Homeless International
trading as

reall

Seeing potential. Not poverty.

a Company Limited by Guarantee

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended 31st March 2015

Charity registered in England & Wales No. 1017255
Charity registered in Scotland No. SC041976
Company Registration No. 2713841

CONTENTS

TRUSTEES' ANNUAL REPORT
(including Strategic Report)
for the year ended 31st March 2015

Introductory letter from David Orr, Chair

Welcome to Homeless International's Trustees' Annual Report for 2014/15, a year of significant change and challenge.

Taking on board previous comments from a number of external partners, in 2014/15 Homeless International took the decision to re-brand as Reall (Real Equity for All) – a move that allows our name and image to more adequately reflect the nature of our work. This decision has enabled the organisation to refresh our public image and to focus attention on increasing the Community-led Infrastructure Finance Facility (CLIFF) programme's attraction for current and potential funding and investment partners.

In addition to and alongside the re-brand we re-organised our staff structure to consolidate our international work (previously separated into 'enterprise' and 'development' programmes and partnerships) into a single Operations unit. We established two new business units. Our new Business Development unit focuses on partner selection, set-up and systems support. A new Funds unit has been set up to focus on treasury management and investment strategy, portfolio management and to separate this from the preparation of projects for investment which now provides the focus for the Operations unit.

We have improved organisational capacity in areas ranging from investment strategy and management, new partner identification; systems development; monitoring and evaluation; and community development. This additional capacity has been important to meeting existing Operations Plan targets, and positioning the organisation to scale up our operations to meet the ambitions of donor, implementing and investment partners going forward.

We have had external challenges too. The slower release of donor funds, widespread elections, delays in securing the registration of appropriate legal structures, management and governance crises in two African partners militated the suspension and delays in deploying funds, making difficult the achievement of housing and infrastructure outputs. On a positive note, addressing these challenges has served to strengthen our capacity, processes and practices, providing the basis for growth.

Looking ahead, the growing capacity and capability of the organisation, improved funding levels, investment and development strategy make the board confident that the organisation continues to match the challenge of its mission – which is to build self-reliant community development enterprises that provide increasing access to land, shelter and basic services.

Before reading our Strategic Report which contains some of our achievements in the year and our objectives for the year to come, we wish to express our gratitude to the large numbers of you who support our work. We trust that this report serves to demonstrate how your support has translated into real equity for thousands of homeless people in Africa and Asia.

David Orr

Chair

Reall’s Objectives

Objects, Vision and Mission

Under its Articles of Association, the objects for which Reall, is established are the **relief of poverty**, in particular that caused by homelessness internationally. Underpinning those objects is our vision of “**a world in which everyone can realise their right to land, shelter and services**”. Our mission is “**to develop self-reliant community development enterprises (CDEs) that are capable of creating sustainable settlement, shelter and services solutions**”. We have outlined four key strategies in our work towards this mission:

- Building and developing CDEs towards increased delivery and self-reliance.
- Replicating CDEs (scaling delivery by scaling CDEs).
- Building a Network (to connect CDEs to facilitate the flow of finance, ideas and capacity and to distribute risk).
- Mobilising resources / Building a Fund (to sustain and scale the mission).

Objectives for the year ended 31 March 2015

The main objectives for the year were as follows:

1. **Building CDEs capacity and delivery from start up to self-reliance**
    - Utilise CLIFF funds in excess of £27 million.
    - Add more Implementing Partners to take the total CLIFF Partners from 15 to 20.
    - Within the CLIFF programme, we planned two stakeholder conferences in London and Kenya with further workshops planned in: accounting, project delivery, credit and lending, and Integrity for Investment.
    - Continued development of Cloud based systems, which will cover credit and lending services to client households, cloud based accounting software for Implementing Partners and cloud based software to aid greater effectiveness in project delivery. Reall planned to continue working with Implementing Partners to design and develop the systems, which will be developed fully into a social franchise platform for emerging country urban settlement organisations.

