Sri Lanka

Annual Report 2019/20
July 1, 2019 - June 30, 2020



**Together
We Build**
Resilient communities



**We build
*strength, stability
and self-reliance*
through shelter.**

Our vision

A world where everyone has a decent place to live.

Our mission

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



TOGETHER
we build resilient
communities that are

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everyone
deserves a safe
and decent place
to call home

Together we build
resilient communities that are

Safe





26 years of building strong, stable and resilient communities

Habitat for Humanity is a global non-profit organization working in nearly 70 countries across the world, building strength, stability and self-reliance in partnership with families and communities who are in need of decent and affordable homes. In 1994, **Habitat for Humanity Sri Lanka** began its operations as a voluntary social services organization committed to providing decent and affordable homes for people in Sri Lanka.

Our vision is **a world where everyone has a safe and decent place to call home**. We believe a decent home provides much more than just shelter. It is the foundation for a better future, giving families the opportunity to be healthier, happier and more secure, and leads to stronger and stable communities that can grow and sustain themselves. For **26 years** Habitat for Humanity Sri Lanka has been devoted to this bold mission of empowering families to break the cycle of poverty and helping them to achieve strength, stability and self-reliance.

We are committed to building homes that are affordable, environmentally-friendly, safe and disaster resilient.

Providing low-income communities with better access to safe drinking water, adequate sanitation facilities and hygiene education, gives them the tools and support they need to build a stable and secure future for their children. Therefore, we focus on building homes and not houses. Together with our donors, partners and supporters, we build **Resilient Communities** that are **safe, stable, sustainable, self-reliant, empowered, inspired and hopeful**.

Through **shelter**, we **empower**.



Since its founding in 1976, Habitat for Humanity has helped more than
35 million
people gain access to new or improved housing around the world

Our Journey



1995
Construction of the First Habitat House in Millard and Linda Fuller Gardens, Hatton

2013
Commencement of the Indian Housing Project to build 3,713 homes for internally displaced families in Trincomalee and Batticaloa



2005
Post-Tsunami Rebuild Program, First Disaster Response Project to assist 3,264 families affected by the 2004 tsunami

2016
European Union funded housing project inaugurated in Batticaloa, Kilinochchi and Mullaitivu to provide homes for 2,332 IDP and returnee families



2015
570 volunteers participate in Habitat for Humanity Sri Lanka's first Youth Build held in Sampur, Trincomalee

2018
Handover of the first CSEB house constructed with appropriate technology in Batticaloa



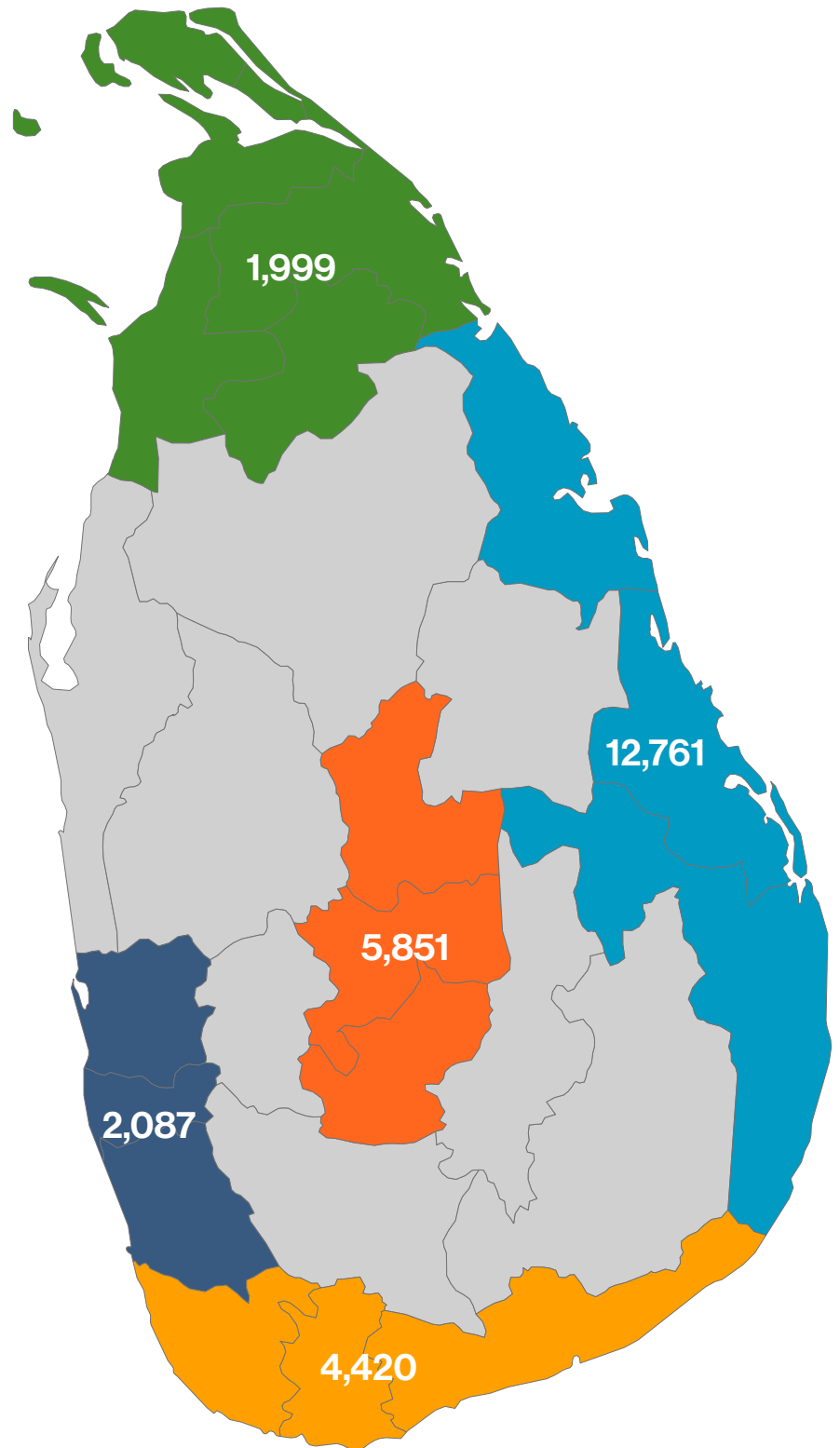
2017
Distribution of 1,000 WASH kits for families affected by floods in Kalutara and Galle



2020
Habitat builds homes for 60+ families of persons with disabilities in Negombo and Galle through the Homes for Hope Project

Our Footprint

In **26 years**
Habitat for
Humanity
has supported
27,118
families
achieve
stability.



	Eastern Province	12,761
	Central Province	5,851
	Southern Province	4,420
	Western Province	2,087
	Northern Province	1,999
	Total	27,118



In 26 years of transforming lives,
Habitat for Humanity Sri Lanka
has assisted more than

108,472

people obtain a safe place to call home.

Our Achievements

FY2020

1,644



Internally Displaced Persons Supported

664



Children Supported

497



Families Served

411



Families provided with access to Safe Drinking Water

461



Families provided with access to Sanitation Facilities



1,990



Individuals Supported

124



Female Headed Households Supported

1,116



Volunteer Hours

116



Volunteers Mobilized



LKR 461 million



Funds Raised in FY2020

Together we build
resilient communities that are

Stable



National Board of Directors



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President (2018 -2020)
Director, Janashakthi Insurance PLC



Mr. Chanaka De Silva
Vice President (2018-2020)
President's Counsel
Partner, Nithya Partners



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Global Strategic Corporate Sustainability (Pvt) Ltd



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Chartered Architect



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National Convenor,
The World Needs a Father Movement Sri Lanka/Pastor,
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Senior Professor - Civil Engineering,
University of Moratuwa



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Citrus Events



Mr. Shanek Fernando
Member (since 2016)
Social Development Specialist – World Bank



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Associate Director,
Regional Operations for Asia-Pacific,
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Mr. Mahen Sughadevan
Member (since 2018)
Associate Director, Systems & IT
Asia Pacific Regional Office,
Habitat for Humanity International

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National Director



Clerence Gunarajah
Senior Manager
Finance



Melissa Jayasuriya
Senior Manager
Resource Development



Tuan Arifeen
Senior Manager
Programs



Brian Grant
Chief of Party
EU funded project



Dwight Savundranayagam
Head of Finance
EU funded project



Joseph Jeyamaran
Senior Project Manager
EU funded project



Paul Camillus John
Finance Manager
EU funded project

“

"Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results."

– Andrew Carnegie

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Otara Gunawardene Goodwill Ambassador

In the year under review, Habitat Sri Lanka was pleased to announce entrepreneur, philanthropist and advocate Otara Gunawardene, as its Goodwill Ambassador in celebration of Habitat for Humanity Sri Lanka's 25th Anniversary in November 2019.

Otara Gunawardene, the Founder and CEO of Embark and the Otara Foundation, has been a long-standing supporter of the work of Habitat for Humanity. She first joined hands with Habitat for Humanity in the aftermath of the 2004 Tsunami, volunteering and supporting Habitat's Post-Tsunami Rebuilding efforts in the Southern Province. Since her first partnership with Habitat Sri Lanka in 2005, Ms. Gunawardene has played a pivotal role in rallying the support of donors and volunteers alike to raise funds for Habitat Sri Lanka's work across the country. Following her experience in working directly with Habitat Sri Lanka to rebuild after the Tsunami, Ms. Gunawardene was inspired to sponsor the construction of 13 homes for flood-prone families in the Kalutara District. In celebration of World Habitat Day in 2015, Ms. Gunawardene championed Habitat for Humanity Sri Lanka's 'Corporate Build' volunteer event, which provided employees of corporates an opportunity to volunteer their time and effort towards engaging in a tree planting campaign and constructing permanent homes for families in need in Kalutara.

“

“I look forward to supporting the good work done by Habitat for Humanity Sri Lanka in bringing tangible changes to people's lives, which is what I have always wanted to do. I always look at engaging in work that benefits the people, the animals and the environment; and Habitat for Humanity's commitment towards creating 'Habitats' for people in need, is a vision I have always felt strongly about.”

– Otara Gunawardene

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Message from the President of the Board

Habitat for Humanity has a bold vision: a world where everyone has a decent place to live. For 26 years — house by house, family by family, and community by community, Habitat for Humanity Sri Lanka has worked towards realizing this vision. In partnership with an extensive network of volunteers, partners and donors Habitat has succeeded in building more than 27,000 homes, and serving over 108,000 people by increasing their access to affordable, safe and decent housing.

Despite the economic and operational challenges brought on by the COVID-19 pandemic, Habitat for Humanity Sri Lanka was able to adapt and continue carrying out its mission of helping the most vulnerable communities. Progress was made in several areas despite the disappointment of having to suspend many of our traditional volunteer activities, as an essential step towards preventing the spread of the virus.

In fiscal year 2020, Habitat Sri Lanka made significant progress in the European Union funded Homes not Houses Project. Now in its final year of project implementation, construction has been completed for 1,772 families, and

another 592 homes are in various stages of construction, and are set to be completed by early 2021. The Indian Housing Project in the Central Province also progressed this year, and 217 marginalized plantation worker families have so far been provided with safe and decent places to call home.

“We are grateful to our institutional donors who have placed their trust in Habitat for Humanity Sri Lanka, recognizing our commitment towards building resilient communities across the nation.”

In the year under review, the Rebuild Revival Project funded by Habitat for Humanity Great Britain was successfully completed, providing 10 low-income families with home improvements; while 46 families of persons with disabilities in the Gampaha District received new homes and home improvements through the Homes for Hope Project. The second phase of the Homes for Hope Project, currently underway in the Galle District utilizing Appropriate Technology, will provide an additional 15 families of persons with disabilities with new homes by December 2020.

Despite Sri Lanka moving into the Middle-Income category, there is still a significant housing gap in the nation with more than 800,000 in need of shelter. Many low-income families still live in semi-permanent and transitional shelter with no access to clean water, electricity, or protection against adverse weather conditions.

“The economic impact of COVID-19 has substantially increased the number of people struggling with the impossible choice of covering the cost of housing and other basic needs, such as food, water and health care.”

