



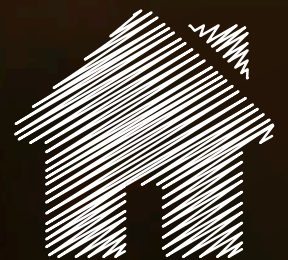
**Habitat**  
for Humanity®  
Sri Lanka

# Annual Report 2020/21

July 1, 2020 - June 30, 2021



A place to call  
*Home*





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



27 years of providing  
vulnerable and marginalized families across Sri Lanka

## A PLACE TO CALL HOME

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**everyone**  
deserves a safe  
place to call home

## **VISION**

A world where everyone has  
a decent place to live.

## **MISSION**

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



## Our Story

# everyone needs a place to call home

**Habitat for Humanity** is an international non-profit housing organization committed to providing decent and affordable homes for people living in poor conditions. Driven by the vision that everyone deserves a decent place to live, Habitat for Humanity was founded in the United States in 1976, and currently operates in more than 70 countries across the world. 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 decent and safe 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 **27 years** Habitat for Humanity Sri Lanka has been devoted to this mission of empowering families to break the cycle of poverty and helping them to achieve strength, stability and self-reliance.

Working with communities, we construct homes that are affordable, safe and disaster resilient. We consider providing communities with better access to safe drinking water, adequate sanitation facilities and hygiene education, an integral part of giving families the tools they need to create a stable and secure future for their children. Therefore, in all our interventions we focus on **building homes and not houses**, paving the way towards creating sustainable development that will transform communities.

As we embark on our 28th year of operations, we're proud to have partnered with over **27,942 families** on their road to progress, helping over **111,768 individuals** to build a safe and decent place they can be proud to call home. We are deeply grateful to our donors and partners for being part of our journey and for their generous support which has enabled us to create foundations for the future.

In a world facing severe economic and climatic challenges we believe that together we can make a lasting difference. Now more than ever, we are committed to building homes that are affordable, environmentally-friendly, safe and disaster resilient. We invite you to join us on this impactful journey.

Together we build **homes, communities and hope.**

**Since 1976,  
Habitat has helped  
more than**

**39  
million**

**people build or improve  
the place they call home.**



A PLACE TO CALL HOME PROVIDES

**STABILITY**



# Our Journey

**1995**

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



**2005**

Post-Tsunami Rebuild Program provides homes for 3,264 families affected by the 2004 tsunami



**2015**

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



**2017**

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



**2020**

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



**2021**

Completion of the Homes not Houses Project funded by the European Union, providing homes for 2,370 returnee families in Batticaloa, Kilinochchi and Mullaitivu



# Our Footprint

In 27 years, Habitat for Humanity Sri Lanka has supported

**27,942 families**

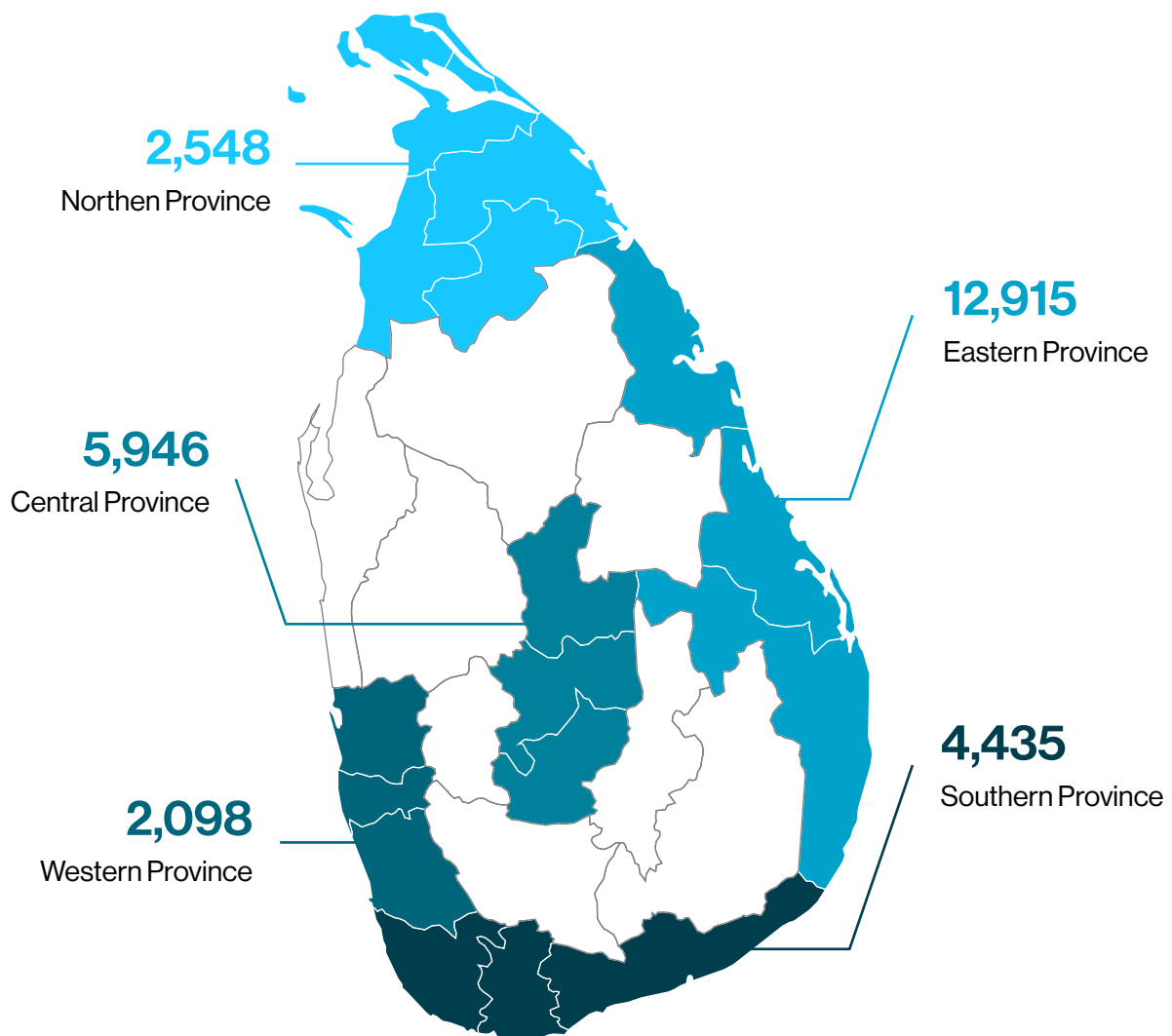
to build safer places to call home; enabling them to achieve a sense of stability and self-reliance which has empowered these families to build better lives for themselves.

In fiscal year 2021, Habitat Sri Lanka improved the housing conditions of

**3,306 people**

through new house constructions, incremental homes, repairs and providing access to safe drinking water and adequate sanitation facilities.

## Families served across sri lanka since 1994





# Our Achievements

## FY2021

Individuals Supported through housing solutions



**3,306**

**824**



Families Served through shelter solutions

Female Headed Households Supported



**331**

**715**



Children Supported through shelter solutions

Access to Clean Water and Sanitation Facilities for families



**808**

**LKR 314 million**



Total Funds Raised in FY2021



A PLACE TO CALL HOME PROVIDES

# SELF RELIANCE



# National Board of Directors



## Ms. Manjula Mathews

President (2018 -2021)  
Director, Janashakthi Limited



## Mr. Chanaka De Silva

Vice President (2018-2021)  
President's Counsel  
Partner, Nithya Partners



## Ms. Minette Perera

Treasurer (2018-2021)  
Finance Professional



## Pastor Neroshan Perera

Secretary (2018-2021)  
National Convenor,  
TWNFM Sri Lanka/Pastor,  
Peoples' Church - Assembly of God



## Mr. Rajith Fernando

Director (since 2014)  
General Manager – Marketing,  
Citrus Events



## Professor Priyan Dias

Director (since 2014)  
Senior Professor - Civil Engineering,  
University of Moratuwa



## Dr. Ravi Fernando

Director (since 2016)  
Chairman/CEO  
Global Strategic Corporate  
Sustainability (Pvt) Ltd



## Mr. Shanek Fernando

Director (since 2016)  
Social Development Specialist –  
World Bank



## Mr. Marco Montemayor

Director (since 2018)  
Associate Director,  
Regional Operations for Asia-Pacific,  
Habitat for Humanity International



## Mr. Mahen Sughadevan

Director (since 2018)  
Associate Director - IT,  
International Entity Systems  
Asia Pacific Regional Office,  
Habitat for Humanity International

# Senior Management Team



**Yu Hwa Li**  
National Director



**Clerence Gunarajah**  
Senior Manager  
Finance & Administration



**Melissa Jayasuriya**  
Senior Manager  
Corporate Relations and  
Resource Development



**Tuan Arifeen**  
Senior Manager  
Programs



**Dwight Savundranayagam**  
Head of Finance  
The EU Project



**Joseph Jeyamaran**  
Senior Project Manager  
The EU Project



**Paul Camillus John**  
Finance Manager  
The EU Project

“

"The strength of the team is each individual member.  
The strength of each member is the team."

– Phil Jackson

”

# Habitat Humanitarians



## Otara Gunawardene

Founder and CEO of Embark and the Otara Foundation

"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."

## Rakhil Fernando

Managing Director, Daraz Sri Lanka

"I am honoured to be taking up the role of Goodwill Ambassador of Habitat for Humanity Sri Lanka, and thereby actively promoting their vision and mission of creating a better society. Our association through Daraz Cares has been effective in channeling worthy contributions to the organization's efforts, and we will continue to drive this more effectively with this partnership, leveraging on our position as a business leader in e-commerce."



## Lakshan Madurasinghe

President of the Board of the American Chamber of Commerce in Sri Lanka  
Regional Lead for Public Affairs, Communications and Sustainability for Coca-Cola in Sri Lanka, Maldives, Nepal and Bhutan



"I fervently believe that everyone in Sri Lanka deserves a safe, stable, and secure place to call home as it is a basic human right. We have a responsibility to make this a reality and ensure that no one is left behind in Sri Lanka. For over 27 years, Habitat has dedicated itself to this mission of bringing people together to build homes, communities and hope. I'm truly proud to be part of this life changing mission as providing a home reaps a generational blessing."



# Message from the National Director



It is with mixed feelings that I write this message for the Annual Report for the year ended June 30, 2021. In a year that has been devastated by the effects of the Covid19 pandemic in terms of its human toll, and its ripple effects on all strata of life, Habitat for Humanity's mission in Sri Lanka in building homes, communities and hope could not have been more challenging.

At the beginning of the year, we had a target of nearly 800 homes to be built across all projects, with home-owner families waiting eagerly to begin a new lease of life with proper and decent shelter. The prolonged and intermittent Covid19 quarantine lockdowns, isolations and inter-provincial travel restrictions had significant negative impact on the on-going construction work in the different parts of the country resulting in delays in project implementation. Our time commitments made to the different donors had to be re-negotiated with no-cost extensions, specifically those after March 2021.

While thankful that no major impact was upon the Habitat family – our staff and their families; the home-owner families; our partners, or our stakeholders – our determination and

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The most significant achievement for the year is without doubt the successful completion of the **'Homes not Houses – Building a sustainable future Together'** housing & re-settlement project funded by the **European Union** implemented in the districts of Batticaloa, Mullaitivu and Kilinochchi. The project spanned a period of five years from 2016, resulting in the building of 2,332 new homes and repairs and improvements to 34 homes by June 2021.

”

perseverance enabled us to meet some of the major housing deliverables and I am pleased to share some of the highlights of the year ended.

The most significant achievement for the year is without doubt the successful completion of the 'Homes not Houses – Building a sustainable future Together' housing & re-settlement project funded by the European Union implemented in the districts of Batticaloa, Mullaitivu and Kilinochchi. The project spanned a period of five years from 2016, resulting in the building of 2,332 new homes and repairs and improvements to 34 homes by June 2021. The project implemented under the 'home-owner-driven' model is in many ways a pilot project which tested the use of 'appropriate technology' using an un-conventional wall building material referred to as 'compressed stabilized earth blocks' or CSEB. The project will be recorded as the largest undertaken in the country using 'appropriate technology' with 720 homes built using CSEB. The

project also enabled over 1,270 persons involved in masonry and other construction related fields to be trained. We are extremely grateful to the **European Union** for the generous grant of €14 Million and the match-funding of €700,000 from Habitat for Humanity International, which made it possible for **2,370 deserving Sri Lankan families** to have decent shelter and experience a life-changing milestone in their lives. I take this opportunity to express our gratitude to our project co-partner World Vision Sri Lanka for supporting the home-owner families in the projects' flanking measures which included much needed livelihood development and disaster mitigation activities. We are grateful to the respective Government Agents and all local government stakeholders and the respective Government Line Ministries, the Department of External Resources of the Ministry of Finance for facilitating the project implementation.

I am delighted to report that the technical expertise and overall experience gained from the EU project in the construction of homes using CSEB as an appropriate technology building material was expanded to the Western and Southern Provinces during the year. As an intentional means of 'sustaining' the expertise and technology in the country, Habitat Sri Lanka was able to build **15 homes using earth-based blocks** under the '**Homes for Hope**' Project in the District of Galle, Southern Province funded by a Sri Lankan high net-worth donor. In addition, a major gift was secured from a UK-based donor through Habitat's Europe, Middle East & Africa (EMEA) Area Office, to build **100 incremental homes** consisting of one room and a toilet for the most vulnerable families living in sub-standard shelter in the Gampaha District in the Western Province, over a period of five years. During the year 2021 ending June, under this project named the '**GRACE Project,**' construction work on **10 incremental homes**, being the first years' target had begun, with all project stakeholders inquisitive to experience the new technology.