2. **Scaling and enabling delivery through innovative models and services, and policy and practice change**
    - Redefining CLIFF funds through the development of Land Equity Acquisition Fund (LEAF), Project Capital Fund and Micro-Mortgage Capital Fund (MiMo), to improve the capital work rate of the overall funds and to improve the overall flexibility and quality offering to Implementing Partner organisations (CDEs).
    - Further utilisation of the HI-Fund.
    - Continue work on rental housing in Tanzania.
    - Re-design our operational framework to achieve greater professionalisation of our partners’ work and to improve overall programme efficiency.

3. **Mobilising and leveraging financial resources to enable, sustain and scale up the mission**
    - Secure further CLIFF funding (£70M secured).
    - Develop Reall’s climate change prevention and mediation programme and capacity.
    - Ongoing development of investment funds to access affordable capital for Reall’s programmes.
    - Continue to develop the resources to fund our Integrity for Investment programme to develop increased financial transparency.
    - Secure donations from the UK housing sector, other supporters and income from events.

4. **Building alliances, and mobilising support for the mission.**
    - Continue to develop our networks and relationship with other global north sector organisations, including Shelter Norway, Rooftops Canada, We Effect and Habitat for Humanity.

Strategic Report

Achievements and Performance in 2014/15

In the following section, Reall's key areas of activity are broken into the respective parts – CLIFF, the Communities Programme, FM&C (Funding, Marketing and Communications) and Organisational Development and Alliance Building. Within each section, key figures and narrative on Reall's achievements and programmatic performance are explained.

CLIFF

Following the re-brand and restructure of Homeless International to Reall in 2014, significant internal changes saw the EPP and DPP team merge to focus on scaling the delivery of the CLIFF programme. This change was designed to better increase Reall's own capacity to pioneer the social enterprise approach to urban shelter and settlement needs within developing countries by providing access and greater capacity support to sustainable Community Development Enterprises (CDEs).

2014/15 was a year defined by both great challenges and great achievements for Reall. During this period, almost without exception, all CLIFF CDEs faced significant challenges, largely beyond control, that impacted on their ability to fully deliver the ambitious targets outlined in their original business plans. Such challenges, ranged from protracted national elections in India, South Africa, Malawi and Mozambique, through to delayed bureaucratic processes in Nepal, and widespread lack of executive control in Burkina Faso. These challenges, coupled with a reduction in available capital – triggered by an agreement with DFID to postpone a proportion of the agreed CLIFF funding - naturally reduced the programmes ability to deliver complete housing and infrastructure projects.

This said, in facing down all of these challenges, Reall feels that the portfolio has emerged stronger as a result. In particular the slight slowdown in delivery has allowed Reall and the CLIFF CDEs to focus on developing the internal capacity and organisational structures necessary to support an accelerating CLIFF programme in years to come. Across the portfolio, staff appointments and training have been approved to meet emerging capacity gaps; whilst the restructuring of the CDEs in several countries of operation is paving the way for a future investment model.

Below are Reall's key achievements across the CLIFF programme in 2014/15:

- Over the year 2014/2015 Reall approved an additional 866 housing units, across three different partners. This brings the CLIFF Portfolio total to 11,724 housing units approved worldwide, which will benefit over 100,000 individuals across Africa and Asia. In the same year, CLIFF partners completed work on a further 1,749 housing units, bringing the CLIFF Portfolio cumulative total to 5,455 with the majority of the households also receiving micro-mortgages or group loans at interest rates comparable to local bank interest rates.
- For the first time in the history of CLIFF, a CDE (NACHU, Kenya) completed over 600 units in a single year.
- In 2014/15 Reall approved a further 1,431 sanitation units, bringing the CLIFF Portfolio total to 14,037. These units will benefit an estimated 160,187 individuals. To date, 5,683 of these units are completed, bringing clean and safe water and sanitation facilities to over 105,000 individuals.
- Reall coordinated two CLIFF Stakeholder Group Meetings in London and Nairobi. These delivered workshops on accounting, project delivery, credit and lending, IT Cloud Systems and internal policy making. Reall had great successes in the funding of a Home Improvement Loan programme with The Kuyasa Fund in South Africa. These loans are targeted at low income pensioners and women wanting to borrow small sums to improve or add to their government-subsidised housing. In 2014/15 Reall approved over 9,000 of these loans, to the direct benefit of nearly 50,000 individuals.
- Reall made great strides in re-articulating its CDE selection process to fit with the social enterprise approach. As a result, a partnership being pursued in Pakistan was secured, whilst others in Mozambique and Egypt were placed on hold whilst issues around company ownership and for-profit status were resolved (with the Mozambique partner since voluntarily leaving the programme). These iterative processes have been vital for the