In response to this need, Habitat Sri Lanka launched the 'Brick by Brick' fundraising Campaign, earlier this year. This unique fundraising campaign will support 100 low-income families in the Gampaha District, enabling them to construct incremental homes. This timely fundraising initiative will no doubt provide some of the most vulnerable and marginalized families with safe shelter during the pandemic.

Our life-changing work would not be possible without the generous support of our volunteers, donors, and institutional and corporate partners, through whom we are able to lay foundations for a brighter future free from poverty housing. I take this opportunity to thank my colleagues on the Board, the National Director Mr. Yu Hwa Li, and the management team of Habitat for Humanity Sri Lanka for their enthusiasm, passion and continued commitment to the vision and mission of Habitat for Humanity.

Looking ahead, Habitat for Humanity Sri Lanka is hopeful about the future. While the future does not necessarily seem bright at this point of time, due to the global pandemic, I'm confident that the people who enable our mission — our donors, staff, volunteers and the people we serve — will continue to be dedicated towards realizing our vision of a world where everyone has a decent place to live. While much work has been done, there is still much more that needs to be done. I welcome you to join us as we embark on a journey to rebuild our nation, one Habitat home at a time.



Manjula Mathews

President

National Board of Directors



Message from the National Director

It is with mixed feelings that I provide the National Director's message in the Annual Report 2020, on what has been an unprecedented year of challenges and setbacks with the COVID-19 Global Pandemic adversely impacting Sri Lanka and the entire world.

Habitat Sri Lanka's thrust during the year continued to be on improving housing conditions especially among the low-income families across the country. Our efforts focused on providing new homes for deserving families through different housing interventions during the year.

The European Union funded Homes not Houses Project, the largest grant funded project of Habitat Sri Lanka, remained operational during much of the year and despite the impacts of COVID-19, continued to provide long term shelter solutions to 411 families living in Batticaloa, Mullaitivu and Kilinochchi, who were able to complete the construction of their new homes, bringing with it permanency and hope for the future. During the year, the project was compelled to go through a fourth addendum resulting in the extension of the project duration until June 2021.

Habitat Sri Lanka also made significant progress in its other flagship project, the Indian Housing Project, completing nearly 90% of the 267 homes for plantation workers sponsored by the Government of India, in Kandy. Since 2017, Habitat Sri Lanka is proud to have successfully provided safe and decent homes for nearly 350 plantation worker families, who previously lived in line-rooms across 06 estates in the Central Province.

Amidst the challenges faced this year, we are proud of the progress we made on the Homes for Hope Project, a unique project that provides housing solutions for marginalized families of persons with disabilities. This project sponsored by a local High Networth Individual donor and long-term supporter of Habitat Sri Lanka, provided 15 new homes and improved the homes of 31 visually impaired families in Katana. The next phase of the project enables Habitat Sri Lanka to continue to advance the use of 'appropriate technology' construction materials in housing, with 15 more homes being constructed for families of persons with disabilities in the Galle District, using 'compressed earth blocks' and eco-friendly roofing options.

During the year under review, the Board and Management was proactive about tackling the challenge of fundraising to sustain the organization in the upcoming years; which is a challenge common to many development agencies given the present economic downturn. With strict cost-cutting measures put in place and a renewed plan for fundraising, locally and globally we began the fiscal year with optimism. Despite early momentum gained at the commencement of the fiscal year, the global pandemic and its far-reaching effects derailed many of our best laid plans for the year.

In what began as a promising year, 2020 ended with the future looking rather bleak for Habitat for Humanity Sri

“Habitat Sri Lanka's thrust during the year continued to be on improving housing conditions especially among the low-income families across the country.”

Lanka. All ongoing shelter programs implemented in 2020 suffered significant delays due to the extended lockdown imposed by the government from mid-March to May, requiring no-cost extensions to be obtained for projects. The annual fundraising target revenue did not see any significant growth due to the suspension of all planned fundraising and resource development activities. The cancellation of Habitat's international volunteer program, Global Village, was probably the biggest disappointment, given that it is a source of much needed unrestricted funding, which further curtailed Habitat Sri Lanka's ability to meet its annual fundraising targets this year.

Nevertheless, supported by our generous donors, we remain hopeful that Habitat Sri Lanka will continue to grow and remain a key contributor in the housing sector in Sri Lanka. Our focus for the upcoming years is simple: We will persevere in our fundraising efforts, building public and private sector partnerships with intention. We will build on our experience in 'appropriate technology' construction and create a unique value proposition to the government, donors and communities to build Habitat homes that are not only safe and decent but also sustainable. We will continue to foster a spirit of volunteerism and teambuilding through our Volunteer Programs, particularly among the youth and Corporates who are committed towards creating greater social impact.

I take this opportunity to express my gratitude to all our major donors – the European Union, the Government of India, individual donors, and partners who have kept faith in our work in building affordable homes for communities in need. I congratulate all Habitat home owners who have benefitted from the different programs this year and wish them a future filled with hope and prosperity. I am deeply grateful to our staff for their commitment to the mission; to the Board of

Directors for their leadership and governance and the larger Habitat International family for solidarity and support extended during the past year.

Our vision of a world where everyone has a decent place to live is made only more urgent in a pandemic where a safe home has been the first line of defense. Therefore, in the face of adversity, during these uncertain times, we as a Habitat family look to the future with steadfast intention and fierce commitment to our mission. Now more than ever, we need your support, as we continue building 'Resilient Communities' across the nation.

In partnership,



Yu Hwa Li
National Director

“

Supported by our generous donors, we remain hopeful that Habitat Sri Lanka will continue to grow and remain a key contributor in the housing sector in Sri Lanka.

”



Together we build
resilient communities that are

Self-Reliant

The COVID-19 Pandemic and the Need for Safe and Affordable Housing for all

COVID-19 has amplified the Housing Crisis in Sri Lanka and it has forced everyone to deeply consider the fundamental importance of home — of having safe, decent and affordable shelter. The need for safe and decent shelter has never been more urgent.

At Habitat, we know that for far too many families, “shelter in place” only exacerbated the conditions with which they have struggled for so long. Because of COVID-19, thousands of low-income families who were already struggling are now facing worse hardships due to:

- Unsafe and unhealthy living conditions
- The financial impossibilities of unaffordable rent
- Lack of access to adequate sanitation and water facilities
- Millions who have lost income as businesses have closed and workers have lost jobs due to COVID-19.

“Stay home” and “social distance” is the common message –however for low-income families this is not a luxury they can afford.

Since 1994, Habitat Sri Lanka has helped families around the world build and improve places to call home because we believe that a home and the community that surrounds it should be a source of solace and a source of strength. We know that there are communities depending on us to support them during this crisis. Habitat is continuing its work during this pandemic to ensure a world where everyone: has a healthy place to live to contain the transmission of COVID-19, and is not forced from their homes due to economic hardships caused by COVID-19.

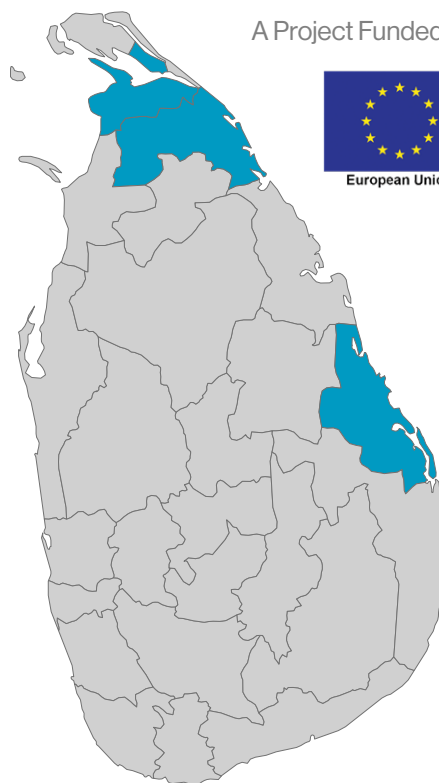
Housing has become the frontline defense against the coronavirus. Home has rarely been more of a life-or-death situation.

Leilani Farha
UN Special Rapporteur -The Right to Adequate Housing

Now more than ever, a safe, decent home can help save lives.

Homes not Houses Project

A Project Funded by



Project Impact

	Individuals Supported	1,644
	Families Served	411
	Children Supported	525
	Female Headed Households	112
	Access to Adequate Sanitation Facilities	388

Sustainable Development Goals



“ This home is a ladder to a better future for our children ”

- Sivarasa, Homeowner (Batticaloa)



Homes not Houses Project

Building a Sustainable Future Together



Funded by the European Union, jointly implemented by Habitat for Humanity and World Vision Lanka, the 'Homes not Houses Project' seeks to serve the most vulnerable families displaced by the war in the Northern and Eastern Provinces of Sri Lanka. Through this project, the European Union has committed Euro 14.7 million towards providing returnee families with permanent and affordable housing solutions, social infrastructure and livelihood protection, bridging the gap between relief, rehabilitation and development for resilient and secure communities in the North and East of Sri Lanka.

For a majority of these families, this is the first home they have ever owned, as many of them have been displaced due to decades of war. Through the Homes not Houses Project, Habitat Sri Lanka will construct 2,332 conventional and appropriate technology houses and repair 34 homes in 31 GN divisions across Batticaloa, Kilinochchi and Mullaitivu Districts by March 2021. Now in its fourth year of operations, 2,366 beneficiaries have been officially selected achieving 100% of the project target, out of which 1,772 families have completed the construction of their homes and another 592 homes are in varied stages of construction. In the year under review, 411 families have been supported to build new homes through the Project.

Promoting the use of environment-friendly building materials and construction methods was an integral component of the Homes not Houses Project design. Educating the homeowners on the health, environmental and cost benefits

of alternate technology options formed a crucial feature of the programme. Following the orientation on the usage of appropriate construction materials and skills training for local artisans, 992 beneficiary families (12% increase from the previous year) chose to build their homes with appropriate materials. As at 30 June 2020, 100% of all appropriate technology houses are in varied stages of construction, out of which, 576 houses have already been successfully completed.

Creating long-term social transformation is at the heart of the activities of the 'Homes not Houses Project'. Accordingly, various flanking measures have been implemented in collaboration with the main implementing partner World Vision Lanka. These flanking measures include, livelihood development and income generation programs, financial literacy programs, vocational training programs providing training in appropriate construction technology and providing assistance with setting up construction-related SMEs. The long-term social, economic and environment impact of the 'Homes not Houses Project' will no doubt reverberate through generations to come.

Project Highlights

- Access to permanent safe, lockable, environmentally friendly homes for 2,332 families in the North and East of Sri Lanka.
- Homes built using sustainable and innovative Appropriate Technology, through the "Accompanied Home-Owner Driven" construction method.
- Improved access to local and sustainable income opportunities through small cash grants to initiate SMEs, livelihoods and DRR infrastructures followed by training in construction, home gardening, agriculture and livestock management.
- Improved financial literacy of families for increased savings and self-improvements.
- A more holistic approach of strengthening CBOs through trainings on DRR, peace building and gender equity and empowering persons with disabilities.
- Emergency Cash Transfers made to the most vulnerable families and laborers of the project, to mitigate loss of income during the 2020 COVID19 Pandemic.

A Foundation of Hope

Homeowner Impact Story

Early this year, Mrs Thillainathan was busy making preparations for the arrival of her first grandchild. "My daughter-in-law prefers my house as it's cool and will help the baby to sleep well" she beamed proudly. Years of displacement and uncertainty due to a 30 year ethnic war in the Northern & Eastern Province of Sri Lanka, resulted in the Thillainathan family moving from one refugee camp to another. Now, as a proud appropriate technology homeowner under the "Homes not Houses" project, Mrs Thillainathan is relieved to not only give her own children a safe home but also a cool and comfortable abode for the third generation too.

Funded by the European Union, jointly implemented by Habitat for Humanity and World Vision Lanka, the 'Homes not Houses Project' seeks to serve the most vulnerable families displaced by the civil war in the Northern and Eastern Provinces of Sri Lanka. The project has committed Euro 14.7 million towards providing returnee families with permanent and affordable housing solutions, social infrastructure and livelihood protection in its global objective "to bridge the gap between relief, rehabilitation and development for resilient and secure communities".