I am also happy to report the completion of **95 new homes** out of the remaining 101 homes under Phase II of the Housing Project for the Tea Plantation communities in the Central Province funded by the

Government of India, during 2021. As one of four implementing agencies of the Indian Housing Program, we continue to hope that the final phase of the Project of 10,000 homes will materialize and urge the Governments of Sri Lanka and India to fulfill the much-awaited bilateral agreement and prioritize the housing needs of the plantation communities.

During the Year, Habitat Sri Lanka launched a new campaign to raise funds locally to reduce the housing deficit by providing incremental homes for the most deserving families in the Gampaha District, Western province. The concept of the 'incremental home' under Habitat's '**Brick by Brick**'

“

As we approach the end of 2021 and renewed hope for a sustained period of recovery and a sense of normalization post-Covid19 and its implications, we are fully aware of the major concerns affecting our work.

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campaign has been pursued due to the high cost of construction, and provides opportunities for desiring home-owners to progressively build while also providing opportunities to prospective donors & sponsors to engage in the cause of housing by gifting manageable amounts in donation. I am pleased to report that the campaign has attracted several individual donors and we are hopeful of commencing construction of a number of units in fiscal year 2022.

As we approach the end of 2021 and renewed hope for a sustained period of recovery and a sense of normalization post-Covid19 and its implications, we are fully aware of the major concerns affecting our work. As I write, we are already dealing with the sudden surge in prices of building & construction materials such as cement, river sand, steel, roofing materials and increased labor costs. This would mean increased house costs and operational expenditure leading to challenges in raising funds



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Looking to the new year, Habitat Sri Lanka is fully committed to playing a pivotal role as a contributor the housing deficit in Sri Lanka and will endeavor to aggressively pursue funding resources from the Sri Lankan Corporate sector, high net-worth individuals and institutional donors.

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from donors for our work. To overcome the challenge of increased costs, we will explore innovative and cost-effective construction methodology, while continuing to identify and promote low-cost alternatives to building material.

Looking to the new year, Habitat Sri Lanka is fully committed to playing a pivotal role as a contributor the housing deficit in Sri Lanka and will endeavor to aggressively pursue funding resources from the Sri Lankan Corporate sector, high net-worth individuals and institutional donors. We will also seek opportunities to partner with other non-governmental organizations and the government in addressing the needs for housing and shelter. From lessons learnt in 2021, we will commit to progressively increasing our ability to contribute to sustainability and climate change adaption by looking at innovative alternatives to traditional and conventional building and construction practices.

I take this opportunity to thank the National Board of Directors for their contribution to foresight, insight and oversight in effectively governing the organization and its strategic direction; to all our donors and contributors for the much-needed financial resources without which none of the work we have undertaken and will undertake in the future is possible. We call on you to partner with us in the future and make Habitat for Humanity your preferred choice for giving; to all our home-partners whom we have served for the trust and confidence placed on us and giving us the opportunity to serve

you; to Habitat for Humanity International and global funding network for the contribution to organizational capacity, sustainability and project funding. A special word of gratitude to all the staff of Habitat Sri Lanka and my co-workers, for their commitment & integrity in delivering the promise we make in **'building homes, communities and hope'**!

In partnership,



**Yu Hwa Li**  
National Director

# Message from the President of the Board



It gives me great pleasure to provide this message for the Annual Report 2020/21. This past year marks Habitat for Humanity's 27th year of operations in Sri Lanka, and in partnership with an extensive network of donors and partners Habitat has succeeded in building nearly 28,000 homes, and serving over 111,700 people by increasing their access to affordable, safe and decent housing since 1994.

The past year was indeed a tough one, with Habitat for Humanity being compelled to navigate numerous economic and operational challenges brought on by the COVID-19 pandemic. Despite these challenges, I am proud to note that Habitat Sri Lanka was able to continue its impactful work in supporting vulnerable communities across the country.

A special highlight of the fiscal year gone by is no doubt the completion of the multi-faceted Homes not Houses Project funded by the European Union. The €14.7 million housing construction project which spanned over the course of five years was successfully completed in June 2021. Today, 2,370 returnee families in the North and East of Sri Lanka have been assisted with permanent homes as a

result of this life-changing project.

We're deeply grateful to the European Union for the trust they placed in Habitat for Humanity Sri Lanka to deliver on this ambitious project. We're also thankful to Habitat for Humanity International and World Vision Lanka for the support they extended to us in implementing this momentous project.

It is heartening indeed to note Habitat Sri Lanka's continued efforts in promoting the use of eco-friendly and climate appropriate technology. Building on the success of the Homes not Houses Project, Habitat Sri Lanka launched the GRACE Project funded by a UK-based donor to construct incremental homes using Compressed Stabilized Earth Blocks (CSEB) for 100 low-income families in the Gampaha District. Furthermore, in fiscal year 2021, the second phase of the Homes for Hope Project was successfully completed providing 15 families of persons with disabilities with new CSEB homes in the district of Galle.

“

Building on the success of the Homes not Houses Project, Habitat Sri Lanka launched the GRACE Project funded by a UK-based donor to construct incremental homes using Compressed Stabilized Earth Blocks (CSEB) for 100 low-income families in the Gampaha District.

”

In the year under review, Habitat Sri Lanka made significant progress in the Indian Housing Project in the Central Province providing 95 marginalized plantation worker families with safe and decent places to call home. Since 2017, through the Indian

Housing partnership, Habitat Sri Lanka has been able to provide homes for more than 280 plantation worker families who previously lived in extremely poor conditions.

The Brick-by-Brick fundraising campaign continued its efforts to raise funds for families in urgent need of housing solutions in the Gampaha district, through individual donors. Habitat Sri Lanka was able to support six families with incremental homes, while two families affected by the Easter Sunday Attacks in 2019 were supported with new homes under the Brick-by-Brick Project.

New corporate partnerships established during the past year with First Capital Holdings PLC (First Capital Housing Project) and the American Chamber of Commerce in Sri Lanka (Helping Hands Project) will provide much needed financial resources enabling Habitat Sri Lanka to continue its impactful work in the upcoming years.

It has been an honour to serve as the President of the Board of Directors of Habitat for Humanity Sri Lanka, and I count myself blessed to be part of the change that this organization has created, and will continue to create. I take this opportunity to thank my colleagues on the Board, for their time, enthusiasm and expertise. A special word of thanks to the National Director Mr. Yu Hwa Li, and his team, for their dedication, passion and continued commitment to achieving the vision and mission of Habitat for Humanity.

“

Our life-changing work would not be possible without the generous support of our donors, institutional and corporate partners and volunteers.

”

Our life-changing work would not be possible without the generous support of our donors, institutional and corporate partners and volunteers. Therefore, as we celebrate the successes of the year gone by in this report, we thank you for your investment in our ministry.

While the future may seem uncertain, we look ahead with steadfast intention and fierce commitment to our mission. Together, we can accomplish so much more than any of us can do alone. Together, the pebbles we cast will ripple through communities and generations to come. Now more than ever, we need your support, as we continue to build homes and transform communities in Sri Lanka.



**Manjula Mathews**

President

National Board of Directors





A PLACE TO CALL HOME PROVIDES

**SECURITY**



# SUSTAINABLE DEVELOPMENT GOALS

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 27 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

# affordable housing

ensures sustainable development for all





### Goal 01 - No Poverty

- Adequate housing builds resilience and reduces vulnerability to economic, social and climate-related shocks and disasters.
- Equal access to the economic resources of housing and the ownership and control over land and its income generation promotes sustainability.



### Goal 03 - Good Health and Well-Being

- Poor housing conditions are associated with a wide range of health conditions including respiratory diseases, injuries and poor mental health.
- Lack of safe drinking water and adequate sanitation facilities is a primary cause of the spread of water-borne diseases.



### Goal 04 - Quality Education

- Decent and affordable housing creates a foundation for children to grow into their full potential and pursue an education.
- Staying in the same school, having adequate space at home to study, and not worrying about having to move are all contributing factors to educational achievement.



### Goal 05 - Gender Equality

- Equal access to housing protects women from discriminatory policies and practices related to land distribution, titling and inheritance.



### Goal 06 - Clean Water and Sanitation

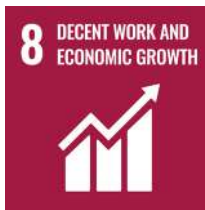
- Access to clean water and sanitation are integral to safe, healthy, adequate housing.



### Goal 07 - Affordable and Clean Energy

- Housing systems that are energy efficient and that use affordable, clean energy save costs and reduce air pollution and climate change effects.





### Goal 08 - Decent Work and Economic Growth

- Strong housing markets boost economic growth, as home construction creates job opportunities for local communities and stimulates the creation of small businesses and livelihoods.
- Stable housing leads to better economic opportunities, as families are often excluded from basic services because they lack proper housing.



### Goal 09 - Industry, Innovation and Infrastructure

- New technologies promote affordable, market-based, resilient, energy-efficient and green housing approaches.
- Construction of homes with the use of appropriate construction technologies promotes innovation in the construction industry.



### Goal 10 - Reduced Inequalities

- Affordable housing is key to social equality for marginalized and vulnerable communities such as refugees, internally displaced persons, persons with disabilities.



### Goal 11 - Sustainable Cities and Communities

- Access to affordable, adequate, safe and inclusive housing and basic services increases resilience.
- Integrated housing frameworks support economic, social and environmental policy planning and infrastructure linkages across the urban-rural ecosystem.



### Goal 13 - Climate Action

- Resilient homes promote preparedness among communities and enhance their ability to cope with environmental disasters and mitigate the impacts of climate change.



### Goal 17 - Partnerships for the Goals

- Leverage global partnerships which mobilize international and local financing towards affordable housing.

# The COVID-19 Pandemic and the Need for Affordable Housing

**The need for safe and decent shelter has never been more urgent. 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.**

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.

# COVID19 Emergency Response

In response to the devastating blow to daily wage earners due to the lockdown imposed by the GOSL during the Covid-19 pandemic, Habitat Sri Lanka and World Vision Lanka obtained permission from the European Union to realign unutilized line items in the 'Homes not Houses Project' budget as cash transfer intervention to selected homeowners and labourers within the project. A total sum of LKR. 12,000.00 (approx. Euro 55) per family as emergency cash assistance in two (2) instalments of LKR. 6,000.00 was disbursed to 2,002 selected beneficiaries (1,960 homeowners with no permanent income and to 42 CSEB production yard labourers) to address economic hardships, safety, and/or health concerns during a nationwide lockdown.



"I was very worried when the government put us on a lockdown last year due to the Corona Virus. My husband is a daily wage earner and the sole breadwinner for the family, besides we had no savings. We have three school-going children, my mother and my mother-in-law to take care of. At such a challenging time, it was a great relief to receive the emergency cash fund from Habitat. I wanted to stretch it as far as possible. After buying food items for the family, I invested the balance to grow papaw and beans. We are vegetarians and this will help us in the case of a future lockdown."

**- Nagajothy Sandirabalan**

"My husband Rasiah runs a construction materials production yard but it came to a standstill when the government restricted movement. Our two children are still small and we were really concerned about food and other essentials during the lockdown. We just wanted to make sure the children had food. As a mother, it was my greatest worry. You can imagine our relief when Habitat sent us Rs.12,000. We are really grateful. Thank you"



**- Revathy Vijaykumaran**



"I lost my daily income during the COVID19 Pandemic lockdown as I couldn't sell my peanut crop in the market. My older son Arulraj suffers from renal complications and I was struggling to get him his regular medication. So the emergency cash fund given to people like us was extremely helpful, not only for meals but also to keep my son healthy and safe. Arulraj dreams of becoming a teacher for Business and Finance in his school one day. Thank you for keeping our hopes and dreams alive."