The project is committed to build 2,332 conventional and appropriate technology houses plus repair 34 homes in 31 GN divisions across Batticaloa, Kilinochchi and Mullaitivu Districts by March 2021. In its fourth year of operations, 2,366 beneficiaries have been officially selected achieving 100% of the project target, out of which 1772 have completed the construction of their homes and another 592 homes are in varied stages of construction. All activities under flanking measures 2, 3, & 4 were concluded by May 2020 achieving a 99% success rate.

Educating the homeowners on the health, environmental and cost benefits of alternate technology options formed a crucial feature of the programme. Following the orientation on the usage of appropriate construction materials and skills training for local artisans, 992 beneficiary families (12%



increase from the previous year) chose to build their homes with appropriate materials. As at 30 June 2020, 100% of all appropriate technology houses are in varied stages of construction, out of which, 576 houses have already been successfully completed.

Mrs Thillainathan gets an income from the crop cultivation in the land adjacent to her home, managed by her son. "Everything is organic and homegrown" she declared with pride as she served freshly squeezed juice from honey oranges grown in her own garden.

Where once they fled the rain of bomb shellings, she can now sit under her luscious mango trees while waiting for her third daughter to return home from school. She's happy her children can come to a cool house during the scorching noon heat of the Eastern Province. "Having a permanent roof over our heads has lifted a great burden off my shoulders. My daughters have a safe place to live in now and my grandchild will also enjoy this beautiful home soon."



“Having a permanent roof over our heads has lifted a great burden off my shoulders. My daughters have a safe place to live in now and my grandchild will also enjoy this beautiful home soon.”

- Ushadevi

The Use of Appropriate Technology in Housing Construction

Promoting eco-friendly and climate appropriate construction practices has been an integral aspect of the European Union funded Homes not Houses Project. Introducing new technology and educating local artisans and homeowners of the project, while educating the communities on the health, environmental and cost benefits of the use of Appropriate Technology, has been a crucial feature of the Project.

While there are many forms of Appropriate Technology, the types used in the Homes not House Project include: Compressed Stabilized Engineered Blocks (CSEB), Hollow Cellular Blocks (HCB), Earth Concrete Blocks (ECB), Mud Concrete Blocks (MCB) and Country Fired Bricks (CFB). An in-depth feasibility study and other socio-economic assessments have revealed CSEB to be the more popular and viable option due to its high thermodynamic strength, aesthetics and community acceptance. Since the launch of the project in 2017, Habitat Sri Lanka has completed 688 appropriate technology homes fast nearing the target of 35% appropriate technology homes out of the overall project target.

Experts claim that Appropriate Technology construction materials surpass conventional construction methods, based on the following criteria:

1. Thermal Comfort: Given the hot and humid climate of the North and East, the thermal comfort of appropriate technology makes the blocks more climate appropriate; as the CSEB materials cannot store as much heat from solar gained during the day, allowing the walls to be much cooler in the evening.

2. Environmental Sustainability and Conservation: The air cavities in the CSEB reduce its concrete content by 50%, which decreases the amount of cement and sand required for the blocks. Sand is one of the most common construction materials needed especially in bulk. The heavy demand for sand leads to highly inflated prices and unsustainable mining practices, which often negatively affect river systems. Therefore, it is indeed an advantage that CSEB requires much less sand.



3. Energy Efficiency: Cement production for blocks is an energy intensive process, which results in around 8% of global CO2 emissions. Thus, the 50% reduction of cement signification lowers CO2 emissions and Embodied energy

Adaptation to new technology was not an easy task as masons and homeowners were not familiar with the skills and materials. Therefore, the Homes not Houses Project adopted two approaches to promote the technology among the communities. One approach was to construct model homes in each GN Division which was made available for public inspection and evaluation. With tangible evidence and the attraction of the aesthetic and earthy blocks, gradually the interest and awareness of the technology grew and nearly 1,000 homeowners selected a range of options. The second approach was to equip artisans and homeowners with specialised skills to construct homes with the blocks. Selected SMEs were set up with small grants to start production yards in the North and East to cater to the project needs and thereby equip many individuals with vocational training in construction and employment opportunities.

A total of 138 persons have been trained in CSEB production and construction alone; while a total of 3,100 individuals have been trained in all appropriate construction technologies. With the exposure to new technologies, scope of employment opportunities have also increased with a significant increase in earning capacity by LKR 36,000 – 42,000 per month, positively impacting their quality of life.

In order to further accelerate construction, Habitat Sri Lanka set up a Model Training Yard in CSEB production in the North, which also had the added effect of mitigating unemployment of youth in the community. 20 Young men were recruited and trained in all aspects of production and the Model Yard enhanced its own capacity to 2,500-3,000 blocks per day assuring homeowners of an uninterrupted supply of blocks to construct their homes. Masons too are enjoying the benefits of this innovative method of construction, whereby they are able to construct the homes without having to plaster the walls, as CSEB walls look neat and finished without plastering.



“I trained here for 6 months. We were taught about health & safety and the production process. I am now an Operator here. I handle the wiring and welding works and take care of the maintenance. I didn’t have a steady job before. Now I am confident my life will improve and I will be in a better place soon. We can produce nearly 2,500 CSEB per day. We will not let this Yard close. Even if it does, we are in a position now to run this by ourselves.”

- Thanushan

Model Training Yard Participant



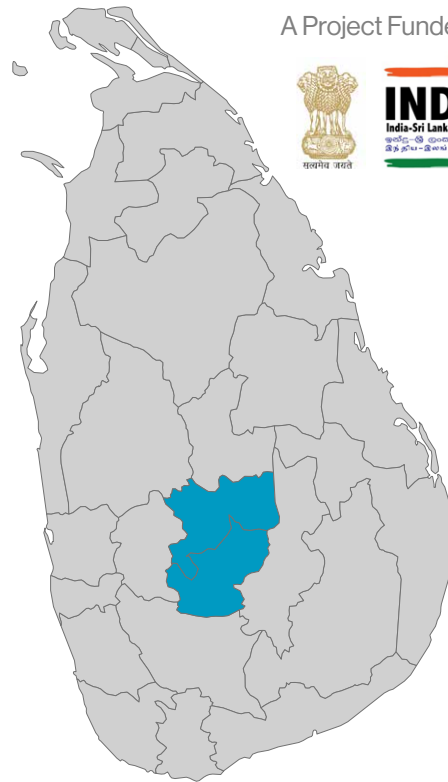
“I met with a severe accident as a boy and burned my hands and chest. It was a difficult childhood and even more when I had to find employment.” Arulantham always thought he will never be able to lead a normal life until he was selected as a beneficiary of the Homes not Houses Project and he is now finally optimistic about the future. “I am grateful to have been selected to be trained in the CSEB Yard in Batticaloa. Now I have a job and an income. I feel useful and empowered. I have great pride in taking my salary home to my mother who cared for me when I was helpless.”

- Arulanantham

CSEB Block Production Yard Worker

Indian Housing Project

A Project Funded by



Project Impact

	Individuals Supported	220
	Families Served	55
	Children Supported	107
	Female Headed Households	5
	Access to Adequate Sanitation Facilities	55

Sustainable Development Goals



“ To our family, this home is as sacred as a place of worship. The value of this home cannot be measured. It means so much to us. ”

– Yogarani, Homeowner (Kandy)



Indian Housing Project – Central Province

Building Self-Reliance of Plantation Worker Families

For generations, plantation workers have lived in small attached houses, referred to as 'line-houses'. With limited natural ventilation, sunlight or access to basic sanitation facilities, these overcrowded single room units are often inhabited by multiple families. Safety of the girl child, facilities conducive for children to play safely and study comfortably have been beyond reach for these impoverished and marginalized communities for decades.

Moved by the plight of the estate workers, the Government of India initiated the Indian Housing project in the Central and Uva Provinces, which envisions the resettlement of at least 4,000 plantation workers in newly created cluster villages or small townships. Implemented under the auspices of the Ministry of Hill Country New Villages, Infrastructure and Community Development, the Indian Housing Project in the Central and Uva Provinces is an extension of the Government of India's overall commitment to construct 50,000 houses for the under privileged in Sri Lanka.

In the initial phase of the Indian Housing Project, Habitat for Humanity Sri Lanka successfully completed construction of 98 homes for the plantation workers of Hellbodde Estate. The new village was officially named 'Bhagat Singh Puram', after famous Indian freedom fighter and youth icon – Bhagat Singh and the new homes were ceremoniously handed over to the homeowners by the High Commissioner of India to Sri Lanka in March 2019.



Habitat Sri Lanka was subsequently awarded an additional 267 houses to be constructed across 5 tea plantation estates in the Central Province. At the end of the year under review, a total of 217 low-income plantation worker families in Nayapana Estate, Kelebokke Estate, Levellon Estate, and Hagalla Estate have constructed a safe place to call home with the financial assistance provided by the Indian Housing Project. The construction of homes for the remaining 50 families were delayed due to issues pertaining to land clearance in the Hanthana Estate. These homes are currently under construction and it is estimated that the homes will be ready for occupation by the end of 2020.

Each new 550 square foot incremental home constructed through the Indian Housing Project consists of two bedrooms, a living room and a toilet. Using the popular 'Homeowner-driven Model' of construction, families are given the opportunity to provide their own labour and financial contributions towards the construction of the home; thus, developing their sense of ownership and agency. While Habitat for Humanity provides technical assistance, and monitors the progress of construction ensuring that Habitat's housing quality standards are met; homeowners play a vital role in the construction of their home.

Working together with the Estate Workers' Housing Cooperative Societies (EWHCS) and local construction service providers the homeowners have the opportunity to drive the decisions regarding the construction of their house including the design, procurement of labour and material and how finances are managed. The beneficiaries have the flexibility to expand their houses after the completion of the core-house is constructed under the project. The extensive orientation and training provided by Habitat for Humanity on technical aspects and house life cycle management has equipped homeowners to develop new skills and has contributed to their sense of self-reliance. Access to safe drinking water and enhanced sanitation facilities has significantly increased the hygiene and health standards of these families.

Building on Solid Ground

Homeowner Impact Story

Fernando and his family of four, lived in a small line-room with limited access to basic facilities on the Hanthana Tea Estate. Fernando and his wife, Kannamal were constantly worried for the safety of their children. The line-room which they called 'home' since the day they were married, has no proper doors, windows or locks, and offers limited ventilation and sunlight. During the rainy season the family had to worry about keeping all their belongings safe, because their home would get flooded given that their roof would constantly leak. The line-rooms have very poor access to basic facilities such as adequate sanitation facilities, and as a result the family was forced to share one common toilet with at least five other families on the estate.

The new home Fernando and Kannamal will receive through the Indian Housing Project funded by the Indian Government, truly marks a new beginning for this family.

Kannamal says, that she will be the first family member in five generations to own a home of her very own. This new lockable home, will provide the family much needed safety, space and privacy. Fernando, a concerned father, is especially happy about the attached toilet that will ensure the privacy and safety of the girls.

In February 2020, Fernando laid the foundation for his new home. Joining him on this special occasion were 12 Japanese volunteers who had travelled to Sri Lanka to build homes for families in need, through Habitat's Global Village program.

Because Fernando and Kannamal are both plantation workers, they are not always able to assist with the construction of their home. However, they were excited to work with the Habitat volunteers to begin the construction of their own home.

Kannamal still feels this is a surreal experience, because she has dreamed of this moment for so long. Watching the volunteers help build the place they will soon call their family home, Kannamal was overjoyed to know that their dream was finally coming true.