**- Sureshini Thangavel**

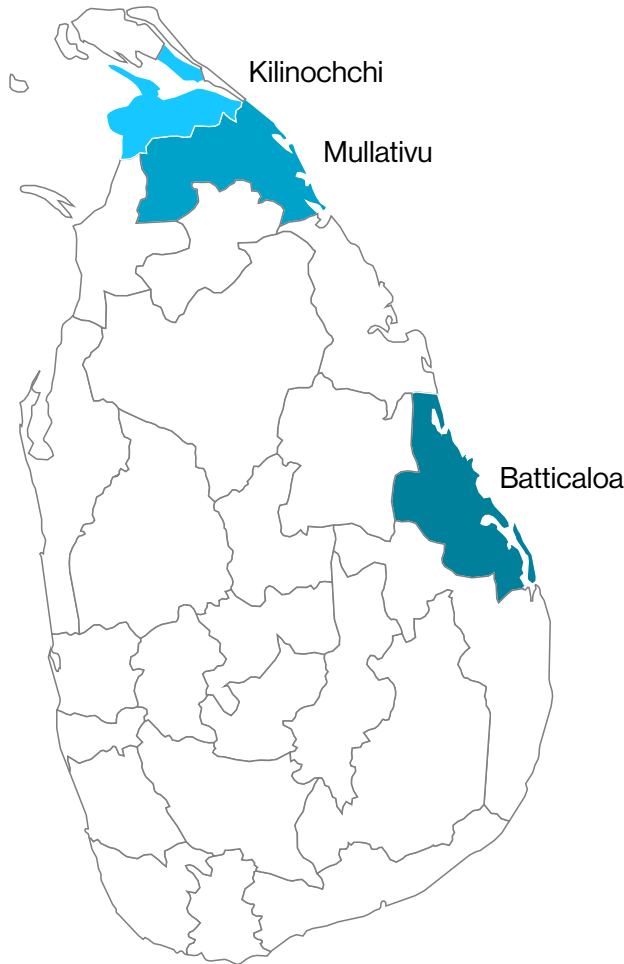




A PLACE TO CALL HOME PROVIDES

**EMPOWERMENT**

# Homes not Houses Project



A Project Funded by



European Union

## Project Impact FY2021

● Individuals Supported	2,812
● Families Served	703
● Children Supported	489
● Female Headed Households	303
● Access to Adequate Sanitation Facilities	692



## Homes not Houses Project

*Building a Sustainable Future Together*

Habitat for Humanity Sri Lanka successfully concluded the European Union funded "Homes not Houses Project" in the Northern and Eastern Provinces of Sri Lanka on June 14, 2021. The multi-year, multi-faceted undertaking empowered more than 2,370 returnee families to resettle and rebuild their lives and future through shelter interventions and flanking measures that included livelihood and SME assistance. For a majority of these returnee families, this is the first home they have ever owned, as many of them had been displaced due to decades of war.

The project adopted an innovative "home owner driven" approach where the households contributed directly to the design and construction of their home. Habitat Sri Lanka homes are constructed through a peoples' process, which enables homeowners to manage available resources and build at their own pace, further

encouraging homeowners to take ownership of the construction of their own homes. Habitat Sri Lanka made the grant disbursements directly to the homeowners periodically and provided technical assistance throughout the construction process to ensure that proper housing quality standards are met by all beneficiaries.

The Homes not Houses Project also featured the use of locally produced, innovative, sustainable and low-carbon construction technologies and materials such as compressed stabilized earth blocks. It is known as one of the best examples of Habitat's climate-sensitive initiatives where families and masons had opportunities to learn about the benefits and utilize sustainable construction technologies and materials that are an alternative to mining sand known for their negative impact on the environment but also an alternative to use of costly and carbon intensive imported cement. By the close of the project that began in January 2016, more than 1,000 homeowners (more than 45% of the families) chose to build their homes using eco-friendly materials such as compressed stabilized earth blocks.

### Objectives of the Project:

- Provide access to safe, lockable, environmentally friendly homes for the most vulnerable Internally Displaced persons through the "Accompanied Home-Owner Driven" construction method with all homeowners benefitting from training in construction and house life cycle management.
- 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 in families for increased savings and self-improvements.
- Provision of extensive training to ensure the sustainability of social service, CBO and infrastructures. Trainings include gender, disability, DRR, and peace building.
- Emergency Cash Transfers to the most vulnerable families and laborers of the project selected in consultation with the Government of Sri Lanka, will be made to mitigate loss of income during the 2020 COVID19 Pandemic.



## Project Highlights

### *Homes not Houses Project*

The Homes not Houses Project successfully provided 2,370 families with grants and training to complete 550 sq.ft. permanent incremental homes. As a result, the project exceeded its Addendum IV target of 2,332 full houses and 34 repairs in 31 GNDs in all three districts.

2,370 completed their homes which is 100.17% of the target. In order to achieve this goal, the grantees received their funds in 5 phases (foundation, wall, roof, doors & windows, and finishing to minimum standard. Over the life cycle of the project this equates to over 11,600 grant transactions.

Part of the deliverables of the project was to encourage at least 35% of grantees to build their homes using appropriate technology. At the end of the project, a total of 1,075 grantees had built their homes using appropriate technology which equates to 49.5% of all new homes constructed.

2,336 new houses (550 sq.ft.) and 34 repairs have been completed as at June 14, 2021. A breakdown of the technology used is as follows:

- 1,261 Conventional Homes.
- 1,075 Appropriate Technology Homes consisting of:
  - 720 – Compressed Stabilized Earth Blocks
  - 244 – Hollow Concrete Blocks
  - 104 – Baker Bond Technology
  - 06 – Earth Concrete Blocks
  - 01 – Modern Concrete Blocks
- 34 Repairs Homes.

#### **In order to complete the deliverables of the project the following was also implemented:**

- 2,370 beneficiaries opened bank accounts.
- 2,460 land use plans were created.
- 2,397 digital maps were developed using GIS mapping technology.
- 2,345 families received support to resolve land disputes and/or complete documentation to ensure they had the government approval to construct their homes.
- 51 business plans were developed for sustainability purposes for 46 SMEs and 04 sub-grantee CSEB production yards (including 04 CSEB producer sub-grantees in North).
- 1,960 beneficiaries and 42 Yard Labourers were provided Emergency Cash Relief to assist in loss of income during the COVID19 Pandemic. Cash relief was distributed in two payments which equated to 3,920 financial transactions.
- 5,106 individuals consisting of artisans, labour, staff, government representatives and homeowners were trained in construction related technical and appropriate technology methods.

## Testimonials

### Delegation of the European Union to Sri Lanka and Maldives

“This project is about investing in people, particularly those who have gone through the hardships of violent conflict, to build on their resilience. We hope that as we invest in people, these beneficiaries will also invest in themselves and each other by working together in ways that will bring results and advance peace and reconciliation. The “Homes not Houses” project is also noteworthy for its approach, prioritising owner-driven, environmentally friendly construction. So, it is an amalgam of two EU priorities: investing in people and preserving the environment.”

H.E. Denis Chaibi  
Ambassador of the Delegation of the European Union  
to Sri Lanka and the Maldives

### Habitat for Humanity Sri Lanka

“Over the last five years, Habitat for Humanity Sri Lanka is honoured to work alongside families in need of safe, secure housing in the ‘Homes not Houses Project’. Displaced by the decades-long civil war, these families in Batticaloa, Kilinochchi and Mullaitivu districts can finally start building stability and self-reliance through shelter. Children can study and play in a healthier environment; parents can focus on improving their livelihoods and communities can contribute to social cohesion. We greatly appreciate the unwavering support of the European Union and World Vision Lanka that ensured a successful completion.”

Yu Hwa Li  
National Director  
Habitat for Humanity Sri Lanka

### World Vision Lanka

“It’s wonderful to see the impact of this partnership between the European Union, Habitat for Humanity and World Vision. Working together with the government and community to secure livelihoods and homes, not houses, is critical for stability and cohesion, and we are thrilled to see the fruits of this labour today.”

Shelby Stapleton  
Director of International Resource development and Management  
World Vision Lanka

### Government Agent

“It was my responsibility to promote this project’s unique concept of eco-friendly construction and I was able to enlighten the people about its benefits in terms of the cooling effect and efficiency in electricity consumption. Now they tell me that they are very happy with their new homes. You can see for yourself how our people lived before and now they have the opportunity to live in a decent home while being environmentally conscious. I am very grateful for the introduction of this new technology and am thankful for the EU and the implementing partners for this innovative new concept. We hope there will be support in the future too for the construction of such homes in this region.”

Rubawathy Ketheeswaran  
Government Agent for Kilinochchi



“During the war we sought refuge in the famous Menik Farm Refugee Camp where we faced many difficulties. Words cannot express the hardships we endured during the war. Even after the war ended in 2009, we lived in a temporary tin shelter for more than 8 years which again, was extremely difficult with the children. It had only one space for living, sleeping, cooking and eating. But for the last two years, since receiving a home from the Homes not Houses project, we have had a peaceful and prosperous life. The European Union gave us a hand-up in life and we are now able to stand up by ourselves. It took about a year to complete this house as work was slow due to COVID19 pandemic. We purchased the blocks and assisted the mason in the construction as this is a Home Owner Driven concept. Although the monsoons posed a great challenge, we managed it with the help of Habitat for Humanity’s Technical Officers who supported us all the way. We are now able to build these types of houses in this area. We have taken a new turn in life and we wish for our children to be well educated and do well. We light this lamp today to show others that our dark period is over.”

- Nagalingam, Kilinochchi



“It has been a dream come true that I could decorate this brand-new home and move in along with my mother. The roof of our old home was damaged and the rain used to ruin all my handcrafts. See how pretty they are in our complete home now? All these decorations were made by my own hands, just like this home. I am so proud of it. Thank you to all the hands and hearts that helped us. To see my mother smile is my greatest joy.”

- Thenusha, Batticaloa





Rajeshwary'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. The little rustic village of Vallipuanam in Mullaitivu, once ravaged by war, was abuzz with celebration as she boiled the traditional milk in her new home in September 2019. 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.

- Rajeshwary, Mullaitivu



Jagatheeswaran's family was one of the first families to receive an appropriate technology home in Mullaitivu, under the Homes not Houses Project. When asked how he felt about his new eco-friendly home, this is what he had to say, "We prefer the earth blocks as the technology behind it was clearly explained to us at the Community Meetings. I took leave from my job and helped in the construction working alongside the masons and technical officers. They were very responsive and assisted us promptly. Ours is a CSEB model house and only two months were taken to construct it. We have been living in this home for a year now and we have had no problems at all. CSEB homes are much cooler than traditional homes. I feel very comfortable when I walk in and it feels easier to breathe inside. I really like this technology very much."

- Jagatheeswaran, Mullaitivu







Prior to receiving a new conventional home through the Homes not Houses Project, Sathiyaran's family shared a single bedroomed home with three other families during the height of the war in 2009. She and her husband Thiyagaraja could only dream of a home of their own one day. Commenting on her new home Sathiyaran commented, "After years of living just day to day, my daughters have no fear at night now, because they are safe". Sathiyaran believes that because of this Habitat home, she and her husband can now look to the future with renewed hope, knowing that her daughters will have a chance at a brighter future.

- Sathiyaran, Batticaloa



Sivarasa, his wife Somasundari, their three children live together with Sivarasa's aged parents in their new Habitat home. Sivarasa is excited to watch his children grow up in a home that is finally their own, after being displaced during the years of the civil war. Sivarasa explains, "this home is a ladder for my children to dream and do things we were not able to when we were their age". Somasundari is thankful for the safety that their home gives them all. Despite the impact and fear the civil war had on their life, they were grateful when they got the news that they would become homeowners through this project. They worked hard to earn and save to start this new chapter of their lives. She feels blessed as a mother to know that no matter where her children go in life, they will always have a stable place to come back home to.

- Sivarasa, Batticaloa





Yogendra Sandrasekeram's 14-year-old daughter Thenuja had always wanted to be a teacher. She was a good student and all the teachers and neighbours adored her. Thenuja wanted to help students who were weak in subjects in her neighbourhood. Yet, she had no space in her own home and the heat during the daytime was unbearable to sit outdoors and teach. Thenuja's dream came true when they became the homeowners of a Compressed Stabilized Earth Blocks (CSEB) home under the "Homes not Houses" project funded by the European Union. Thenuja now conducts daily support study classes in her cool new living room. Tamil, Maths, Religion and Science are her favourite subjects. However, what she loves most is to teach poems and inspiration quotes in her mother tongue.

- Yogendra, Batticaloa



Thatsanamoorthy is a recipient of a small grant to start his own business under the Flanking Activities of the Homes not Houses project. It was incredibly dangerous for him to be part of the construction industry due to his epileptic episodes and he had no source of income but through the European Union funded project he was able to establish a source of income for himself “As I loved sculpturing as a hobby, Habitat for Humanity through the EU Project helped me to buy moulds and raw materials so I could turn it into a business at home. I got more training through World Vision Lanka too. Thatsanamoorthy is able to look after his family while earning an income by supplying ornate pottery and grills to commercial and domestic users. He also gets orders from nearby temples during religious festivals. “I don’t know what I would have done without the training and support I have received. I can now my daughter grow while earning an income too”

- Thatsanamoorthy, Kilinochchi







When Ushathevi and her family opened the doors to their new home in 2017, they finally closed the chapter on years of displacement and uncertainty due to the 30-year ethnic war in Sri Lanka. After a decade of moving from one refugee camp to another, a secure home of their own meant they could finally put down roots and plan for a brighter future. Her family was the first to build their home in Vilawedduwan village, Batticaloa, in 2017 with Compressed Stabilized Earth Blocks, an appropriate construction material that provides thermal comfort. Ushathevi's family is among 1000+ families who have built such appropriate technology homes through the European Union-funded 'Homes not Houses Project' in Sri Lanka implemented by Habitat for Humanity Sri Lanka and World Vision Sri Lanka. Ushathevi obtains an income from the crop cultivation in the land adjacent to her home, managed by her son. "Everything is organic and home grown" she declared with pride as she served freshly squeezed juice from honey oranges grown in her own garden. "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."