“We are so excited to begin this new chapter in our lives, in our new home. We find it so hard to believe that these volunteers have travelled so far just to help people like us. We will never forget this experience and we will forever be grateful to Habitat for Humanity for giving us this second chance at life”

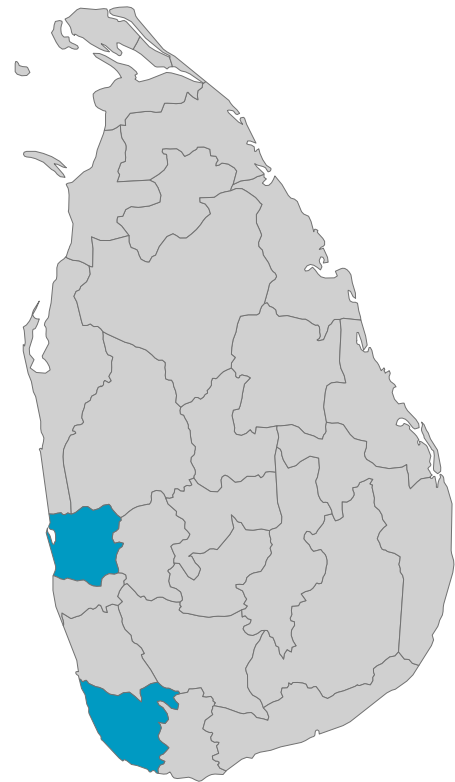
- Kannamal

Homes for Hope Project

Project Impact

	Individuals Supported	141
	Families Served	36
	Children Supported	26
	Female Headed Households	12
	Access to Adequate Sanitation Facilities	33

Sustainable Development Goals



“ My prayer has always been to have peace – just like I feel now inside this new warm, comfortable, and safe Habitat home. We finally know the peace of mind of having a place to call home ”

– Dulcy, Homeowner (Gampaha)



Homes for Hope Project

Providing persons with disabilities with safe places to call home

Funded by a local donor family in memory of their loving parents, late Dr. & Mrs. J.H.F. Jayasuriya (Founder Chairman, Ceylon National Association for the Prevention of Tuberculosis); the 'Homes for Hope Project' seeks to provide nearly 60 families of persons with disabilities in Negombo and Galle, with housing solutions specifically designed to meet their special needs.

The construction of 15 new homes under Phase 1 of the project in the Katana DS Division was completed in 2019, benefiting families of persons with disabilities, particularly visually impaired persons in Nayanalokagama Village. All 15 families have now moved into their new homes, which were designed to include special accessibility features for persons with disabilities. In addition to the new homes constructed in Katana, Habitat Sri Lanka also repaired and rehabilitated 31 homes of persons with disabilities, which were in a dilapidated condition, through the 'Homes for Hope' home improvement housing initiative. The home improvements ranged from supporting families with new roofing, provision of toilets and sanitation facilities, plastering walls, cementing floors and strengthening existing structures by adding safety features. These interventions have provided the homeowner families with better housing conditions and an improved quality of life.



The focus of Phase II of the project is to support families of persons affected by Leprosy in the Galle District. Persons affected by Leprosy are very often among the most marginalized in their communities and lack access to basic facilities such as decent shelter, due to the social stigma. Through Phase II of the Project, Habitat Sri Lanka will support 15 families of persons battling Leprosy, most of whom have some form of disability, providing these families the chance to live in safety and dignity. Due to the stigma associated with the leprosy patients Habitat has taken extra care not to divulge information of the leprosy patients benefiting from the project. Making this next phase of the project even more unique, the homes will be constructed with Compressed Stabilized Earth Blocks,

which are environmentally friendly and more thermally efficient. Each fully completed house of the 'Homes for Hope Project' is approximately 580 sq.ft. in extent, complete with two bedrooms, a living room, verandah, kitchen and an attached toilet.

In keeping with Habitat's focus on building 'Homes' and 'not Houses' and using the Community-based Rehabilitation approach the 'Homes for Hope Project' also provides training to the beneficiaries on home management, house maintenance and good hygiene practices. Such initiatives are key steps to ensuring that the new homes become a foundation to a better quality of life, that is both sustainable and evolutionary.

Light at the End of the Tunnel

Homeowner Impact Story

Saranapala, has been visually impaired since birth; however this has never stopped him from striving hard to build a better life for himself and his family. Saranapala and his wife Indrani live in Nayanalokagama with their Son, Daughter-in-law and three grandkids aged 14, 12 and 6.

Apart from their previous house being overcrowded they also faced a sanitary and hygiene issues. Their bathing and sanitation area was located outside of the house – which was challenging to access at night especially for Saranapala. Their previous toilet was a fragile temporary structure which was made with tarpaulin covers. There was minimal privacy and was not a lockable structure. The roof of their house was

constantly leaking whenever it rained and they did not have adequate space to stay or keep their belongings safe.

Saranapala feels that being selected to receive a home through Habitat's Homes for Hope Project, has been the turning point in his life. Moving into their new Habitat home has been an amazing experience for Saranapala and Indrani. His wife Indrani, was especially moved by the generous support of the volunteers who supported Habitat Sri Lanka through the Global Village program. "I wanted to work alongside them to show them how much I appreciated their kindness".

Their children contributed by providing their new home with brand new furniture – as a sign of sharing the joy of this new chapter in life. They are now able to live a life that is filled with contentment – and hope for better days. The burden of building a home is now off their shoulders; and together they are able to focus on living a fruitful and joyful life with the rest of their family.



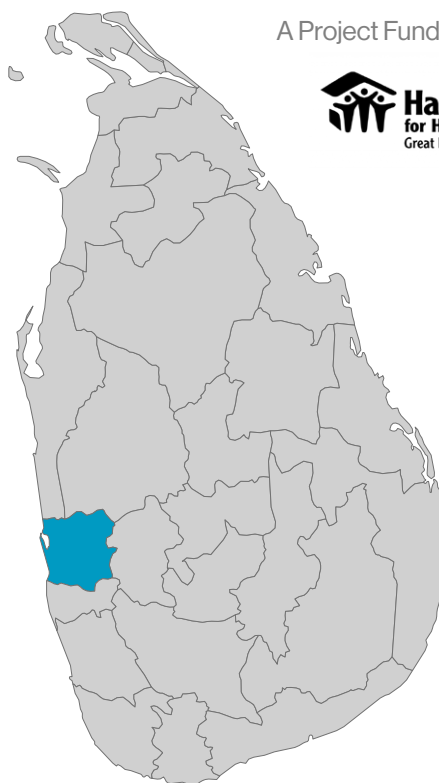


“I was depressed for many years, that there was just no way for me to provide my family a safe home. Now living in this new home I have become much more positive in my outlook on life. I am much happier than before, thank you Habitat.”

-Saranapala

Rebuild Revival Project

A Project Funded by



Project Impact

	Individuals Supported	42
	Families Served	10
	Children Supported	23
	Female Headed Households	3

Sustainable Development Goals



“ We are so thankful that Habitat helped us to complete our home. We now have enough space for the entire family to live peacefully under one roof. Habitat changed our life. ”

– Maria, Homeowner (Negombo)



Rebuild Revival Project

Paththeyanwatta Community Home Improvement Initiative

Habitat for Humanity Sri Lanka launched the Rebuild Revival Project in 2019, with the objective of supporting 10 low-income families in the Paththeyanwatta community, who were part of an original group of 24 families that benefited from a previous Habitat housing project. The original 'Habitat Rebuild' project in 2012, enabled Habitat Sri Lanka to support 24 vulnerable families to build 'core houses', using an 'incremental housing model', consisting of one lockable living-room, kitchen and an outdoor toilet. Even though the 24 homeowners had initially committed to raise funds to incrementally complete the construction of the remainder of the house - a lockable bedroom, at their own pace. However, due to financial constraints 10 families were unable to complete the construction of their homes.

Funded by Habitat for Humanity Great Britain, these 10 beneficiary families were awarded the financial assistance needed to construct an additional room as an extension to the existing house through the Rebuild Revival Project. The construction of the 10 house extensions were completed through a participatory home owner driven process, where the beneficiary families were involved in planning, procuring materials and monitoring the construction.



The Paththeyanwatta community consists of a majority of daily-wage workers whose meagre household income is barely sufficient to support their day to day living expenses. Some of the homes with young children limit the capacity of building a dual income. Though some of the beneficiaries are recipients of Government welfare programs, most often the minimum living expenses exceed the household income, while some of these families are forced to get into debt just to feed their children. Desperate need for additional income to support the family compels the older children to seek employment opportunities without the option of completing their higher education - which in turn impacts their earning capacity - which only serves to keep the family trapped in a cycle of poverty and debt. Therefore, the financial support provided through the Rebuild Revival Project

has played an integral role in reducing the vulnerability of these low-income families in Paththeyanwatta by providing them with access to safe and stable shelter (through the completion of their partially-constructed homes), and empowering them to achieve a better quality of life.

The Rebuild Revival Project not only provided the community with decent and safe shelter, but it also empowered the community to establish a community savings fund, which allowed the families to access funds for future home improvements. As part of the project, a Community Based Organization (CBO) was established and was duly registered with local authorities. The office bearers of the CBO were given training on basic accounting and record keeping for transparency and accountability. As a result, the CBO has established a small welfare shop to cater to the community members. The purpose of the CBO is to increase community participation that leads to greater unity, self-reliance and ability to sustain community development.

Home is where the Heart is

Homeowner Impact Story

For almost six years, Nilani and her family lived on rent, with no permanent place to call home. They often found themselves shifting from one house to another, as the years passed their financial situation progressively worsened, they could not afford to pay rent and pay for their children's school fees. As a result, they were evicted from their rented home. Despondent and with a heavy heart, Nilani and Canisius decided that the family has to be separated as they had no place to live; the two daughters were sent to live with Nilani's sister and their son was sent to live with Canisius' brother. Nilani then moved to Kalpitiya where she assisted her husband with his fish business.

After having to separate her family, Nilani became an active member of a society for the homeless 'Jana Awaboda

Kendraya' (J.A.K) almost three years after the family was separated, they were finally awarded a block of land by the J.A.K. Thrilled to have her family back under one roof again, Nilani built a temporary shelter on that land hoping that this would be her first step towards a better life, she expected her journey to be a long and arduous one until her family was selected as a Habitat beneficiary. "Thanks to Habitat, we were blessed with a permanent house in August 2012", she said. As their children grew up the one-bedroom house became too small to accommodate them and none of them had their privacy, but they did not mind it as they got to live as a family under one roof.

Nilani shares how grateful she is that Habitat was able to help their family for the second time, by extending their house. "We are so happy; we are living with so much freedom now". Nilani has the biggest smile as she talks about her children and how delighted they are to finally have a proper house after years of enduring pain.





“My children are thrilled that they were able to use their savings and contribute to the house in a small way.”

– Nilani



Together we build
resilient communities that are

Empowered



SUSTAINABLE DEVELOPMENT GOALS



Home is the key

We believe that home is the foundation for our lives, and it should provide an atmosphere of contentment and calm where individuals can thrive. Yet for many families in Sri Lanka, the concept of a safe and decent home seems out of reach. Driven by the United Nations Sustainable Development Goals, Habitat for Humanity Sri Lanka firmly believes that investing in affordable housing equals to investing in the long-term sustainable development of the nation. With the help of our generous donors, we have been able to demonstrate over the past 26 years that the home plays a vital role in helping families break the cycle of poverty for good. It gives families a stable foundation with a sense of dignity and pride.

“ A House is to a family what soil is to a plant. A plant needs to be rooted. A family is like that too. If a family is not rooted it will not flourish. It will not grow... it will not blossom. But once a family is well-rooted, all kinds of wonderful things will begin to happen. ”

- Millard Fuller
(founder, Habitat for Humanity)



Community Transformation



Health



Security



Economic Stability



Education



Women Empowerment



1 NO POVERTY



End poverty in all its forms everywhere



In 2018, Sudharshini and her family received a home through Habitat for Humanity Sri Lanka. Sudarshini and her husband Indika live in their new Habitat home with their four children aged 17,11,8 and 4 and Sudarshani's elderly mother. The family of seven previously lived in a single-roomed temporary shelter made of wooden planks, which Indika had sourced from the neighborhood. Sudarshani was excited to move into her new home. She is the first in 4 generations to have a home of her very own. "This is a dream come true for our family. I believe this new home is the beginning of a brand-new chapter in our lives". She is confident that her children now have a safe place to grow up in".

3 GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages



Prior to receiving their Habitat home, Manikkam Shothilingam, a teacher to the estate worker children, lived with his wife Chandrawathi, in the quarters provided on the estate. Living in the cramped and damp estate quarters, with no hope of owning their own home, they often wondered how they would manage when they had children. The line rooms that served as shelter was not what they hoped for their children. In 1995, their family received a home through Habitat for Humanity Sri Lanka. Chandrawathi says She knows that in building this home for them, she and Manikkalingam have assured their beloved daughters a strong foundation to build their dreams on.