- Ushathevi, Batticaloa

“I was a little boy when the kerosene lamp turned over one night and burnt my hands and chest area. We didn’t have resources for plastic surgery so my hands remained twisted and adhered to my forearm. It was a difficult childhood and even more when I had to find jobs. Nobody wanted a man who couldn’t use his hands effectively.” For most of his life Arulanantham felt despondent to the point where he considered giving up his life because he thought he will never be able to lead a normal life with no discrimination until his life turned around in the most unimaginable way and now, he is able to lead a normal life. Arulanantham was given employment at a CSEB block yard in Batticaloa, and he is also a recipient of a home through the Homes not Houses Project. “I am grateful to Habitat for Humanity and World Vision Lanka for selecting me for training in the CSEB Yard in Batticaloa three years ago. I received training in the curing process of the blocks along with others in my community. 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, Batticaloa







Konesewary, was all smiles as she walked through her newly constructed house while narrating how she survived the Global Pandemic that devastated the entire world, feeling fortunate to not only have a roof over her head but also be able to help the people around her “We managed through the COVID-19 lockdown period thanks to the paddy stocks. Most importantly, I was able to share my harvest with my neighbours and relatives too”. She is an appropriate technology homeowner plus recipient of a small grant to start her own business under the Flanking Activities of the EU Homes not Houses project. Through the project, Koneswary also received a water pump in 2018 through which she has been able to successfully harvest paddy. “It has been a very good season. The water pump provided by the EU Project has helped us tide through the drought season and be have a successful paddy harvest. Now we have enough rice to last a year.”

- Konesewary, Batticaloa



Sasikaran is happy to stay at home during the day and take care of his 5-year-old son and 11-month-old daughter, while his wife goes to work in a nearby garment factory. He works as a night security guard and feels confident to leave the family in the lockable and stable home they received through the Homes not Houses Project. While living in their temporary shelter, he could only work for a few hours in the day and return home quickly, worried about the safety of his family. Since moving into their new home, both parents are able to work in shifts and increase their income opportunities. “Although a lot of men feel the woman should stay at home and the man should go to work, I am very happy that now my wife is able to go to work while I stay at home in the day time and take care of my children. Earlier I was scared to leave them and go to work even during the day as our temporary shelter had no lockable door and leaked during rains. Snakes used to come into the house too. Now I feel very confident to leave the family and go at night time as this house is rock solid and the doors and windows are lockable. As a result, we have two incomes now to run the family and make sure the children attend school.”

- Sasikaran, Kilinochchi





“The war took a lot from me. I lost my husband just six months after marriage. My mother was very worried about my future and we have cried many nights to sleep in very poor conditions. Not anymore. I live here in this comfortable home now with my mother. We are so happy to be able to trust in people again.” Rahini is employed at a garment factory in town. Rahini tearfully shares her story and her happiness of finally having a place of her home, a place where she knows her aged mother will be safe. “These are tears of gratitude not sadness. Gratitude for all those who contributed towards building this brand-new home for my mother and me. You promised us a new home before the monsoons this year and now I am standing at the doorstep of what you delivered.”

- Rahini, Mullaitivu



Pushparani, her husband Vairamuththu and their children were displaced during the 30-year civil conflict and found themselves constantly shuttling between refugee camps. During their years as refugees, Vairamuththu suffered a stroke leaving him partially paralysed. Pushparani has been taking care of him ever since and was constantly worried about him, their temporary shelter used to flood during the monsoon season making it doubly hard for her to tend to him. Pushparani and Vairamuththu received a new home through the Homes not Houses Project leaving them overjoyed and in utter disbelief. Their son Manoharan is the mason who helped complete the CSEB home. He received special training from Habitat on how to use Appropriate Technology Construction material. Much to the relief of his parents Manoharan's skills were able to expedite the process without allowing the global pandemic to cause a complete halt in construction "Even though the pandemic caused some difficulties, with the help of my son Manoharan who is a mason, we were able to complete the new home and move in by January 2021. This is truly a very comfortable and well-ventilated home. I thank the Gods every day for providing us this comfort, after many years of hardships. At least at the end of our lives, we can finally sleep well in the nights."

- Pushparani, Mullaitivu







After seeing her daughter-in-law build a CSEB home, Vadivelu Thampirasa also wanted a CSEB home in the same village in Maavadiyamman, Kilinochchi. Her husband and young son at home help in making of and carving designs on the door and window frames. “I always wanted a big house as I have a big family and many grandchildren. I want all of them to be able to visit me and stay over. Although I lost one child during the war, I still keep some room for her in the house. We have added an extra room. All of this was possible because of the grant from Habitat. In addition my husband and son are carpenters so they put a lot of care and love into the work. We lost a lot during the war but finally we have something of our own. I want people in the community to respect my family and for us to live in dignity.”

- Nagalingam, Kilinochchi

In his 30 years as a Mason, it is only through the Homes not Houses Project that Thangavel is 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), and currently serves as the Master Trainer for all CSEB homes constructions. No river sand or brick kilns are used in the production of CSEBs, which makes it one of the most eco-friendly construction technologies available. 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. The aesthetic look of the blocks needs no finishing on the walls and the welcome coolness inside homes reduces the use of the fans. "It's almost like an air-conditioned home", says Thangavel with great pride as he stands next to the recently opened CSEB Home in Puthukudiyiruppu in the Mullaitivu District.

- Thangavel, Mullaitivu





## 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. Therefore, much ground has been covered by Habitat Sri Lanka, towards introducing this new technology and educating local artisans, homeowners and the communities on the benefits of the use of Appropriate Technology. While there are many forms of Appropriate Technology, the specific types used in the Homes not Houses Project include:

Compressed Stabilized Earth Blocks (CSEB)  
 Baker Bond Blocks (BBB)  
 Hollow Cellular Blocks (HCB)  
 Earth Concrete Blocks (ECB)  
 Mud Concrete Blocks (MCB)  
 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. A feasibility study published by the European Union has cited CSEB as a low-carbon, low embodied energy solution for sustainable development.

Since the launch of the Homes not Houses Project in 2016, Appropriate construction materials and technologies have been used in a total of 1,075 Habitat homes which represent 45% of all homes built. The Auroville Earth Institute has recognized CSEB as chief among all other appropriate construction technologies based on a study in which CSEB received a score of 20 out of 21 for its: **Use of locally available materials; Appearance and finish; Cost effectiveness; Thermal comfort; Cement content; CO2 emissions in material production; and Initial embodied energy.**

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. River 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 impact river systems. Therefore, it is indeed an advantage that CSEB requires much less sand than conventional blocks.

### 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 in the production phase. earth-based blocks also have the ability to absorb atmospheric moisture and create a healthy environment inside a building for its occupants.

**4. Cost Effective as Plastering is not required** due to better block finish.

**5. Increases the use of locally sourced materials,** and provides an alternative to mining river sand.

**6. Generates local employment** and develops livelihoods.

**7. Boosts the local economy** and discourages spending on more expensive imported materials.

**8. Quality, durable and affordable housing becomes available** to more low-income families.







## Project Flanking Measures

To ensure the development of integrated and sustainable communities, that are empowered to make informed decisions regarding their future, flanking measures were provided by World Vision Lanka as a part of this project. Through the project's flanking measures, about 46,000 people improved their self-sufficiency through skills training and livelihood support in husbandry, agriculture, home-based construction enterprises, and built resilience through disaster risk reduction mapping and drainage and culvert improvements. Some of the more focused initiatives such as training in construction and alternative building materials, methods and support of construction entrepreneurs of small and medium enterprises were able to create sustainable livelihood and supply chain solutions. Furthermore, financial literacy and small livelihood loans were provided encouraging beneficiaries to join Savings Clubs. The families were also given training in land usage and allocation of available resources.

World Vision Lanka (WVL), has long-term presence in Sri Lanka and extensive expertise to create a conducive community environment for economic development and social cohesion. Throughout the course of the project, WVL contributed to improve the community resilience for Disaster Risk Reduction (DRR), strengthened Community Based Organizations (CBOs) and contributed to the livelihood and economic development including improved construction-related supply chains. WVL has established 54 Small and Medium Enterprises (SME), improved livelihoods of 1,306 families including 266 Women headed families, deposited to the communities the skilled workers with sound training and knowledge in construction value chain. WVL has ensured financial literacy and management of assets, by providing training and access to appropriate choices of livelihoods, access to savings groups. These savings groups have been linked to affordable development focused micro-credit directly tied to individual livelihoods.

Some of the accomplished gender-related

objectives of the EU include; challenging gender stereotypes, closing gender gaps in the labour market, achieving equal participation across different sectors of the economy and achieving gender balance in decision-making. For instance, WVL provided advanced training for women to make them economically empowered. One such example is the delivery of 5–7-day Technical Training Programmes for Advance Tailoring for 102 young women. Furthermore, WVL has improved the disaster resilience of the communities through the trainings, the development of 29 Disaster Risk Reduction (DRR) hazard maps for risk mitigation measures and 9 small scale infrastructure projects. Please refer Annex A for images of the project implementation.

The Project has provided livelihood and financial related trainings relevant to their choice of livelihoods to 1,307 families which have moved the households into self-sufficient homes. Three blockmaking yards for Compressed Stabilised Earth Blocks (CSEB) have been established along with 54 Small-Medium scale Enterprises (SMEs) in the construction sector that includes carpentry, electrical, brick making, wiring, precast, decorative etc.

The security of a stable home, formation and management of SMEs, provision of livelihood inputs have improved the income of the beneficiaries, thereby improving the economy of the target communities. The stabilizing of the community by providing grants and training to complete permanent homes has encouraged local government to invest in infrastructure like roads, schools, health facilities and clean water facilities. Requests for the supply of CSEB to for the construction of public buildings such as Libraries, Community Centers and Hotels have already been made by the Local Government Authorities in the project locations. 50 Graduates from the Mullaitivu District Secretariat took part in an orientation about the production and construction methodology of CSEB during the lifetime of the project. To ensure business continuity of the 4 brick-making SMES, the project facilitated development of business plans for increased production leading to sustainability.



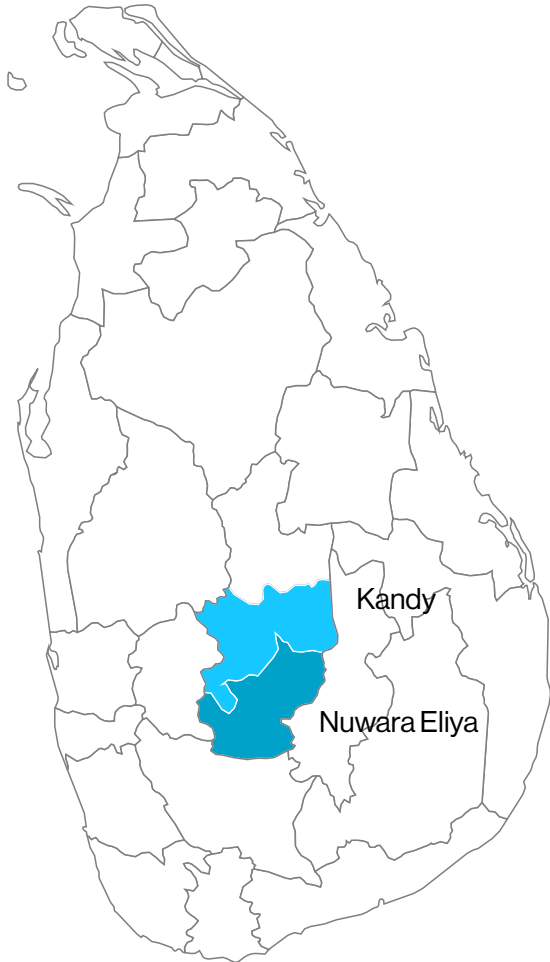








# Indian Housing Project Central Province



A Project Funded by



## Project Impact FY2021

● Individuals Supported	380
● Families Served	95
● Children Supported	190
● Female Headed Households	22
● Access to Adequate Sanitation Facilities	95





## Indian Housing Project Central Province

### *Building Self-Reliance of Plantation Worker Families*

For generations, plantation workers across Sri Lanka 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 (Phase III) to construct 4,000 homes for plantation workers in the Central and Uva Provinces, in newly created cluster villages or small townships. 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. Implemented under the auspices of the Ministry of Hill Country New Villages, Infrastructure and Community Development, Habitat Sri Lanka continues to work in close collaboration with all ministries, the local authorities, the Plantation Human Development Trust (PHDT) and the estate management to implement the Indian Housing Project in the Central Province.

In the initial phase of the Indian Housing Project - Central, 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. In the fiscal year under review, 95 families in Hagala and

Hanthana Estates were supported with new homes, while the construction of homes for 06 families was delayed due to issues pertaining to land clearance in the Hagala Estate.

Beneficiaries in the Central Province under the Third Phase of the Indian Housing Project were provided a grant amount of LKR 950,000 to construct a full house. Each new 550 sq.ft. new 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.

Since 2017, through this impactful partnership with the Government of India, Habitat for Humanity Sri Lanka has been able to provide 1,436 individuals with a safe place to call to home. Focusing on extending much needed support to vulnerable groups, the Indian Housing Project has empowered more than 85 female-headed households, and over 718 young children have a secure environment for them to learn, play and thrive in.

## Indian Housing Project Central Province

### *Homeowner impact story*

Yogarani (32) and her husband Sogkumar (35) are the parents of their three sons; Kishan (9), Dinushka (6), and Menaka (4). Sogkumar earns a monthly income of LKR 6,000 by juggling between driving a school bus and taking 'Tuk Tuk' hires in order to support their family, while Yogarani works as an estate worker at Le Vallon estate.

They currently reside in a line-room which houses multiple large families in a limited space, which has no access to running water or electricity. Their sanitation facilities are inadequate, and have potential of contributing adversely to their overall health - especially since the children are young. Due of the inadequacies of their current living situation; Yogarani and her family stays at her mother's place

from time to time. The safety of her children is on her mind throughout the day - particularly because they do not have their own private space to be within while she and her husband are working during the day. Their life in the line-room is one full of challenges - her children have to study under a single lamp light and the lack of space makes it all the more difficult.