4 QUALITY EDUCATION



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Displaced by the war for decades, Usha (17) and her sisters lived in a temporary shelter with their parents, prior to receiving a home from Habitat for Humanity, funded by the European Union. They were excited to move into their new home, after years of uncertainty. What Usha loves most about her home, is the space she and her sister have to do the things they enjoy. She loves reading and she is so happy that she finally has a place of her own to store her books safe from bad weather; a place where she and her sisters are able to study and do their homework in safety.

5 GENDER EQUALITY



Achieve gender equality and empower all women and girls



Premalatha works in the plantations at the Hellboda Estate and is also an active member of the committee formed by the homeowners of the Indian Housing Project. She is a resilient single mother of two. Her daughter is married and lives close by to her new home with her own family. She expressed how this new home has changed her life, because it gave her a sense of “strength and stability”. She is committed towards female empowerment and works hard to assist other women in her community. She continuously looks into innovative ways to help her community, as she considers them her own family. After years of struggling due to her living conditions, she now has reached a point in life where she is stable enough to help others. Premalatha is grateful to the Indian Government and Habitat for Humanity for the opportunity she was given to rebuild her life.

6 CLEAN WATER AND SANITATION



Ensure availability and sustainable management of water and sanitation for all



Through Habitat's Community Development initiatives, Habitat Sri Lanka has successfully provided 82 families with access to water and sanitation facilities, in Nawarathnegoda village, Matale. In Ameer Ali Vidyalaya, Kattankuddy 155 school students were provided with access to adequate sanitation facilities. Previously these students were compelled to share 02 toilets among male and female teachers and students, with no privacy and safety for the girl child. Habitat strives to uplift the lives of marginalized and vulnerable communities by providing them with access to adequate sanitation facilities.

7 AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all



Jegadeshwaran and his family were recipients of one of the first homes built through the "Homes not Houses" project in Mullaitivu. Their house was considered a model house so that neighbouring villagers and beneficiaries could see the quality of construction using CSEB technology. Being a mason himself, it was important to Jegadeshwaran to attend all of the community meetings headed by Habitat Sri Lanka to learn more about the alternative construction methods and the benefits that came with opting for this method rather than for a conventional home using regular bricks. It only took 2 months to complete the construction of the home he now lives in with his wife and young son. Jegadeshwaran too participated in the construction of his own home, and it was a fulfilling and learning experience for him. "The main difference of this house is that the bricks are breathable and the inside of the house is much cooler than a regular house would be", says Jegadeshwaran referring to the use of CSEB technology on the building of his home.

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



During the years following the war, Shyalini's entire family lived in a one-room temporary shelter made with tin sheets. With poor ventilation, no proper sanitation, and limited protection, Shyalini's parents constantly feared for the safety of her Shyalini & her siblings. Because they never had a permanent address, Shyalini was not able to secure a job. Shortly after receiving their Habitat home through the European Union-funded 'Homes not Houses' project, Shyalini was selected for a job in a garment factory. Soon she was able to make forward-thinking choices and even considered accepting a promotion where she would have to move to another city; she could do this because she knew her family was now safe in their new home.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Kailayapillai Koneswary is an appropriate technology homeowner of the EU Homes not Houses project. She is also a recipient of a small grant to start her own business under the Flanking Activities of the project. Through this innovative project, families are provided with improved access to local and sustainable income opportunities through small cash grants to initiate SMEs, livelihoods and DRR infrastructures followed by training in construction, home gardening, agriculture and livestock management. As this support is integrated with the housing investments and provided to the same families and communities, the project began to address donor dependency and effectively help families reach "sustained livelihoods through housing". "We managed through the COVID19 lockdown period thanks to the paddy stocks. Most importantly, I was able to share my harvest with my neighbours and relatives too", said Koneswary.

10 REDUCED INEQUALITIES



Reduce inequality within and among countries



Born to visually impaired grandparents, 6-year old Pathum is also visually impaired. He has not lost his vision completely but over the years his eyesight has progressively worsened. In 2019, Pathum's family along with his grandparents received a home through the 'Homes for Hope' project when 15 visually impaired beneficiaries were selected to receive homes in Nayanalokagama, Katana. Pathum's grandfather, Eardley commented on how the Habitat house plan was well thought out; taking into consideration their impairment. It took him and his wife very little time to adapt to the new home which is a testament to the inclusive planning carried out in consultation with the community in Nayanalokagama.

11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable



The little rustic village of Vallipuanam in Mullaitivu, once ravaged by war, was abuzz with celebration as Rajeshwari boiled traditional milk in her new home in September 2019. A daikan Rajeshwari's eyes lit with joy and pride at the restoration of her family's dignity. The transition from a tin hut to an eco-friendly home was a big milestone for her. Beaming with pride inside her new Habitat home, Rajeshwari said: "I am so happy that Habitat kept their promise and now I have a beautiful home not only for myself but for also my aged parents." The fully completed, environmentally-friendly, lockable house was home not only to her, but also her aged parents. As incense sticks were lit in prayer to the deities that blessed her, she also thanked Habitat for keeping their promise and reassuring her of safety, shelter and sustainability through the 'Homes not Houses Project' funded by the European Union.

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts



In his 30 years as a Mason, it is only through Habitat Sri Lanka's "Homes not Houses Project" that Thangavel was able to achieve his dream of building with appropriate technology and thereby saving the forests and rivers of his beloved motherland. As part of the EU Project, Thangavel received international standard training in appropriate technology construction. He was trained in building homes using Compressed Stabilized Earth Blocks (CSEB). Thangavel intends to promote this method of construction long after the project is over, as he feels it is the most environmentally friendly, cost-effective and comfortable home that suits the warm climatic conditions of the Northern and Eastern Provinces.

17 PARTNERSHIPS FOR THE GOALS



Strengthen the means of implementation and revitalize the global partnership for sustainable development



Nadeeshani and Dayaratne and their three young children; Ravindu, Kiruli and Shanuli had just moved into their newly constructed home in Yatiyantota when the devastating Cyclone Roanu struck Sri Lanka in May 2016. The Dayarante family lost all of the simple treasures they had worked so hard to acquire, especially their television and washing machine they had saved so long to purchase. The children lost all their school books and toys, and the family lost all their belongings. Partnering with Alwaleed Philanthropies, Habitat for Humanity was able to provide Nadeeshani and her family a safe place to call home once more. Nadeeshani said, "Life is always full of surprises... change is not always the end of the world. We knew that help would come. And Habitat for Humanity came in and helped us rebuild our lives".

Together we build
resilient communities that are

Hopeful



Partnerships with Purpose

As we come to the end of another challenging year, we are indeed grateful for the continued support of our donors and partners – ranging from **Multilateral and Bi-lateral donors, to Foundations, Organizations, Institutions, Corporations and Individuals** from around the world who have championed and sponsored the work of Habitat for Humanity Sri Lanka. Now more than ever, we are committed to building 'Partnerships with Purpose' that will play a pivotal role in changing the lives of low-income families in Sri Lanka, for the better.

Amidst the many challenges brought on by COVID-19, Habitat for Humanity Sri Lanka has been blessed to continue our operations without interruption thanks to the support of our generous donors and partners. The response to our signature fundraising campaign, '**Brick by Brick**' – a first time initiative to raise funds to support low-income families affected by the pandemic in the Gampaha District – has generated tremendous support from both local and international donors, enabling us to provide urgent housing support to families in need.

By working closely with generous donors who choose to support the work of Habitat, we have been able to give hope to **27,118 families** (108,500+ individuals) in need of decent shelter. Multilateral and Bilateral donors such as the European Union and the Government of India have played a significant role in enabling Habitat for Humanity to assist over **12,000 war-affected families** rebuild their lives following decades of displacement in the North and East of Sri Lanka. Our partnerships with foundations, organizations, institutions and corporates across the world have also afforded us the opportunity to support nearly **9,000 disaster-affected families** rebuild their lives following major natural disasters, such as the Indian Ocean Tsunami in 2004 and landslides caused by Cyclone Roanu in 2016.

Through **CSR Partnerships** to Sponsor Housing Initiatives for low-income families, **Cause Marketing Partnerships**, and **Corporate Employee Volunteering** organizations have been able to promote their Corporate Sustainability goals

while making a lasting social impact. Habitat Sri Lanka is proud to have uplifted the lives of many through our customized corporate partnerships and look forward to working closely with them to create mutually beneficial partnerships.

We are also grateful to our '**Habitat Humanitarians**' – our Board of Directors, Goodwill Ambassador and Influencers who have supported us in numerous ways by lending us their platforms, their connections and their voice to raise funds and amplify the message of Habitat Sri Lanka this year.

While we have achieved much, there is still much to be done. With every partnership, we have taken one step closer to realizing our vision of building a Sri Lanka where every family will have a decent place to call home.

We believe that every partnership helps a family in need break the cycle of poverty.

Thank you for fuelling the vision and mission of Habitat for Humanity.

“Partnering with Habitat Sri Lanka is an excellent way for any organization to give back and make a lasting impact on the community.”



Our Donors and Partners

Since 1994

House Construction Projects

Multilateral and Bilateral Donors



European Union

European Union Homes not Houses Project



Indian Housing Project for plantation workers in Central Province



Indian Housing Project for IDPs in Eastern Province

FOI donors



Kabbalah Centre for Charitable Causes Kabbalah Housing Project



International Indian Film Academy (IIFA) IIFA Housing Project



Japan Platform IDP Housing Project

Corporate Donors



Brandix Employee Housing Project



ODEL Kalutara Housing Project



London Stock Exchange / Millennium IT Millennium IT Housing Project

Other Donors



S. Thomas' Preparatory School Brick by Brick Project



Ms. Ruani Jayasuriya Homes for Hope Project



Ms. Ruani Jayasuriya Kalutara Housing Project

Disaster Response Projects

FOI donors



Al-Waleed Foundation Kegalle Housing Project



JOAC Flood Relief Project



Tearfund Tsunami Housing Project



World Concern Tsunami Housing Project

Corporate Donors



Bloomberg & Unilever Flood Relief Project



London Stock Exchange Flood Relief Project



Millennium IT Flood Response Employee Housing Project



BASF Tsunami Housing Project

Water and Sanitation Projects

FOI donors



JOAC Water & Sanitation Project



Japan Platform Water & Sanitation Project

Corporate Donors



Coca-Cola Foundation Well Cleaning Project



Hatton National Bank Drops of Life Project

Community Development and Advocacy Projects

FOI donors



Coca-Cola Foundation
Preschool Construction Project



Australian Aid
Land Rights & Secure Tenure Project



Daraz
Brick by Brick Project



JAT Holdings
TIMUN Youth Build

Volunteer Youth Engagement Initiatives

Corporates

- Bloomberg
- Korean Electric Company
- Coca-Cola Beverages Sri Lanka
- CEAT
- Cargills PLC
- No Limit
- Macktiles Lanka
- Tokyo Cement
- Hatton National Bank
- Janashakthi PLC
- Heritage Teas
- Elephant House
- Multilac
- Lafarge Cement
- Aqua Fresh
- LOLC
- DPL
- GSK
- The Cakery
- Findmyfare.com

Schools and Youth Groups

- New York University Abu Dhabi
- American National College
- Stafford International School
- Ladies College
- Overseas School of Colombo
- Elizabeth Moir School
- Asian Grammar School
- Lyceum International School
- Ilma International School
- The International Model United Nations
- Four Square Church Youth Group
- Sri Lanka Scouts Association

In 26 years, Habitat for Humanity Sri Lanka has been committed to building partnerships with the public and private sector towards enhancing shelter access for communities in need. We're grateful for the support of local and international Donors and Partners who have supported the work of Habitat Sri Lanka since 1994.

Rebuilding Sri Lanka Brick by Brick

Every day, more and more families find themselves in a struggle to keep a decent roof over their heads. Caught in punishing cycles of unpredictable rent increases, overcrowded conditions, or lack of access to land and affordable financing, these families live with a constant burden of uncertainty, stress and fear. Out of the 6 million families living in Sri Lanka, only 5.2 million have some form of housing. This is the housing need Habitat for Humanity Sri Lanka strives to address through our housing programs.

We believe that a safe and stable HOME is the key to helping families break the cycle of poverty. A stable home provides safety and security for families, empowers women, promotes better health and hygiene, better education and employment opportunities and opens the door to a world of opportunities for families in need. Yet for many families in Sri Lanka, the concept of a safe and decent home seems out of reach.