Yogarani's new Habitat Home will not only mean that her family will be living in a clean environment with access to electricity and water, but it will also provide her children with security and enough space to study and play to their hearts content. They will finally live in a space that is home to their own family; where they will have the privacy that they lacked before while living in the line-room.

When asked what this home means to her, Yogarani says "Its value is immeasurable for us... To me, a home is as valuable and impactful as a place of worship"





## Indian Housing Project Central Province

### *Homeowner impact story*

Agleshwari's husband Mile Vahainam is a self-taught and hard-working mason who is based in Colombo in order to earn a better income support their family, while she works as an estate worker at the scenic Le Vallon estate located in Central Sri Lanka. Together they have four young children; Usmika (14), Dilani (12), Ruwan (7) and Ruwani (5).

All her children were born and grew up in a line room, which is a communal space that houses multiple families like theirs, who all have a family member working in the estates. There is no access to electricity or adequate sanitation facilities – they are compelled to use a common facility and this contributes to the challenges of living in a congested space like so. The children do not receive the protection or personal space that a regular home would be able to provide them with, along with a healthy lifestyle influences by the surrounding environment. Life at a line-room comes with many challenges that get in the way of living a healthy and complete life.

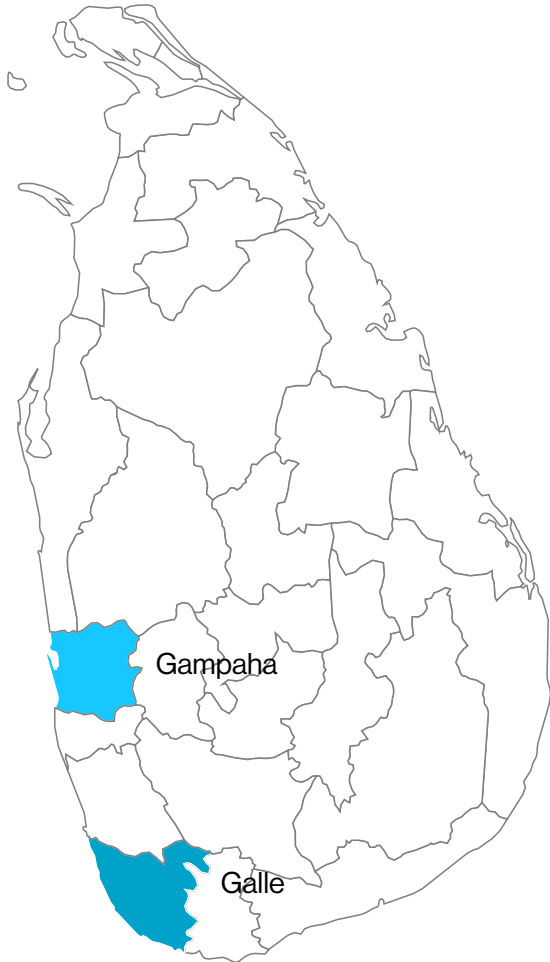
As a mother, Agleshwari has always wished for her children to have a bright future; with fewer struggles that she and her husband have undergone for years. She especially speaks about her eldest daughter Usmika, and her dream to become a teacher so she can contribute to creating a better community.

Their new home will give Agleshwari's whole family the foundation to lead a healthier and safer life. Agaleshwari hopes that her children will then have the freedom to create opportunities for themselves while they live in a space that will be their own. She understands that the stability a home can give will be an integral part of empowering them to achieve their dreams.

Agleshwari has persevered through life alongside her husband - and often they have had nobody to turn to in times of struggle apart from each other. This transformational chapter in life makes Agleshwari look back in pride of her own resilience as a mother, despite the absence of support from her own parents to keep her family afloat. This home brings out a lot of emotion for Agleshwari in reflection to what it means to her - "Habitat took care of me more than my own family"



# Homes for Hope Project



A Project Funded by



Family of  
Dr. & Mrs. J.H.F. Jayasuriya

## Project Impact FY2021

● Individuals Supported	109
● Families Served	25
● Children Supported	34
● Female Headed Households	06
● Access to Adequate Sanitation Facilities	20





## 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' provided 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, benefitting 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 living.

In the year under review, Phase II of the project was implemented, supporting 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. Habitat Sri Lanka supported 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 were 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.









## Homes for Hope Project

### Homeowner impact story

Sisira (38) and Ilanka (37) who have been married for nearly 15 years, live in Galle with their 12-year-old son Chamudika. Sisira who has suffered a disability in his hands due to an illness many years ago, is unable to secure permanent work. He works as a daily-wage labourer who drives a lorry, delivering goods to distributors. Before the Covid19 pandemic struck he used to work 6 days a week; however, due to the pandemic his work hours have now been cut short, and as a result he only works 8 days a month. This loss of income has badly affected the family's financial stability. Sisira and Ilanka constantly worry about how they would be able to provide for their young son. To add to their burdens, they did not have a permanent place to call home. Ilanka and Chamudika, lived with Ilanka's parents, as it was closer to their Chamudika's school. They would only get an opportunity to spend time with Sisira on the weekends or holidays, as it was too far for Sisira to

commute to work from Ilanka's parents' home. The separation weighed heavily on Sisira and Ilanka's hearts, especially because Chamudika would long to spend time with his father. The worries of not having a place of their own, with no privacy and space to grow as a family constantly worried them, however building a home of their own remained a distant dream; even though they owned a plot of land of their own.

Being selected to receive a home through Habitat for Humanity's Homes for Hope Project, has truly planted seeds of hope about the future in Sisira's heart. Ilanka and Sisira are now able to dream of a stable future for their son. They can now live together in a home of their own. Chamudika loves his new home and is impatient to move into the new space with his parents. He has plans of having his own pet dog, as he finally has his own space to do so. Sisira explains how excited he is on behalf of his son because he knows how much his son loves to study and now in their new home, Chamudika will have a permanent place to study that is comfortable and safe.



## Homes for Hope Project

### Homeowner impact story

Nimodi Rangani (32) was married to Viraj Situm for 13 wonderful years. One afternoon in 2017 when Nimodi was 28 at the time and Viraj was 32 she came home to find her husband hanging from a tree, putting an end to his life; Nimodhi narrates how she ran to save him "I ran in the house and equipped myself to cut the rope wrapped around his neck; my husband was very much bigger than me, he was 6'2 but I didn't care used every ounce of strength in me and cut loose the rope while balancing him on my leg and for a fleeting moment I thought I had saved him." Viraj passed away in the ambulance that was taking him to the hospital.

Widowed at the age of 28, Nimodhi had three beautiful daughters to raise by herself and she was thoroughly despondent but she was full of determination to make it through and be there for her three daughters "I was scared and extremely depressed, but I made up my mind to push through and be the best version of myself for my daughters"

Nimodi's only source of income is through her teal plantation in her plot of land she earns LKR.3,000 for 5Kg of tea a month; needless to say that is not enough to provide for her family but she extremely grateful for her parents and two brothers who

provide her with financial aid and have been a great source of strength to her in the past four years since Viraj's death.

Located in the utmost rural area of Elpitiya Nimodi and her family resided in a small clay structure that stood on a rock; the house had no partitions and their kitchen, living room and bedroom were all the same. After nine years of residing in the feeble structure they referred to as home, Nimodi and her family received a 550 sq.ft house made of Compressed Stabilized Earth Blocks (CSEB) through Habitat for Humanity Sri Lanka's Homes for Hope Project.

Nimodi and her three daughter – Ashini (12), Shaini (9) and Minoli (7) have been residing in their new home since April 2021, a few months later when Nimodhi was asked how she feels about this new chapter in life she responded "immense relief"; as a single mother of three daughters, Nimodi said she was constantly worried about their safety for they were very vulnerable in their previous home which had no locks and everyone knew they lived alone with no male in the house after Viraj's passing. Nimodhi also goes on to explain the positive impact this has had on her children's education "they have shown great improvement and it's because they have a proper environment" Nimodhi also mentions that with this new house she also has freedom and space to herself which helps her to process her thoughts and inturn that has a positive effect on the time she spends with her kids.







A PLACE TO CALL HOME PROVIDES

# OPPORTUNITIES



# Grace Project



## Ongoing Project

United Kingdom-based Saffery Read has partnered with Habitat for Humanity to co-create the Grace project, an initiative that will build safe and affordable homes alongside low-income families in Katana, Sri Lanka, helping to change lives through the transformative power of safe and affordable housing. The Grace project will utilize environmentally sustainable building methods and empower the community with construction upskilling. The project will help 100 families build homes with compressed stabilized earth blocks technology, helping to mainstream this low-carbon, highly resilient construction material and technique. The Grace project also will help the community create safe water and sanitation facilities for 500 local residents and offer programming on safe hygiene practices, sustainable agriculture, disaster mitigation and home maintenance. Saffery Read is a

bespoke residential design business co-founded by Emily Read and Tony Saffery. Inspired by their Christian faith and conviction that a decent home is foundational for a family, Read and Saffery feel a deep alignment with Habitat's mission and have committed US\$450,000 for the Grace project. Their donation will be matched at 25% through the United Kingdom's Gift Aid program, resulting in a total donation of more than US\$560,000.

The multi-year project seeks to construct incremental home constructed with CSEB for 100 low-income families in Katana by 2025. In the year under review, 10 families were supported with incremental eco-friendly homes. In April 2021, a Construction and Masonry Training on the use of Appropriate Technology (Compressed Stabilized Earth Blocks) was conducted for masons in the local area.









## Grace Project

### Homeowner impact story

Jeewanthi (36) and Janaka (38) and their three children currently reside with Jeewanthi's mother. For many years Jeewanthi and Janaka suffered numerous hardships and were driven further into debt, as Navindu, their son suffered from Meningitis and in order to afford his medical treatment Janaka mortgaged the land he inherited for LKR 500,000. Unable to repay this mortgage they lost their land. Luckily Jeewanthi's family was able to provide a small portion of land for them to build a new home of their own under the Grace Project.

Jeewanthi and Janaka are very proud of their children who have been very studious and doing very well in school even with all the obstacles they are forced to face in life, with a broad smile on her face Jeewanthi goes on to explain that her oldest son, Navindu (12) was a best performer in his class during the last semester in three subjects – Maths, Science and English; their second son Janidu also excels in Maths and Sinhala, their daughter Himansa is 02 years old and has not started going to school just yet. Jeewanthi is so proud of her

children and she is excited for them to embark on a journey with less obstacles to face once their new home is built. She is especially happy that her children will have a proper and stable environment to focus on their studies enabling them to build a bright and prosperous future for themselves while breaking the cycle of poverty that they have unfortunately been stuck in for many decades.

A garment factory technician by profession and the sole breadwinner in the family, Janaka earns LKR.28,000 for a month which is say is not enough to sustain a family of six. This was yet another reason why Janaka couldn't afford to stay at home even during the island wide lockdown during the height of the global pandemic last year. "It was extremely risky for him to report to work, but he had to keep his job because we needed the money so badly, he was paid only half of his salary but we are so grateful for even that." – Jeewanthi

Beaming with hopefulness and joy, Jeewanthi tells us that "being selected through the Grace Project feels like a miracle; it feels like their family is being reborn and given new life".





## Grace Project

### Homeowner impact story

Located in the suburbs of Katana, Dharshika (29) and her husband Amith Kalinga Madhushanka (34) along with their two kids, Arindu Dineth (8) and Ariya Dasith (6) and Dharshika's parents reside in a small, frail house which is debilitated and rundown; due to the lack of space in the house, their kitchen which is made of wattle and daub is open to the elements. The house is not properly secured leaving space for creatures and even intruders to walk in at given time.

A family of six consisting of two patients is quite stressful, Dharshika's father is a polio patient additionally, Dharshika and her husband have been stressed with their older son Arindu who has been diagnosed with Anemia which means he requires six meals a day out of which 3 meals have to consist of dairy products and proteins; he needs to be taken to the hospital at least three times a month for his checkups but apart from that they generally have to rush Arindu to the hospital when he falls ill. Amith is unable to hold a steady job as he constantly needs to apply for leave to attend to Arindu when he is in the hospital as Dharshika cannot stay with Arindu

overnight in the male ward. Therefore Amith and Dharshika cannot find employment due to the son's condition.

They have no stable income and rely on the seasonal income from wrapping firecrackers during the festive seasons through which they are able to earn approx. LKR. 500 a day. In an attempt to support their family, Dharshika's mother has taken up a job in a neighbouring house and she earns around LKR.800 a day.

Dharshika tells us how thankful she is for her husband "I'm grateful to have him, he really does a lot for our son and helps me out in the process."

Receiving a home through the Grace project will not solve this family's financial problems but it will play a significant role in providing them with a safe and secure place for the children, especially Arindu who require a warm place to rest. A proper home would mean that both patients would have a comfortable environment to live in while also providing Arindu with a safe and secure environment in which he could study properly building a better life for himself and his family.



# Brick by Brick Project

Ongoing Project

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 the Brick-by-Brick Fundraising Campaign.

The Brick-by-Brick Project is a multi-donor, multi-year home sponsorship project conceptualized by Habitat for Humanity Sri Lanka. This project enables Habitat Sri Lanka to support some of the most vulnerable and marginalized families who have made individual appeals to Habitat Sri Lanka and are positioned on Habitat Sri Lanka's housing needs database / waiting list.

Habitat for Humanity Sri Lanka matches these low-income families with donors who pledge their support to sponsor the construction of an incremental home.