The Brick by Brick Project matches families in need (who are

placed on Habitat's waiting list based on need) with donors who are interested in sponsoring the construction of a home for a single family. The project is designed in such a way that vulnerable families with no place to call home, will be provided incremental homes consisting of one room (120 sq.ft) and a toilet (15 sq.ft). The estimated cost of a single unit is LKR 350,000. This enables Habitat to provide shelter solutions for the most vulnerable families within a short space of time.

Habitat Sri Lanka is currently fundraising to meet its goal of raising LKR 14,000,000 to build homes for 100 low-income families in the Gampaha District. For more information, please visit www.habitatsrilanka.org/brick-by-brick

Did you know?

Out of the 6 million families living in Sri Lanka **only 5.2 million families** have some form of housing. Nearly **800,000 families live in extreme poverty** in Sri Lanka and do not have a safe place to call home.





Meet Selvi Kalechelvi. Selvi is a resilient mother of two young daughters, who lives in Negombo with her husband Mahendran, who is a daily-wage labourer. Selvi's elderly Grandmother, who will be soon celebrating her 99th birthday also lives with them. All five of them live in a small temporary structure made of wooden planks – which they have called home for nearly 20 years. The small home which consists of just one room, is not sufficient for the family of five. The roof of the poorly constructed home, is held up with the aid of a tree bark, as it is in serious danger of collapsing. A safe and stable home would be a dream come true for Selvi and her family.



Meet 17-year-old Ganesh, who lives in a small unstable structure on the banks of the Negombo lagoon with his four brothers and his parents. For nearly 18 years, Anthony, Ganesh's father who is a fisherman has worked hard to provide for his family. All that he could save has been used to construct this small unstable structure they call home – a single unit space built with wooden planks and tin roofing sheets. Some walls which have deteriorated due to dampness have been replaced with tarpaulin sheets. The tiny space is shared by all seven of them, with hardly enough space for all of them to sleep on the floor. With no access to a toilet of their own, the family is forced to use the lagoon to fulfill their basic sanitation needs.

Through the Brick by Brick Project, Habitat will support

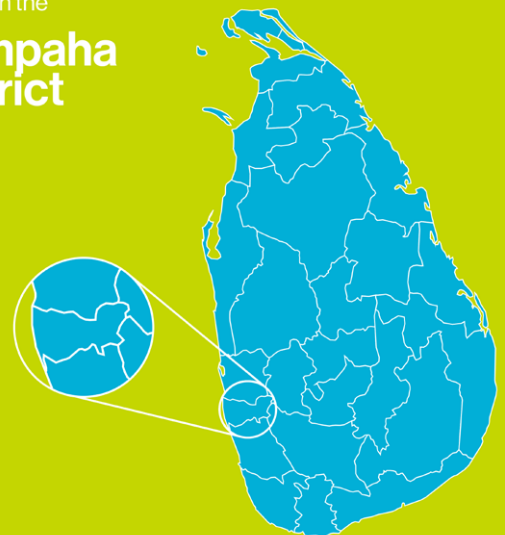
100 low-income families

build a place of their own to call home.



The Brick by Brick Project will support low-income families in the

Gampaha District





Together we build
resilient communities that are

Inspired

Volunteer Programs

Habitat for Humanity Sri Lanka fosters the spirit of volunteerism through its long-standing volunteer program. Through Global Village (GV), Habitat for Humanity's International Volunteer Program, individuals, students and corporate teams are offered the chance to travel and build a home for communities in need of adequate housing. Volunteers are given the opportunity to get hands-on experience in uplifting lives of vulnerable communities while assisting low-income families to rebuild their homes.

Not only do our volunteers assist in building safe, decent homes for families but their fundraising efforts and donations help ensure more families can have a brighter future. Volunteers' program donations enable Habitat to build community impact—one of our strategic plan goals—by serving more families and transforming communities. Habitat homeowners and their family members who work on their own homes are, in turn, inspired to help others.

This promotes mutual respect, improves community cohesion and strengthens the fabric of society.

This fiscal year was particularly challenging for us, as Habitat for Humanity International made a difficult decision to suspend all Global Village volunteer builds until 31 December 2020, due to the COVID-19 global pandemic. This decision was made in order to ensure that the communities we serve, our volunteers, our staff and our partners are all kept safe during this unprecedented crisis. Our volunteer program will re-open in January 2021, and we look forward to welcoming all our volunteers – both local and international volunteers, to help us rebuild Sri Lanka once again.

Habitat Sri Lanka is proud to have worked alongside every volunteer that has joined hands with us to build strength, stability and self-reliance of families in need, throughout our 20-year Global Village history. Thank you to each volunteer for their generosity, commitment, hard work and time spent supporting the vision and mission of Habitat for Humanity Sri Lanka, your support has been life changing.

Every Volunteer makes a Difference.





“ There is no other feeling like witnessing the joy of a family that has received a Habitat Home. ”

- Emma (Australia)



“ Volunteers are truly the backbone of Habitat for Humanity’s global mission. Having worked with volunteers for over two decades, the kindness and generosity of our amazing volunteers never ceases to amaze me. Global Village teams bring invaluable support to the communities they visit, and as a result of their generosity with time and donations; more homes are built for families in need each year. ”

- Francis Fernando,
Volunteer Programs Manager



“ This was a life changing experience. Building a home for someone in need... to me, this is what it truly means to be a Scout - to be of service to others - and I hope I will have more opportunities to volunteer in the future. ”

- Piyumal (Sri Lanka)





“ I really love working here, it was really tiring but I loved it. Working for a cause was fulfilling, every time I was tired, I would think ...this is for the poor family, this is for the kids... and it would get me through. ”
 - Zaid (Egypt)



“ This was a life changing experience. Building a home for someone in need... to me, this is what it truly means to be a Scout - to be of service to others - and I hope I will have more opportunities to volunteer in the future. ”
 - Piyumal (Sri Lanka)



“ It's amazing how you can communicate with people and not speak any of the same language ”
 - Emma (Australia)



TIMUN Youth Build

In September 2019, Habitat Sri Lanka partnered with The International Model United Nations (TIMUN) as its official Volunteer Partner. Thanks to our dedicated Global Village volunteers we have been able to change the lives of so many families across Sri Lanka.

On Saturday, 14th September 2019, over 100 TIMUN youth delegates volunteered with Habitat for Humanity Sri Lanka to paint the homes of visually impaired persons in Nayanalokagama, Negombo. This special event titled 'TIMUN Youth Build' was held in conjunction with The TIMUN Conference attended by over 160 international and local students, held from the 12-15th September 2019 at the Hilton Colombo Residencies.

Special Guest of Honour, South African High Commissioner to Sri Lanka, Her Excellency Robina P. Marks also graced the occasion and volunteered her time painting homes together with the youth and became acquainted with the visually

impaired beneficiaries. Highlighting the importance of youth engagement towards building a more sustainable world, she urged the youth to 'think Global but to act Local', thereby encouraging the TIMUN delegates to go beyond drafting resolutions and to become agents of change in their communities.

Official event partner JAT Holdings (Pvt) Ltd. generously donated 100 liters of Permoglaze Weathershield Emulsion paints and paint brushes, enabling the TIMUN youth delegates from Ladies' College, Lyceum International School, Asian Grammar School and Ilma International School to spend a day painting the homes of ten visually impaired persons who had recently received homes through Habitat for Humanity Sri Lanka's 'Homes for Hope' Project.

The TIMUN Youth Build was the first 'Activity Day' of its kind, held mid-way during a Model-UN conference, which provided delegates an unique opportunity to step away from conference deliberations and to put into practice their learnings and engage in sustainable development at the community level.



Volunteer Impact Stories

Gulzar Ahmed

Volunteer - TIMUN Director/Co-Founder (Sri Lanka)

Model United Nations has always been a platform for young leaders to excel and rediscover their true potential. But the ever-rising question of how these students can be true agents of change by directly involving them in achieving the SDGs locally has never been addressed. This year at The International Model United Nations (TIMUN) we changed the outlook of contemporary Model UN in Sri Lanka by including a Field Work, where students debated on a global issue addressing SDG 11 and moving out of the committee rooms to create tangible change.

Habitat for Humanity Sri Lanka truly acted as the pioneers in sparking the change in more than 100 delegates this year by providing our delegates an opportunity for being an agent of change. TIMUN's partnership with Habitat Sri Lanka changed the lives of those visually impaired families at Katana and every stakeholder here at TIMUN.

TIMUN looks forward to working with Habitat in engaging more local and foreign delegates in creating change in the lives of many in the years to come. Thank you, Habitat, for being an eye opener to our students, and being one of our pillars of success.



George Clarke

Global Village Volunteer (Canada)

George Clarke has been involved with Habitat for Humanity for almost ten years. His volunteer experience in Sri Lanka was special for many reasons – one of them being the opportunity to work alongside one mason in particular; Ram. Ram had never worked with volunteers before and he was excited to have volunteers assisting him with the construction of his house.

The language barrier between Ram and the volunteers was not a challenge as they began to work together. George loved how Ram always showed up with a smile no matter how hot or humid it was on the build site and he really let them try everything they could on the construction site, including levelling the foundation. This dynamic had a way of empowering both volunteer and mason, and they didn't feel the day pass by in the scorching heat. They were constructing a home in good spirits, with honest hard work. When asked if he would return to Sri Lanka as a volunteer, George replied, "Would we go back to Sri Lanka? In a minute - great people, great food, what more could you ask for, certainly in our top 3 of best places to build!"





Together we build
resilient communities that are

Sustainable

Annual Report of the Board of Directors on the Affairs of the Company for the Year Ended 30th June, 2020

The Directors have pleasure in submitting their Report together with the Audited Statement of Accounts for the year ended 30st June, 2020.

1. PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

Principal Activities of the Company were:

To take steps to improve the economic and social conditions of the low income & vulnerable people by the construction of simple, decent and affordable houses in partnership with those in great need without favouritism or discrimination of race or religion. To assist the poor and underprivileged by means of technical expertise to repair, extend and build houses at no profit.

2. DIRECTORS

The Director of the Company as at 30th June, 2020 were:

- | | | |
|--------------------------------|---|-----------|
| 1) Ms. M. Mathews | - | President |
| 2) Ms. A De Mel | - | Director |
| 3) Mr. W. P. S. Dias | - | Director |
| 4) Mr. R. S. Fernando | - | Director |
| 5) Mr. C. M. Anthonisz | - | Director |
| 6) Mr. W. N. J. E Perera | - | Director |
| 7) Mr. R. A. Fernando | - | Director |
| 8) Mr. S. M. Fernando | - | Director |
| 9) Mr. T. H. D. E. C. de Silva | - | Director |
| 10) Mr. J. M. G. Montemayor | - | Director |
| 11) Mr. S. Mahendran | - | Director |
| 12) Ms. M. D. A. Perera | - | Director |

3. FINANCIAL STATEMENT

The Financial Statements of the Company are given on pages 4 to 7 of the Audited Accounts.

4. AUDITOR'S REPORT

The Auditor's Report on the Financial Statements is given on pages 1 to 3 of the Audited Accounts.

5. ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

The accounting policies and notes are given on pages 8 to 22 of the Audited Accounts and there were no material changes in the Accounting Policies adopted.

6. DIRECTORS INTEREST IN CONTRACT

Ms. M. Mathews, Ms. A De Mel, Mr. W. P. S. Dias, Mr. R. S. Fernando, Mr. C. M. Anthonisz, Mr. W. N. J. E Perera, Mr. R. A. Fernando, Mr. S. M. Fernando, Mr. T. H. D. E. C. de Silva, Mr. J. M. G. Montemayor, Mr. S. Mahendran and Ms. M. D. A. Perera, Directors were not interested in the contracts of the Company other than the details given in note 21 to the Financial Statements during the year ended 30th June, 2020.

7. DIRECTORS REMUNERATION AND OTHER BENEFITS

The Directors were not paid remuneration in respect of the Company, for the financial year ended 30th June, 2020

8. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There were no significant events after the reporting date that required adjustments to or disclosures in the financial statements.

9. TAXATION

As per the Income Statement tax Credit for the year ended 30th June, 2020 was Rs. 1,860,296/-.

10. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the Government and the employees have been made on time.

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant capital commitments and Contingent Liabilities as given under notes 19 and 20 to the notes to financial Statements.

12. INVESTMENTS

The Association has invested its excess funds in Fixed Deposits which stood at Rs. 53,855,060 as at 30th June 2020.

13. DONATIONS

The Association has made no donations during the accounting period.

14. AUDITORS

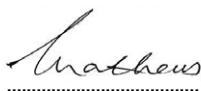
The present Auditors Messrs PricewaterhouseCoopers, Chartered Accountants, have signified their willingness to continue in office and are recommended for re-appointment.

As far as the Directors are aware, the Auditors do not have any relationship, with the Company other than its auditors.

The Auditors were paid Rs. 648,000/- as audit fees for the year ended 30th June, 2020.

15. ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 26th November, 2020 at 4:00pm via Zoom.

**BY ORDER OF THE BOARD OF DIRECTORS OF
HABITAT FOR HUMANITY SRI LANKA**


.....
Director



.....
Secretaries



.....
Director

Date: 23rd November 2020



Independent auditor's report

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

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Habitat for Humanity - Sri Lanka (Guarantee) Limited ("the Company") as at 30 June 2020, and of its financial performance and 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.

What we have audited

The financial statements of the Company, which comprise:

- the balance sheet as at 30 June 2020;
- the statement of financial activities for the year then ended;
- the statement of changes in accumulated fund for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics.

Other information

Management is responsible for the other information. The other information comprises the annual report of the board but does not include the financial statements and our auditor's report thereon. The annual report of the board is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report of the board, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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T: +94 (11) 771 9700, 771 9838, F: +94 (11) 230 3197, www.pwc.com/lk

Partners D T S H Mudalige FCA, C S Manoharan FCA, Ms S Hadgie FCA, Ms S Perera ACA, N R Gunasekera FCA
T U Jayasinghe FCA, H P V Lakdeva FCA, M D B Boyagoda ACA

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Independent auditor's report

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

Report on the audit of the financial statements (Contd.)

Responsibilities of management and those charged with governance for the financial statements

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent auditor's report

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

Report on the audit of the financial statements (Contd.)

Auditor's responsibilities for the audit of the financial statements (Contd.)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act, No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

11 November 2020

COLOMBO

PricewaterhouseCoopers

CHARTERED ACCOUNTANTS



HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Statement of financial activities**

(all amounts in Sri Lanka Rupees)

	Note	Year ended 30 June	
		2020	2019
Project income			
Incoming resources	5	448,887,586	665,159,480
Total project income		<u>448,887,586</u>	<u>665,159,480</u>
Project expenditure			
Direct project cost	6	(359,865,458)	(561,970,172)
Direct project staff cost	6	(60,393,535)	(55,967,372)
Indirect project cost	6	(40,124,727)	(47,221,936)
Total project costs		<u>(460,383,720)</u>	<u>(665,159,480)</u>
Net deficit on project activities		(11,496,135)	Nil
Grants-unrestricted funding		2,807,503	42,175,320
Other income	7	10,914,871	24,699,212
Administration and other operating costs	8	(40,135,776)	(37,290,392)
Net (deficit) / surplus before income tax	9	(37,909,537)	29,584,140
Income tax credit	10	1,860,296	1,932,266
Net (deficit) / surplus after income tax		<u>(36,049,240)</u>	<u>31,516,407</u>

The notes on pages 8 to 22 form an integral part of these financial statements.

Independent auditor's report on pages 1 - 3

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Balance sheet**

(all amounts in Sri Lanka Rupees)

	Note	As at 30 June	
		2020	2019
Assets			
Non current assets			
Property, plant and equipment	12	7,080,800	11,105,369
Investments	13	53,855,060	70,949,715
		<u>60,935,860</u>	<u>82,055,085</u>
Current assets			
Prepayments and other receivables	14	13,442,880	18,550,270
Cash and cash equivalents	15	98,367,874	99,313,058
		<u>111,810,754</u>	<u>117,863,328</u>
Total assets		<u>172,746,614</u>	<u>199,918,413</u>
Funds and liabilities			
Funds			
Unrestricted funds	18	13,683,209	49,732,449
Restricted funds	18	135,233,164	127,184,406
Total funds		<u>148,916,373</u>	<u>176,916,855</u>
Non current liabilities			
Defined benefit obligation	16	15,544,695	14,649,320
Current liabilities			
Income tax payable		4,872,665	7,046,007
Creditors and other payables	17	3,412,881	1,306,231
		<u>8,285,546</u>	<u>8,352,238</u>
Total liabilities		<u>23,830,241</u>	<u>23,001,558</u>
Total funds and liabilities		<u>172,746,614</u>	<u>199,918,413</u>

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 11/11/2020


.....

.....
Directors

The notes on pages 8 to 22 form an integral part of these financial statements.

Independent auditor's report on pages 1 - 3

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Statement of changes in accumulated fund**

(all amounts in Sri Lanka Rupees)

	Notes	Restricted funds	Unrestricted funds	Total Funds
Balance as at 1 July 2018		54,693,885	18,216,042	72,909,927
Net surplus for the year		Nil	31,516,407	31,516,407
Funds received during the year		737,650,000	Nil	737,650,000
Funds transferred to statement of financial activities		(665,159,479)	Nil	(665,159,479)
Balance as at 30 June 2019		127,184,406	49,732,449	176,916,855
Balance as at 1 July 2019		127,184,406	49,732,449	176,916,855
Net deficit for the year		Nil	(36,049,240)	(36,049,240)
Funds received during the year	18	456,936,343	Nil	456,936,343
Funds transferred to statement of financial activities	18	(448,887,586)	Nil	(448,887,586)
Balance as at 30 June 2020		135,233,164	13,683,209	148,916,373

The notes on pages 8 to 22 form an integral part of these financial statements.

Independent auditor's report on pages 1 - 3

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Statement of cash flows**

(all amounts in Sri Lanka Rupees)

	Note	Year ended 30 June	
		2020	2019
Cash flows from operating activities			
Net (deficit) / surplus before taxation		(37,909,537)	29,584,140
Adjustment for:			
Depreciation charge	12	4,802,969	7,887,513
Provision for defined benefit plans	16	2,814,375	2,431,018
Interest income	7	(10,542,644)	(22,966,034)
Fund balance adjustments to incoming resources	18	8,048,758	72,490,521
Loss on disposal of property, plant and equipment		1,720,675	Nil
Net cash (outflows) / inflows before working capital changes		(31,065,404)	89,427,158
Changes in working capital			
Decrease / (increase) in prepayments and other receivables		5,107,390	(2,339,554)
Increase in creditors and payables		2,106,650	115,073
Cash (used in) / generated from operations		(23,851,364)	87,202,677
Income taxes paid		(313,044)	(235,194)
Defined benefits paid	16	(1,919,000)	(823,110)
Net cash (used in) / generated from operating activities		(26,083,408)	86,144,373
Cash flows from investing activities			
Addition of property, plant and equipment	12	(2,499,074)	(716,900)
Withdrawals from / (investment in) interest bearing instruments		17,094,654	(41,863,512)
Interest received	7	10,542,644	22,966,034
Net cash generated from / (used in) investing activities		25,138,225	(19,614,378)
(Decrease) / increase in cash and cash equivalents		(945,184)	66,529,996
Movement in cash and cash equivalents			
At start of year		99,313,058	32,783,062
(Decrease) / increase in cash and cash equivalents		(945,184)	66,529,996
At end of year	15	98,367,874	99,313,058

The notes on pages 8 to 22 form an integral part of these financial statements.

Independent auditor's report on pages 1 - 3

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

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 affordable houses to the needy families.

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

- Indian High Commission
- Habitat for Humanity International
- Habitat for Humanity - EMEA (EU Project)
- Habitat for Humanity - AP
- Habitat for Humanity - Japan
- Habitat for Humanity - Great Britain
- Ms. Ruani Jayasuriya
- Habitat for Humanity - China

2 Basis of preparation

2.1 Statement of compliance

The Company's financial statements for the year ended 30 June 2020 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 balance sheet, statement of financial activities, changes in accumulated fund and the statement of 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 Sri Lankan Rupees.

2.4 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.

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

Notes to the financial statements (Contd.)

2 Basis of preparation (Contd.)

2.5 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 income, 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 financial activities 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 balance sheet 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 2020, and amended 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 financial activities.

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.

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

Notes to the financial statements (Contd.)

3 Summary of significant accounting policies (Contd.)

3.3 Inventories (Contd.)

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

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:

	2020	2019
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.

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

Notes to the financial statements (Contd.)

3 Summary of significant accounting policies (Contd.)

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 financial activities.

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

(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.

3.7 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 recognised 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. Unutilised funds are held in their respective fund accounts and included under accumulated funds 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 recognised 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.

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

Notes to the financial statements (Contd.)

3 Summary of significant accounting policies (Contd.)

3.8 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 financial activities over the useful life of the asset.

3.9 Statement of financial activities

(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.

3.10 Expenditure recognition

Expenses in carrying out the projects and other activities of the Company are recognised in the statement of financial activities 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 financial activities.

3.11 Taxation

Income tax is provided in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 and is based on the elements of income and expenditure reflected in the statement of financial activities and on the elements of grants received, subject to exemptions referred to in Note 10 to the financial statements.

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

Notes to the financial statements (Contd.)

3 Summary of significant accounting policies (Contd.)

3.12 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 19. 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 Company's objectives

	2020	2019
Grants-Restricted Funding (Note 6)	447,442,439	644,695,801
Grants-Restricted Funding-Funds transferred from prior year balances (Note 6)	1,445,147	20,463,679
	448,887,586	665,159,480

Above incoming resources include restricted funds accounted based on Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations.

	2020	2019
Restricted funds received for the year	456,936,343	737,650,000
Unrestricted funds received for the year	2,807,503	42,175,320

However, the total cash funds received during the year amounting to Rs. 461,676,236 (2019 - Rs. 780,395,175) comprised as below.

Donor	2020	2019
Indian High Commission	10,686,900	14,457,800
European Union	398,054,803	666,180,000
Habitat for Humanity - Asia Pacific	47,497,050	21,913,125
Habitat International GV Sending countries	1,064,195	17,029,720
Habitat for Humanity - Great Britain	2,600,020	Nil
Corporates	952,220	200,000
Individual local donors	446,968	60,600,000
Online donation	374,080	14,530
	461,676,236	780,395,175

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

Notes to the financial statements (Contd.)

6 Project activity summary

Identified project	Transferred from restricted funds		Funds transferred from prior year balances	Total amount expended			Total cost	(Deficit) on projects
	Organisation	Amount		Staff	Direct	Indirect		
Homes not Houses: Building Sustainable Future (LK16011)	HFH-EMEA Cash Transfers	403,026,876	Nil	(41,095,604)	(339,983,425)	(21,947,847)	(403,026,876)	Nil
European Union GAP (EU-GAP)	HFH-AP Cash Transfers	13,650,015	Nil	(8,322,184)	(1,767,000)	(3,560,831)	(13,650,015)	Nil
Indian Embassy Houses-Phase II - 265 Houses (LK19003)	Indian High Commission - Colombo	8,399,300	1,445,146	(9,750,546)	Nil	(11,590,035)	(21,340,581)	(11,496,135)
Homes for Hope Project (LK19006)	Local Donor	19,766,228	Nil	(872,574)	(16,365,033)	(2,528,621)	(19,766,228)	Nil
Pattayanwatta Home Improvement Project (LK20003)	HFH-Great Britain Transfers	2,600,020	Nil	(352,627)	(1,750,000)	(497,394)	(2,600,020)	Nil
	Total	447,442,439	1,445,147	(60,393,535)	(359,865,458)	(40,124,727)	(460,383,720)	(11,496,135)

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Notes to the financial statements (Contd.)****7 Other income / (losses)**

	2020	2019
Special event income	204,000	1,535,158
Interest income	10,542,644	22,966,034
Recoveries from write-offs	70,669	204,025
Net foreign exchange transaction loss	(9,942)	(6,183)
Profit or loss on disposals	107,500	Nil
Other miscellaneous Income	Nil	178
	10,914,871	24,699,212

8 Administration and other operating costs

	2020	2019
Administrative staff related expenses	33,162,259	32,766,999
Other costs	6,973,517	4,523,393
	40,135,776	37,290,392

9 Net (deficit) / surplus before income tax

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

	2019	2019
Auditors' remuneration - Audit fee	648,000	775,000
Depreciation charge on property, plant and equipment (Note 12)	4,802,969	7,887,513
Staff costs (Note 11)	93,555,793	88,734,370
Professional services	1,531,020	1,106,475

10 Taxation

Effective from 1 April 2018, the Company was liable to income tax at the rate of 28% on 3% of grants received as per Section 68 of Inland Revenue Act, No. 24 of 2017. In addition to the tax on the grants received, Other income, if any, are liable for income tax at the rate of 28%.