The overarching goal of the Brick-by-Brick Project is to construct homes for 100 low-income families in the Gampaha District. The primary objective of this project is to empower low-income families to uplift their quality of life by providing them with safe and decent shelter solutions.

During the year under review, Habitat Sri Lanka was able to successfully fundraise to support 07 families with incremental homes and 02 families with new homes. While 05 families were sponsored directly by donors, the remaining 04 families were supported through funds which accumulated in the General Campaign Fund.

## Individual Donors who sponsored families through the Brick-by-Brick Project

1. Ms Ruani Jayasuriya
2. Mr and Mrs Daman Panditaratne
3. Mrs Vidushini Denipitiya and friends
4. Mrs and Mrs Prasad Mallikaarachchi
5. S. Thomas' Preparatory School
6. Mr Shanek Fernando









## Brick by Brick Project

### *Homeowner impact story*

Ruwan and Priyadarshani live in Katana with their three sons. They also support Ruwan's elderly mother. Being the sole breadwinner of the family, Ruwan works hard as a manual boiler operator at a reputed hotel in the tourist hub of Negombo. However, all his efforts earn him a monthly income of only LKR 24,000, which is hardly sufficient to cover the expenses of his family. His wife Priyadarshani, is unable to work as she is the primary caregiver for their son Sithum (18) who suffers from Cerebral Palsy. Having being born with congenital brain defects has left Sithum dependent on the support of his family all his life. Despite being constantly uneasy and aggressive due to his special needs, Sithum is calmest when he is surrounded by his siblings, as he is often seen smiling and laughing with them.

Ruwan and Priyadarshani have undergone many hardships in their married life of 20 years, not having a place to call their own. Priyadarshani and Ruwan had started their life dreaming of one day building a home of their own, for their little family. Unfortunately, this dream was never realized due to Sithum's medical expenses, and the numerous other expenses, which need to be managed entirely with Ruwan's meagre salary.

Prior to the Brick by Brick Project, they lived in a

house that belonged to a relative and they had been asked to vacate the home as soon as possible. Tharusha (16), their second son, is a diligent student, who is creative and recently built a float all by himself to be donated to the local village Perahera. Ruwan spoke proudly of how Tharusha has managed to hone his talent for art and creativity over the years, even with extremely limited resources. Simith (9), who is the youngest of the boys, is a curious and spirited young boy who loves attending school. Even though Ruwan and Priyadarshani have not been able to provide much for the boys, they are proud of how the boys continue to show a keen interest in their studies and extra-curricular activities.

Priyadarshani's dreams of owning a home of their own someday became a reality through the generosity of the students of S. Thomas' Preparatory School. This new home means an elevated life for each member of their family, but especially for Sithum, whose special needs require a more spacious environment. Previously the family did not have access to a bathroom and Sithum would be washed and bathed outside in the garden. Now, Sithum has his own attached bathroom which makes taking care of his needs a lot easier for Priyadarshani who spends most of her time with him throughout the day and does everything within her capacity to keep him calm and comfortable. As a mother Priyadarshani's only wish has been provide Sithum with a comfortable environment in which he can thrive.





## Brick by Brick Project

### *Homeowner impact story*

Pradeep Thushantha (46) and his wife Rasika Dilrukshi were proud parents of three beautiful and lively children, Pushpa, Salome and Salom. They lived in Katuwapitiya, in the Gampaha District. Their two daughters Pushpa and Salome schooled at the prestigious Ave Maria Convent in Negombo, while their young son Salom had recently started Grade 1 at Maris Stella College, Negombo.

The fateful events that took place on the 21st of April 2019, altered the course of Thushantha's life forever. Thushantha had just finished a night shift as a security guard and joyfully arrived at St. Sebastian's Church Katuwapitiya, in his tuk-tuk to pick up his wife and children who were attending the Easter Sunday mass. As fate would have it, he decided not to attend the Easter mass with his family that morning as his night shift ended late and he did not have enough time to go home and change into clean clothes in time for the mass. As he sat in his tuk-tuk waiting for his family, at precisely 8:50am he heard a deafening sound and experienced the impact of a huge explosion which set the Church ablaze. Not knowing that a terrorist attack had just taken place Thushantha ran into the church in search of his family. For Thushantha, life as he knew it came to a screeching halt that morning when he discovered the lifeless dismembered bodies of his wife and three children, who were victims of one of the most barbaric acts of

terrorism our island-nation has ever experienced.

Depressed and despondent, Thushantha says that for many months he entertained suicidal thoughts as he saw no point in living without his beautiful family; however, thankfully a friend of his has helped him navigate this difficult time and is helping him rebuild his life. Thushantha says he wants to find the purpose for which he was spared by God. He says "I must have stayed on to be a blessing to someone else. I want to honour the memory of my family by helping other people in need."

Adamant to get his life back together, Thushantha invested all his savings and purchased a small block of land, although he had no funds to construct a home. He felt having something to call his own gave him a semblance of normalcy when everything seemed so uncertain. The Catholic church has assisted him to fill the land with earth as there was depression in the land. However, he was not able to construct a home on the land without financial assistance.

Thushantha who had no permanent home to call his own received a new home through Habitat for Humanity Sri Lanka's Brick by Brick Project, funded by an individual local donor, Ms. Ruani Jayasuriya. The project was implemented in collaboration with the Roman Catholic Archdiocese of Colombo. We pray that this new home will provide Thushantha a safe haven where he can rebuild his life with renewed hope for the future.



# Joy Lanka Housing Project

Ongoing Project

The Joy Lanka Housing Project is a home sponsorship project conceptualized by Habitat for Humanity Sri Lanka and Joy Lanka Society Ltd. This project sought to provide five (05) low-income families with safe and decent permanent homes. The primary objective of this project was to empower impoverished families to uplift their quality of life by providing them with safe and decent homes.

The Beneficiary Selection process for this project began in January 2021. Habitat Sri Lanka worked closely with the local authorities in both locations in order to identify beneficiaries that showcased the most need for housing support. While Habitat Sri Lanka is non-discriminatory in its selection of beneficiary families, the Donor's wishes are fully respected. It must therefore be noted that as per the Donor's wishes, only Christian families were to be selected to be supported through this housing initiative. Accordingly, 05 deserving low-income Christian beneficiary families were selected to benefit from the Joy Lanka Housing Project. 03 beneficiaries were located in Manmunai North, Chenkalady and Arayampathy in the Batticaloa

District; while the remaining 02 beneficiaries were located in Nagoda and Baddegama in the Galle District.

The construction commenced in February 2021 and completed on 31 July 2021. The third wave of the Covid-19 pandemic saw a significant rise in infected patients in and around the project sites. Travel restrictions imposed by the government prevented the construction workers from travelling to the sites for more than 02 months. While the initial schedule was to complete the construction in June 2021, due to the pandemic and travel restrictions an additional 1 month was needed to complete the project. A No-Cost Extension was granted by the donor providing HFHSL time until 31 July 2021 to complete the construction.

Habitat Sri Lanka supervised the construction progress and the quality of the construction through the Technical Officer assigned to the project. Periodical visits were made by the Senior Program Manager to ensure quality of construction and timely delivery.

## Design and Features of the Habitat House

- Each newly constructed home will be a min. of 550 sq. ft in extent constructed using cement sand blocks.
- Each newly constructed home will include 02 bedrooms, 01 living area, 01 kitchen, 01 toilet and verandah.
- Provision of safety and security features such as lockable doors and windows (main door, back door, and toilet) - bedroom doors are not included, and can be added by way of a homeowner contribution.
- The toilet is detached from the house in keeping cultural considerations.
- The typical toilet fittings provided are in keeping with preference of communities, is a squatting pan.
- The floor of the house will be concreted, not rendered.
- Fare-face Technology will be used for exterior wall finishing. Interior walls will be a lime-putty finish.
- External and Internal walls will not be painted.
- Electrical wiring provided for the entire house - in keeping with local standards.





# First Capital Housing Project



First Capital

First Capital Holdings PLC launched a three-year CSR programme by partnering with Habitat for Humanity Sri Lanka to build homes for families in need. Through this partnership, First Capital pledged LKR 15 million to implement the 'First Capital Housing Project' in the Galle District; providing deserving low-income families with safe and stable homes.

First Capital, a member of the Janashakthi Group, provides capital market solutions, through its operations as primary dealer, stockbroker, corporate advisory, debt structuring, and wealth management, delivering on its brand promise 'Performance First'.

Moving beyond the typical CSR initiative, the First Capital Housing Project will focus on constructing homes that are not only durable and safe, but also environmentally sustainable. Promoting eco-friendly and climate appropriate construction

practices, Habitat for Humanity Sri Lanka will construct the homes of the First Capital Housing Project using Compressed Stabilized Earth Blocks (CSEB).

Experts claim earth-based construction materials such as CSEB, surpass conventional construction methods as they are more energy efficient due to its low carbon footprint and use of locally sourced materials, providing an alternative to mining river sand. These earth-based blocks also have the ability to absorb atmospheric moisture allowing the walls to be much cooler and more thermally-efficient when compared with conventional brick and mortar homes.

In the year under review, the First Capital Housing Project activities commenced with the construction of 04 homes planned during Year 1 of the project. All 15 homes are expected to be constructed by March 2024.

"As a group we have taken the route of community building as an extension to our long-standing legacy and reputation of contributing to nation building initiatives. We are delighted to partner with Habitat for Humanity Sri Lanka, as we believe this partnership holds strong synergies with our corporate values and brand promise. The three-year collaboration enables us to witness far-reaching impacts of this initiative considering the long-term benefits of supporting low-income families with safe housing."

Dilshan Wirasekara  
Director / CEO  
First Capital Holdings PLC

"We are grateful to First Capital Holdings for its commitment to building homes and transforming communities through the First Capital Housing Project. Habitat Sri Lanka has constructed affordable homes for more than 110,000 individuals across the country. These efforts have been possible through the generous donations we have received from institutional and corporate donors like First Capital. We look forward to enriching the lives of the low-income families who will benefit from this project by providing them with decent, stable and safe places to call home."

Yu Hwa Li  
National Director  
Habitat for Humanity Sri Lanka







A young child with dark hair and a bright smile is standing in front of a wooden door. The child is wearing a blue t-shirt. The background is a warm, wooden wall. The lighting is soft and natural, highlighting the child's face.

A PLACE TO CALL HOME PROVIDES

**STRENGTH**



# Our Partnerships

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 **27,942 families** 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. 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 Partners and Donors 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



Japan Platform IDP Housing Project



Saffery & Read Grace Project

Corporate Donors



Brandix Employee Housing Project



London Stock Exchange / Millennium IT Millennium IT Housing Project



First Capital First Capital Holdings PLC First Capital Housing Project

Other Donors



Ms. Ruani Jayasuriya Homes for Hope Project



Ms. Ruani Jayasuriya Kalutara Housing Project



S. Thomas' Preparatory School Brick by Brick Project

## Disaster Response Projects

FOI donors



Al-Waleed Foundation Kegalle Housing Project



Tearfund Tsunami Housing Project



JOA Flood Relief 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

Corporate Donors



JOAC  
Water & Sanitation Project



Japan Platform  
Water & Sanitation Project



Coca-Cola Foundation  
Well Cleaning Project



Hatton National Bank  
Drops of Life Project

## Community Development and Advocacy Projects

FOI donors

Corporate Donors



Coca-Cola Foundation  
Preschool Construction Project



Australian Aid  
Land Rights & Secure Tenure Project



Daraz  
Brick by Brick Project



JAT Holdings  
TIMUN Youth Build

## Corporate Social Responsibility Projects

Corporate Donors



First Capital  
First Capital Holdings PLC  
First Capital Housing Project



American Chamber of Commerce  
Helping Hands Project



Daraz  
Helping Hands Project



Antyra Solutions  
Web Development Project



“In 27 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.”

-Yu Hwa Li  
National Director



# Our Volunteers

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 had suspended all global village builds 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. 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)

”







A PLACE TO CALL HOME PROVIDES

# RESILIENCE

# Annual Report of the Board of Directors

## on the Affairs of the Company for the Year Ended 30th June, 2021

The Directors have pleasure in submitting their Report together with the Audited Statement of Accounts for the year ended 30<sup>th</sup> June, 2021

### 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 Directors of the Company as at 30<sup>th</sup> June, 2021 were:

1) Ms. M. Mathews	-	President
2) Prof W. P. S. Dias	-	Director
3) Mr. R. S. Fernando	-	Director
4) Pastor W. N. J. E Perera	-	Director
5) Dr. R. A. Fernando	-	Director
6) Mr. S. M. Fernando	-	Director
7) Mr. T. H. D. E. C. de Silva	-	Director
8) Mr. J. M. G. Montemayor	-	Director
9) Mr. M. Sughadevan	-	Director
10) Ms. M. D. A. Perera	-	Director

### 3. **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

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 23 of the Audited Accounts and there were no material changes in the Accounting Policies adopted.

6. **DIRECTORS INTEREST IN CONTRACT**

Ms. M. Mathews, Prof. W. P. S. Dias, Mr. R. S. Fernando, Pastor W. N. J. E Perera, Dr. R. A. Fernando, Mr. S. M. Fernando, Mr. T. H. D. E. C. de Silva, Mr. J. M. G. Montemayor, Mr. M. Sughadevan 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 30<sup>th</sup> June, 2021.

7. **DIRECTORS REMUNERATION AND OTHER BENEFITS**

The Directors were not paid remuneration in respect of the Company, for the financial year ended 30<sup>th</sup> June, 2021

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 there was no tax credit for the year ended 30<sup>th</sup> June, 2021.

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 capital commitments and contingent liabilities as given under notes 19 and 20 to the notes to financial Statements.

12. **INVESTMENTS**

The Company has invested its excess funds in Fixed Deposits which stood at Rs. 31,660,798/- as at 30th June 2021.

13. **DONATIONS**

The Company made donations of a value of Rs 3,929,663/- 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 in its capacity as auditors.

The Auditors were paid Rs. 487,500/- as audit fees for the year ended 30<sup>th</sup> June, 2021.

**15. ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held on 30<sup>th</sup> November, 2021 at 4.00 p.m. via Zoom.

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

  
.....  
Director

  
.....  
Company Secretary

  
.....  
Director

Date: 24th November 2021







## *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 June 30, 2021, 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 statement of financial position as at June 30, 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in reserves 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 do not and will not express any form of assurance conclusion thereon.

PricewaterhouseCoopers, P. O. Box 918, 100 Braybrooke Place, Colombo 2, Sri Lanka  
T: +94 (11) 771 9700, 771 9838, F: +94 (11) 230 7237, [www.pwc.com/lk](http://www.pwc.com/lk)

Partners: D T S H Mudalige FCA, C S Manoharan FCA, Ms S Hadjie FCA, Ms S Perera ACA, N R Gunasekera FCA  
T U Jayasinghe FCA, H P V Lakdeva FCA, M D B Boyagoda FCA, Ms W D A S U Perera 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.)*

#### *Other information (Contd.)*

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

#### *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 skepticism 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.







## *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.)*

- 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.
- 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.

*PricewaterhouseCoopers*  
**CHARTERED ACCOUNTANTS**

**COLOMBO**

16 November 2021



**HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED****Statement of Comprehensive Income**

(all amounts in Sri Lanka Rupees)

	Note	Year ended 30 June	
		2021	2020
<b>Project income</b>			
Incoming resources	5	378,745,527	448,887,586
Total project income		<u>378,745,527</u>	<u>448,887,586</u>
<b>Project expenditure</b>			
Direct project cost	6	(275,208,908)	(359,865,458)
Direct project staff cost	6	(65,384,364)	(60,393,535)
Indirect project cost	6	(38,152,255)	(40,124,727)
Total project costs		<u>(378,745,527)</u>	<u>(460,383,720)</u>
<b>Net deficit on project activities</b>		<b>Nil</b>	<b>(11,496,134)</b>
Grants-unrestricted funding	5	21,703,870	2,807,503
Other income	7	6,111,691	10,914,871
Administration and other operating costs	8	(24,121,724)	(40,135,776)
<b>Net surplus / (deficit) before income tax</b>	9	<b>3,693,836</b>	<b>(37,909,536)</b>
Income tax credit	10	Nil	1,860,296
<b>Net surplus / (deficit) after income tax</b>		<u><b>3,693,836</b></u>	<u><b>(36,049,240)</b></u>

The notes on pages 8 to 23 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 Financial Position**

(all amounts in Sri Lanka Rupees)

	Note	As at 30 June	
		2021	2020
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	12	4,591,798	7,080,800
Investments	13	31,660,798	53,855,060
		<u>36,252,596</u>	<u>60,935,861</u>
<b>Current assets</b>			
Prepayments and other receivables	14	6,822,078	13,442,880
Cash and cash equivalents	15	45,700,701	98,367,874
		<u>52,522,779</u>	<u>111,810,754</u>
<b>Total assets</b>		<b><u>88,775,375</u></b>	<b><u>172,746,615</u></b>
<b>Funds and liabilities</b>			
<b>Funds</b>			
Unrestricted funds	18	18,248,912	13,683,209
Restricted funds	18	48,408,375	135,233,164
Total funds		<u>66,657,288</u>	<u>148,916,373</u>
<b>Non current liabilities</b>			
Defined benefit obligation	16	11,242,090	15,544,695
<b>Current liabilities</b>			
Income tax payable		3,985,088	4,872,665
Creditors and other payables	17	6,890,910	3,412,881
		<u>10,875,997</u>	<u>8,285,546</u>
Total liabilities		<u>22,118,087</u>	<u>23,830,242</u>
<b>Total funds and liabilities</b>		<b><u>88,775,375</u></b>	<b><u>172,746,615</u></b>

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



Finance Manager

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were authorised for issue by the Board of Directors on 16.11.2021



Directors

The notes on pages 8 to 23 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 Reserves**

(all amounts in Sri Lanka Rupees)

	Notes	Restricted funds	Unrestricted funds	Total Funds
<b>Balance as at 1 July 2019</b>		<b>127,184,406</b>	<b>49,732,449</b>	<b>176,916,855</b>
Net deficit for the year		Nil	(36,049,240)	(36,049,240)
Funds received during the year		456,936,343	Nil	456,936,343
Funds transferred to statement of comprehensive income		(448,887,586)	Nil	(448,887,586)
<b>Balance as at 30 June 2020</b>		<b>135,233,164</b>	<b>13,683,209</b>	<b>148,916,373</b>
Balance as at 1 July 2020		135,233,164	13,683,209	148,916,373
Net surplus for the year		Nil	3,693,836	3,693,836
Funds received during the year	18	296,741,859	Nil	296,741,859
Transferred from restricted funds		Nil	871,867	871,867
Funds transferred to statement of comprehensive income	18	(378,745,527)	Nil	(378,745,527)
Transferred to unrestricted funds	18	(4,821,121)	Nil	(4,821,121)
<b>Balance as at 30 June 2021</b>		<b>48,408,375</b>	<b>18,248,912</b>	<b>66,657,288</b>

The notes on pages 8 to 23 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	
		2021	2020
<b>Cash flows from operating activities</b>			
Net surplus / (deficit) before taxation		3,693,836	(37,909,537)
<b>Adjustment for:</b>			
Depreciation charge	12	1,773,379	4,802,969
Provision for defined benefit plans	16	39,029	2,814,375
Interest income	7	(4,685,104)	(10,542,644)
(Gain) / loss on disposal of property plant and equipment	7	(1,426,587)	1,720,675
Fund balance adjustments to incoming resources	18	(86,824,789)	8,048,758
<b>Net cash outflows before working capital changes</b>		<b>(87,430,235)</b>	<b>(31,065,404)</b>
<b>Changes in working capital</b>			
Decrease in prepayments and other receivables		6,620,802	5,107,390
Increase in creditors and payables		3,478,029	2,106,650
<b>Cash used in operations</b>		<b>(77,331,405)</b>	<b>(23,851,364)</b>
Income taxes paid		(887,578)	(313,044)
Defined benefits paid	16	(2,403,160)	(1,919,000)
<b>Net cash used in operating activities</b>		<b>(80,622,143)</b>	<b>(26,083,408)</b>
<b>Cash flows from investing activities</b>			
Addition of property, plant and equipment	12	Nil	(2,499,074)
Proceeds from disposal of property plant and equipment		1,448,655	Nil
Withdrawals from interest bearing instruments		22,194,263	17,094,654
Interest received		4,312,052	10,542,644
<b>Net cash generated from investing activities</b>		<b>27,954,970</b>	<b>25,138,224</b>
<b>Decrease in cash and cash equivalents</b>		<b>(52,667,173)</b>	<b>(945,184)</b>
<b>Movement in cash and cash equivalents</b>			
At start of year		98,367,874	99,313,058
Decrease in cash and cash equivalents		(52,667,173)	(945,184)
<b>At end of year</b>	15	<b>45,700,700</b>	<b>98,367,874</b>

The notes on pages 8 to 23 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 the 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 into 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 - Great Britain
  - Ms. Ruani Jayasuriya
  - Joy Lanka Society Ltd

#### 2 Basis of preparation

##### 2.1 Statement of compliance

The Company's financial statements for the year ended 30 June 2021 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 statement of financial position, statement of comprehensive income, statement of changes in reserves 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 comprehensive income unless it reverses a previous revaluation surplus for the same asset.

*(b) Provisions*

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

*(c) Useful life times of assets*

The Company has reviewed the useful life time of all non current asset as of 30 June 2021, and amended the financial statements accordingly as per the accounting policy stated above.

**Impact of COVID-19 pandemic**

In determining the basis of preparing the financial statements for the year ended 30 June 2021, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Company and the appropriateness of the use of the going concern basis.

Company evaluated the resilience of its activities considering ongoing projects, upcoming projects and availability of sources of financing facilities and the ability to continue providing services to ensure entity continue as minimum disruption.

In determining the above significant management judgements, estimates and assumptions, the impact of the COVID-19 pandemic has been considered as of reporting date. However, no significant changes to management judgements, estimates and assumptions were noted from the outbreak of COVID-19.



**HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED****Notes to the financial statements (Contd.)****3 Summary of significant accounting policies****3.1 Foreign-currency transactions**

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

**3.2 Cash and cash equivalents**

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

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and fixed deposits held at banks, net of bank overdrafts.

**3.3 Inventories**

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

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

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

**3.4 Property, plant and equipment**

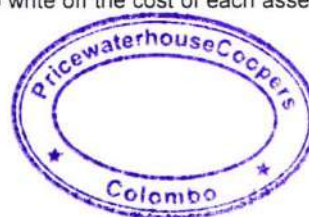
All items of property, plant and equipment are stated at cost less accumulated depreciation. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

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 comprehensive income 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.





**HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED****Notes to the financial statements (Contd.)****3 Summary of significant accounting policies (Contd.)****3.4 Property, plant and equipment (Contd.)**

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

	2021	2020
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 initially recognized at fair value. Subsequently they are stated at the amounts they are estimate to realise net of provision for bad and doubtful debts. An impairment assessment is made for doubtful receivables based on a review of all outstanding amounts at the year end. Irrecoverable balances are written-off during the year in which they are identified.

**3.6 Investments**

Investments include investments in fixed deposits which are initially measured at the transaction price being the fair value. Interest earned from these investments are credited to unrestricted fundings and shown in the statement of comprehensive income.

**3.7 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 statement of financial position that is based on the half-month's salary as of the last month of the financial year for all employees for each completed year of service commencing from the first year of service. The difference between the provision that is brought forward at the beginning of the year and the provision that is required to be carried forward at the end of the year is adjusted through the statement of comprehensive income.

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

*(b) Defined contribution plans*

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



## HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED

### Notes to the financial statements (Contd.)

#### 3 Summary of significant accounting policies (Contd.)

##### 3.8 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 comprehensive income 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 comprehensive income 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 statement of financial position until such time as they are

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 statement of financial position.

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

##### 3.9 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 statement of financial position and credited to the statement of comprehensive income over the useful life of the asset.

##### 3.10 Creditors and other payables

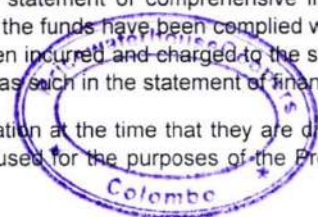
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition. Creditors and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

##### 3.11 Statement of Comprehensive Income

###### (a) Incoming Resources

Income realized from restricted funds is recognized in the statement of comprehensive income 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 comprehensive income. Unutilised funds are carried forward as such in the statement of financial

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.





**HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED****Notes to the financial statements (Contd.)****3 Summary of significant accounting policies (Contd.)****3.11 Statement of Comprehensive Income (Contd.)**

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.

*(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 comprehensive income 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.

**3.12 Expenditure recognition**

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

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

**3.14 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.



**HABITAT FOR HUMANITY - SRI LANKA (GUARANTEE) LIMITED****Notes to the financial statements (Contd.)****5 Incoming resources**

Activities in furtherance of Company's objectives

	2021	2020
Grants-Restricted Funding (Note 6)	378,745,527	447,442,439
Grants-Restricted Funding-Funds transferred from prior year balances (Note 6)	Nil	1,445,147
	<b>378,745,527</b>	<b>448,887,586</b>

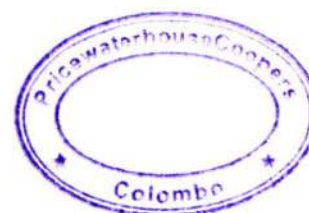
Above incoming resources include restricted funds accounted based on Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations.

	2021	2020
Restricted funds received for the year	296,741,859	456,936,343
Unrestricted funds received for the year	21,703,870	2,807,503

Unrestricted funds mainly consist of HFHI transfers Rs. 13,432,246 (2020 - Nil), Samson Rajarata Tiles Rs. 2,592,000 (2020 - Nil) & DR funds transfer to unrestricted funds Rs. 3,949,254/- (2020 - Nil).

However, the total cash funds received during the year amounting to Rs. 314,341,421 (2020 - Rs. 461,676,236) comprised as below.