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 Year of Assessment 2018/2019. The Inland Revenue had granted remission of 86.82% for 2018/19. Income tax remission in respect of the current year (year of assessment 2019/2020) 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.

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Notes to the financial statements (Contd.)****10 Taxation (Contd.)**

	2020	2019
Tax credit for the year (see note below)	(1,860,296)	(1,932,266)
	(1,860,296)	(1,932,266)
	2020	2019
Income tax on grants received during the year	3,878,080	6,559,026
Tax on other income		
Other miscellaneous income	30,100	18
Recoveries from write-offs	19,787	20,403
Special event income	57,120	153,516
	3,985,088	6,732,963
Adjustment for over provision in respect of previous year	(5,845,384)	(8,665,229)
	(1,860,296)	(1,932,266)

11 Staff costs

	2019	2018
Wages and salaries	79,277,176	74,960,408
Other employee benefits	989,028	1,238,847
Defined contribution plans	10,475,214	10,104,097
Defined benefit obligations (Note 16)	2,814,375	2,431,018
	93,555,793	88,734,370
Average monthly number of persons employed by the Company during the year:		
Full time	80	89

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

Notes to the financial statements (Contd.)

12 Property, plant and equipment

	Freehold land	Building	Warehouse and construction equipment	Office equipment	Computer hardware	Motor vehicles	Total
At 01 July 2018							
Cost	4,333,000	1,327,102	147,250	7,715,429	8,288,402	17,899,340	39,710,523
Accumulated depreciation	Nil	(1,327,102)	(147,250)	(3,922,284)	(5,627,654)	(10,410,251)	(21,434,541)
Net book amount	4,333,000	Nil	Nil	3,793,145	2,660,748	7,489,089	18,275,982
Year ended 30 June 2019							
Opening net book amount	4,333,000	Nil	Nil	3,793,145	2,660,748	7,489,089	18,275,982
Additions / transfers: Cost	Nil	Nil	Nil	Nil	716,900	Nil	716,900
Disposals / transfers : Cost	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Accumulated depreciation	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Depreciation charge (Note 9)	Nil	Nil	Nil	(1,455,915)	(2,505,074)	(3,926,524)	(7,887,513)
Closing net book amount	4,333,000	Nil	Nil	2,337,230	872,574	3,562,565	11,105,369
At 30 June 2019							
Cost	4,333,000	1,327,102	147,250	7,715,429	9,005,302	17,899,340	40,427,423
Accumulated depreciation	Nil	(1,327,102)	(147,250)	(5,378,199)	(8,132,728)	(14,336,775)	(29,322,054)
Net book amount	4,333,000	Nil	Nil	2,337,230	872,574	3,562,565	11,105,369
Year ended 30 June 2020							
Opening net book amount	4,333,000	Nil	Nil	2,337,230	872,574	3,562,565	11,105,369
Additions / transfers: Cost	Nil	Nil	1,812,675	296,899	389,500	Nil	2,499,074
Disposals / transfers : Cost	Nil	Nil	(1,867,925)	(917,650)	(1,564,802)	Nil	(4,350,377)
Accumulated depreciation	Nil	Nil	147,250	917,650	1,564,802	Nil	2,629,702
Depreciation charge (Note 9)	Nil	Nil	(14,054)	(1,102,119)	(769,868)	(2,916,929)	(4,802,969)
Closing net book amount	4,333,000	Nil	77,946	1,532,011	492,206	645,636	7,080,800
At 30 June 2020							
Cost	4,333,000	1,327,102	92,000	7,094,679	7,830,000	17,899,340	38,576,121
Accumulated depreciation	Nil	(1,327,102)	(14,054)	(5,562,668)	(7,337,794)	(17,253,704)	(31,495,321)
Net book amount	4,333,000	Nil	77,946	1,532,011	492,206	645,636	7,080,800

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Notes to the financial statements (Contd.)****13 Investments**

	2020	2019
Investments in fixed deposits	53,855,060	70,949,715
	53,855,060	70,949,715

Investments in fixed deposits include fixed deposit balances at Hatton National Bank as of the year end.

14 Prepayments and other receivables

	2020	2019
Deposits and prepayments	2,348,070	4,791,570
Advances	637,432	785,768
Other receivables	10,457,378	12,972,932
	13,442,880	18,550,270

- (a) Deposits and prepayments mainly consist of refundable rent deposits made for project offices & national office amounting to Rs. 1,468,070 (2019 - Rs. 1,561,570) and prepayment for the national office & project offices amounting to Rs. 880,000 (2019 - Rs. 3,230,000).
- (b) Advances comprise 1/3 of medical insurance recoverable from employees amounting to Rs. 276,749 (2019 - Rs. 382,810), business advances receivable from employees amounting to Rs. 292,183 (2019 - Rs. 298,457) and loan receivable from employees of Rs. 68,500 (2019 - Rs. 104,500).
- (c) Other receivables mainly comprise fund receivable in respect of Indian Housing Project-Phase III Plantation of Rs. 1,414,700 (2019 - Rs. 3,702,300), interest receivable for fixed deposit of Rs. 750,712 (2019 - Rs. 1,330,148), receivable from EU Consortium Rs. 3,545,142 (2019 - Rs. 1,321,120) and Receivable from EU- Sub-grantees Rs. 3,465,670 (2019 - Rs. 4,741,638).

15 Cash and cash equivalents

	2020	2019
Cash in hand	320,000	395,000
Cash at bank	98,047,874	98,918,058
	98,367,874	99,313,058

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

	2020	2019
Cash and bank balances	98,367,874	99,313,058
	98,367,874	99,313,058

Restricted cash

Cash and cash equivalents disclosed above and investments disclosed in note 13 include Rs. 127,850,363 (2019 - Rs. 113,784,068) relating to restricted projects which are not available for general use by the Company.

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Notes to the financial statements (Contd.)****16 Defined benefit obligation**

The movement during the year is as follows:

	2020	2019
At beginning of the year	14,649,320	13,041,412
Current service cost (Note 11)	2,814,375	2,431,018
Benefits paid	(1,919,000)	(823,110)
At end of the year	15,544,695	14,649,320

The defined benefit obligation represents only the legal liability as per the Gratuity Act, No:12 of 1983 computed from the year of commencement of employment and is not actuarially valued or externally funded.

17 Creditors and other payables

	2020	2019
Accrued expenses	672,674	249,522
Accounts payable	2,740,207	1,056,709
	3,412,881	1,306,231

- (a) Accrued expenses mainly consist of utility payables such as telephone, electricity and water in respect of services obtained.
- (b) Accounts payable mainly consist of annual audit fee payable Rs. 648,000 (2019 - Rs. 775,000), payable for EU suppliers Rs. 1,496,296 (2019 - Rs. Nil) and other miscellaneous payables Rs. 595,911 (2019 - Rs. 281,709).

18 Funds

The movement in unrestricted and restricted funds are as follows:

a) Unrestricted Funds	2020	2019
Balance at beginning of the year	49,732,449	18,216,042
Net (deficit) / surplus for the year	(36,049,240)	31,516,407
Balance as at year end	13,683,209	49,732,449
b) Restricted Funds	2020	2019
Balance as at beginning of year	127,184,406	54,693,885
Funds received / receivable during the year	456,936,343	737,650,000
Transferred to statement of financial activities (Note 06)	(448,887,586)	(665,159,479)
Balance as at year end	135,233,164	127,184,406

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Notes to the financial statements (Contd.)****18 Funds (Contd.)**
b) Restricted funds

Project	Balance b/f	Funds received / (refunded) and receivable during the year	Transferred as incoming resources	Transferred (to) unrestricted funds	Transferred (to) / from other projects	Balance c/f
Indian Embassy houses - Phase I	1,573,908	Nil	Nil	Nil	(1,445,146)	128,762
Construction of Water Tank & Connections	691,229	Nil	Nil	Nil	Nil	691,229
Homes not Houses: Building Sustainable Future	81,422,499	398,054,803	(403,026,876)	Nil	Nil	76,450,426
Designated funds - Disaster response	4,324,417	Nil	Nil	Nil	Nil	4,324,417
IHP- Phase II -Plantation (265 Houses)	Nil	8,399,300	(9,844,446)	Nil	1,445,146	Nil
Homes for Hope Project	39,172,354	Nil	(19,766,228)	Nil	Nil	19,406,125
Pattayanwatta Home Improvement Project	Nil	2,600,020	(2,600,020)	Nil	Nil	Nil
Brick By Brick Project	Nil	385,170	Nil	Nil	Nil	385,170
European Union GAP (EU-GAP)	Nil	47,497,050	(13,650,015)	Nil	Nil	33,847,035
Total	127,184,406	456,936,343	(448,887,586)	Nil	Nil	135,233,164

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

Notes to the financial statements (Contd.)

19 Contingencies

(a) Contingent liabilities

There were no contingent liabilities as at the year end.

(b) Contingent assets

There were no contingent assets as at the year end.

20 Commitments

Capital commitments

There were no material capital commitments outstanding at the year end.

Financial commitments

There were no material financial commitments outstanding at the year end.

21 Directors' interest and related party transactions

21.1 The directors during the financial year were ;

Ms. Manjula Mathews
 Ms. Amila de Mel
 Dr. Ravi Fernando
 Prof. W. Priyan Solomon Dias
 Mr. Rajith Stephan Fernando
 Mr. Christopher M. Anthonisz
 Pastor Neroshan Perera
 Mr. Shanek Fernando
 Mr. Chanaka De Silva
 Ms. Minette Perera
 Mr. Sughadevan Mahendran
 Mr. Marco Gamboa Montemayor

21.2 The National Organisation 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. Sughadevan Mahendran & Mr. Marco Gamboa Montemayor represents HFHI Asia Pacific Region, as Directors in the National Board of Habitat for Humanity Sri Lanka.

HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED**Notes to the financial statements (Contd.)****21 Directors' interest and related party transactions (Contd.)**

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

Project / programme	Funds/grants received	
	2020	2019
Global village programme HFHI-HQ	Nil	Nil
Grant Funding Networks countries (GFN)	1,064,195	17,638,720
Capacity & EU GAP HFHI-HQ	47,497,050	21,913,125
EU Project Grant Funding Networks countries (GFN)	398,054,803	666,180,000
HFH Great Britain Project Grant Funding Networks countries (GFN)	2,600,020	Nil
	449,216,068	705,731,845

Except for above, none of the directors were directly or indirectly involved in any contracts with the Company during the year ended 30 June 2020.

22 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.

FEEDBACK

Habitat for Humanity Sri Lanka recognizes the importance and value of listening and responding to feedback and complaints. We strive to achieve the highest standards and are committed to responding to concerns and complaints in a timely and appropriate manner.

For more information on the work of Habitat for Humanity Sri Lanka or to provide feedback about this report please contact:

Melissa Jayasuriya

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We believe that every gift makes a difference in powering the mission of Habitat for Humanity in providing families across Sri Lanka with a decent and safe place to call home.

If you are moved to donate towards our mission, please visit our website at www.habitatsrilanka.org/donate

Or donate directly via bank transfer to:

Account Name: Habitat for Humanity Sri Lanka
Bank and Branch: Commercial Bank, Dehiwela
Bank Account No: 8580027315
Swift code: CCEY LKLX

Please email melissa@habitatsrilanka.org to receive a formal acknowledgement and receipt of your valuable contribution.

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CORPORATE INFORMATION

Name of the company

Habitat for Humanity Sri Lanka

Legal Form

Voluntary social service organization
Guarantee Limited Company

Registered Address

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Together we build
resilient communities that are

Transformed

every family

deserves a chance to thrive



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