Donor	2021	2020
Indian High Commission	2,009,700	10,686,900
European Union	229,480,522	398,054,803
Habitat for Humanity International	55,595,216	47,497,050
Joy lanka Society Ltd	8,000,000	1,064,195
Habitat for Humanity - Great Britain	8,256,467	2,600,020
Corporates	4,732,992	952,220
Individual local donors	5,345,161	446,968
Online donation	921,362	374,080
	<b>314,341,421</b>	<b>461,676,236</b>





**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	288,956,484	Nil	(38,335,278)	(222,036,696)	(28,564,511)	(288,956,484)	Nil
European Union GAP (EU-GAP)	HFH-AP Cash Transfers	56,603,190	Nil	(26,085,745)	(23,134,725)	(7,382,721)	(56,603,190)	Nil
Indian Embassy Houses-Phase II - 265 Houses (LK19003)	Indian High Commission - Colombo	595,000	Nil	(405,350)	Nil	(189,650)	(595,000)	Nil
Homes for Hope Project (LK19006)	Local Donor	19,406,125	Nil	(1,500)	(18,977,889)	(426,736)	(19,406,125)	Nil
Brick By Brick Project - Phase I (LK20009)	Local Donor	3,652,386	Nil	(3,333)	(3,161,401)	(487,652)	(3,652,386)	Nil
Grace Project - Phase I (LK21002)	HFH Great Britain	2,415,841	Nil	(553,158)	(1,568,148)	(294,535)	(2,415,841)	Nil
Joy Lanka Housing Project (LK21004)	Local Donor	7,116,500	Nil	Nil	(6,330,050)	(786,450)	(7,116,500)	Nil
	<b>Total</b>	<b>378,745,527</b>	<b>Nil</b>	<b>(65,384,364)</b>	<b>(275,208,908)</b>	<b>(38,152,255)</b>	<b>(378,745,527)</b>	<b>Nil</b>



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

	2021	2020
Special event income	Nil	204,000
Interest income	4,685,104	10,542,644
Recoveries from write-offs	Nil	70,669
Net foreign exchange transaction loss	Nil	(9,942)
Profit on disposals of property plant and equipment	1,426,587	107,500
	<b>6,111,691</b>	<b>10,914,871</b>

**8 Administration and other operating costs**

	2021	2020
Administrative staff related expenses	23,730,126	33,162,259
Other costs	391,599	6,973,517
	<b>24,121,724</b>	<b>40,135,776</b>

Most of the employment contracts of the Administrative staff were terminated during the year due to the completion of the EU Project. (EU admin staff salaries - Rs. 2,028,229/- (2020 - 13,640,493/-)

Other costs mainly include, unallocated administrative costs such as office running costs including rent (2020- Rs 3,198,975) ,depreciation (2020- 1,953,904) and travelling (2020- 1,215,905 ).

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

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

	2021	2020
Auditors' remuneration - Audit fee	487,500	648,000
Depreciation charge on property, plant and equipment (Note 12)	1,773,379	4,802,969
Staff costs (Note 11)	89,114,489	93,555,794
Professional services	1,464,052	1,531,020

**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 2019/2020. Year of assessment 2020/2021 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.)**

	2021	2020
Tax credit for the year (see note below)	Nil	(1,932,266)
	<b>Nil</b>	<b>(1,932,266)</b>
	<b>2021</b>	<b>2020</b>
Income tax on grants received during the year	2,640,384	3,878,080
Tax on other income		
Other miscellaneous income	417,176	30,100
Recoveries from write-offs	Nil	19,787
Special event income	Nil	57,120
	<b>3,057,560</b>	<b>3,985,089</b>
Adjustment for over provision in respect of previous year	(3,057,560)	(5,845,384)
	<b>Nil</b>	<b>(1,860,295)</b>

**11 Staff costs**

	2021	2020
Wages and salaries	78,912,350	79,277,176
Other employee benefits	934,345	989,028
Defined contribution plans	9,228,764	10,475,214
Defined benefit obligations (Note 16)	39,029	2,814,375
	<b>89,114,489</b>	<b>93,555,794</b>

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

Full time	<b>84</b>	<b>80</b>
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**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
	<b>At 01 July 2019</b>							
	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)
	<b>Net book amount</b>	<b>4,333,000</b>	<b>Nil</b>	<b>Nil</b>	<b>2,337,230</b>	<b>872,574</b>	<b>3,562,565</b>	<b>11,105,369</b>
	<b>Year ended 30 June 2020</b>							
	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)
	<b>Closing net book amount</b>	<b>4,333,000</b>	<b>Nil</b>	<b>77,946</b>	<b>1,532,011</b>	<b>492,206</b>	<b>645,636</b>	<b>7,080,800</b>
	<b>At 30 June 2020</b>							
	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)
	<b>Net book amount</b>	<b>4,333,000</b>	<b>Nil</b>	<b>77,946</b>	<b>1,532,011</b>	<b>492,206</b>	<b>645,636</b>	<b>7,080,800</b>
	<b>Year ended 30 June 2021</b>							
	Opening net book amount	4,333,000	Nil	77,946	1,532,011	492,206	645,636	7,080,800
	Additions / transfers: Cost	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Disposals / transfers : Cost	Nil	Nil	(92,000)	(4,233,423)	(60,000)	(5,577,980)	(9,963,403)
	Accumulated depreciation	Nil	Nil	37,052	3,572,748	60,000	5,577,980	9,247,780
	Depreciation charge (Note 9)	Nil	Nil	(22,998)	(724,663)	(380,082)	(645,636)	(1,773,379)
	<b>Closing net book amount</b>	<b>4,333,000</b>	<b>Nil</b>	<b>Nil</b>	<b>146,674</b>	<b>112,124</b>	<b>Nil</b>	<b>4,591,798</b>
	<b>At 30 June 2021</b>							
	Cost	4,333,000	1,327,102	Nil	2,861,256	7,770,000	12,321,360	28,612,718
	Accumulated depreciation	Nil	(1,327,102)	Nil	(2,714,583)	(7,657,875)	(12,321,360)	(24,020,920)
	<b>Net book amount</b>	<b>4,333,000</b>	<b>Nil</b>	<b>Nil</b>	<b>146,673</b>	<b>112,125</b>	<b>Nil</b>	<b>4,591,798</b>

Accumulated depreciation  
Depreciation charge (Note 9)

Closing net book amount





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

	2021	2020
Investments in fixed deposits	31,660,798	53,855,060
	<b>31,660,798</b>	<b>53,855,060</b>

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

**14 Prepayments and other receivables**

	2021	2020
Deposits and prepayments	1,650,829	2,348,070
Advances	229,040	637,432
Other receivables	4,942,208	10,457,378
	<b>6,822,078</b>	<b>13,442,880</b>

- (a) Deposits and prepayments mainly consist of refundable rent deposit & Refundable security deposit for fuel station made for National office, amounting to Rs. 350,000/- (2020 - Rs. 1,468,070/-) and prepayment for the National office including EU Project amounting to Rs. 1,300,829 (2020 - Rs. 880,000).
- (b) Advances comprise 1/3 of medical insurance recoverable from employees amounting to Rs. 196,540 (2020 - Rs. 276,749) and loan receivable from employees of Rs. 32,500 (2020 - Rs. 68,500).
- (c) Other receivables mainly comprise interest receivable for fixed deposit of Rs. 184,376 (2020 - Rs. 750,712), receivable from EU Consortium Rs. 1,836,214 (2020 - Rs. 3,545,142), Receivable from EU-Sub-grantees Rs. 1,682,344 (2020 - Rs. 3,465,670) and Receivable for sale of fixed assets Rs. 357,286 (2020 - Nil)

**15 Cash and cash equivalents**

	2021	2020
Cash in hand	120,000	320,000
Cash at bank	45,580,701	98,047,874
	<b>45,700,701</b>	<b>98,367,874</b>

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

	2021	2020
Cash and bank balances	45,700,701	98,367,874
	<b>45,700,701</b>	<b>98,367,874</b>

Restricted cash

Cash and cash equivalents disclosed above and investments disclosed in note 13 include Rs. 57,192,533 (2020 - Rs. 127,850,363) 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:

	2021	2020
At beginning of the year	15,544,695	14,649,320
Current service cost (Note 11)	39,029	2,814,375
Benefits paid	(4,341,635)	(1,919,000)
<b>At end of the year</b>	<b>11,242,090</b>	<b>15,544,695</b>

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**

	2021	2020
Accrued expenses	136,032	672,674
Wages & Taxes Payable	34,693	Nil
Accounts payable	6,720,185	2,740,207
	<b>6,890,910</b>	<b>3,412,881</b>

- (a) Accrued expenses mainly consist of utility payables such as telephone, electricity and water in respect of services obtained.
- (b) Stamp duty & PAYE tax payable
- (c) Accounts payable mainly consist of annual audit fee payable Rs. 487,500 (2020 - Rs. 648,000), payable for EU suppliers Rs. 2,473,800 (2020 - Rs. 1,496,296), EU staff gratuity payable Rs. 1,938,475 (2020 - Nil) and other miscellaneous payables Rs. 1,820,410 (2020 - Rs.595,911).

**18 Funds**

The movement in unrestricted and restricted funds are as follows:

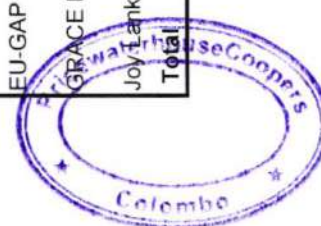
a) Unrestricted Funds	2021	2020
Balance at beginning of the year	13,683,209	49,732,449
Net deficit for the year	3,693,836	(36,049,240)
Transferred from restricted funds	871,867	Nil
<b>Balance as at year end</b>	<b>18,248,912</b>	<b>13,683,209</b>
b) Restricted Funds	2021	2020
Balance as at beginning of year	135,233,164	127,184,406
Funds received / receivable during the year	296,741,859	456,936,344
Transferred to unrestricted funds ( Note (a) above)	(4,821,121)	Nil
Transferred to statement of comprehensive income (Note 06)	(378,745,527)	(448,887,586)
<b>Balance as at year end</b>	<b>48,408,375</b>	<b>135,233,164</b>





**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	128,762	Nil	Nil	(128,762)		Nil
Construction of Water Tank & Connections	691,229	Nil		(691,229)	Nil	Nil
Homes not Houses: Building Sustainable Future	76,450,426	229,480,522	(288,956,484)	323,287	Nil	17,297,751
Designated funds - Disaster response	4,324,417	Nil		(4,324,417)	Nil	Nil
IHP- Phase II - Plantation (265 Houses)	Nil	595,000	(595,000)	Nil	Nil	Nil
Homes for Hope Project	19,406,125	Nil	(19,406,125)	Nil	Nil	Nil
Brick By Brick Project	385,170	8,246,900	(3,652,386)	Nil	Nil	4,979,684
European Union GAP (EU-GAP)	33,847,035	37,128,867	(56,603,190)	Nil	Nil	14,372,712
EU-GAP (Post EU Operations)	Nil	5,034,103	Nil	Nil	Nil	5,034,103
GRACE Project	Nil	8,256,467	(2,415,841)	Nil	Nil	5,840,626
Joy Lanka Housing Project	Nil	8,000,000	(7,116,500)	Nil	Nil	883,500
<b>Total</b>	<b>135,233,164</b>	<b>296,741,859</b>	<b>(378,745,527)</b>	<b>(4,821,121)</b>	<b>Nil</b>	<b>48,408,376</b>



**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  
 Dr. Ravi Fernando  
 Prof. W. Priyan Solomon Dias  
 Mr. Rajith Stephan Fernando  
 Pastor Neroshan Perera  
 Mr. Shanek Fernando  
 Mr. Chanaka De Silva  
 Ms. Minette Perera  
 Mr. Sughadevan Mahendran  
 Mr. Marco Gamboa Montemayor  
 Ms. Amila de Mel (Term ended on - 26.11.2020)  
 Mr. Christopher M. Anthonisz (Term ended on - 26.11.2020)

**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	
	2021	2020
Global village programme- Grant Funding Networks countries (GFN)	Nil	1,064,195
Capacity & EU GAP HFHI-HQ	55,595,216	47,497,050
EU Project Grant Funding Networks countries (GFN)	229,480,522	398,054,803
HFH Great Britain Project Grant Funding Networks countries (GFN)	8,256,467	2,600,020
	<b>293,332,205</b>	<b>449,216,068</b>

Except for above, none of the directors were directly or indirectly involved in any contracts with the Company during the year ended 30 June 2021.

**22 Events after the reporting period**

No events have occurred, since the statement of financial position 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

Senior Manager, Resource Development  
Habitat for Humanity Sri Lanka  
No. 120A-2/1, Srimath Anagarika Dharmapala  
Mawatha, Colombo 7, Sri Lanka  
melissa@habitatsrilanka.org

## CONTENT WRITER

Melissa Jayasuriya

## CONTENT DESIGN AND PUBLISHING

Melissa Jayasuriya

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Or donate directly via bank transfer to:

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Bank and Branch: Commercial Bank, Dehiwela  
Bank Account No: 8580027315  
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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

No. 120A-2/1, Srimath Anagarika Dharmapala  
Mawatha,  
Colombo 7,  
Sri Lanka

### Company Secretary

Andrea Corera  
LLB (Hons) London  
Attorney-at-Law & Notary Public

### Auditors

PricewaterhouseCoopers  
100, Braybrooke Place  
Colombo 2  
Sri Lanka

### Bankers

Commercial Bank PLC  
Commercial House,  
21, Sir Razik Fareed Mawatha  
P.O. Box 856  
Colombo 1  
Sri Lanka





**everyone**  
needs a place to call home



Habitat for Humanity Sri Lanka  
No.120A - 2/1, Srimath Anagarika Dharmapala Mawatha,  
Colombo 07,  
Sri Lanka  
Phone: +94 (11) 2 577102 - 10  
Fax: +94 (11) 4 202788  
[www.habitatsrilanka.com](http://www.habitatsrilanka.com)  
[info@habitatsrilanka.org](mailto:info@habitatsrilanka.org)