future development of new CLIFF partners and have provided vital experience for the negotiation of future contracts.

- The trial of Cloud Based Accounting software within CDEs was begun in 2014/15 and despite the anticipated 'bedding-in' issues has generally been received with a huge amount of positivity. The selected software, Temenos T24, is a market leading cloud based loan management system that promises to revolutionise the way CDEs manage their loan portfolios. Early evidence from NACHU, Kenya suggests Temenos will bring massive efficiency savings to the organisation.

Key Objectives for 2015-16:

- Continue working to secure £500m of CLIFF funding over the next five years both from existing sources and via the mobilisation of new funding streams.
- Continue work on scaling up partner program delivery to more than 1,000 units per annum.
- Work with CDEs to make efficiencies in the areas of:
    - Project feasibility and forecasting
    - Housing, land, water, sanitation, energy and infrastructure project design
    - Project revenue models and repayments to sustain greater product and project quality and sustainability.
- Rollout Temenos T24 to 1 further CDE - The Kuyasa Fund in South Africa

Communities Programme

The Communities Programme team (formerly managed by the Development Partnerships and Programmes unit but now part of our Operations Unit) supports emerging local organisations to develop and implement strategies that enable the poor to access land, decent shelter and basic services. The main achievements against objectives in this area of work in 2014/15, and the benefits to people lacking adequate, safe and secure shelter, were as follows:

- Internal capacity development
    - As part of the effort to improve capacity, and in line with the organisational rebranding of Reall, the Development Partnerships and Programmes was strategically renamed 'Communities', and incorporated into the wider Operations unit integrating the Development and Enterprise programmes into one coherent team. This is to ensure a more strategic alignment of programmes and enable the organisation to provide support to partners based on a holistic strategy focussed on sustainability and greater impact.
    - The integration will see Reall leveraging more strategic grant support to partners and ensuring that new projects move partner organisations towards achieving scale and sustainability.

- Support to partners
    - The Communities Programme directly supported partner organisations in eight countries through 17 projects (including some partners from the Enterprise programmes); this support included disbursements totalling £1.29 million, slightly less than the £1.33 million in the previous year.

    - Grant funding support was secured from Reall's traditional funders and more notably new donors such as the Commonwealth Foundation, with whom the Communities Programme actively developed relationships during the year.

    - With this support, programmes managed by the Communities team reached more than 260,000 slum dwellers directly through improved land access, secure tenure and prevention of eviction; new and improved housing; improved access to water and sanitation; training in construction; livelihoods improvement; and hygiene promotion training.

    - In addition to grant funding, the Communities Programme provided technical support to enable Reall partners to deliver on their projects and to improve their organisational capacity for more effective and scaled delivery and self-reliance. Support was provided in the following areas: loan fund systems; water and sanitation technologies and approaches; financial sustainability planning; fundraising strategies; advocacy strategies; and financial management. Support was also provided to enterprise partners to expand their work to include addressing the systemic constraints to housing and better living conditions to slum dwellers and poor communities.

- Securing new Grants
  - During 2014/15 the Communities Programme secured £268,710 of new funding for work in Sri Lanka, Tanzania, Nepal and Zimbabwe over the coming years. These new projects are geared towards developing partners' capacities and scaling-up their strategies to address access to land, decent shelter and basic services (mainly water and sanitation) for the poor as well as building better partnerships between stakeholders to achieve better planning of informal settlements.
  - The funds secured are lower compared to the previous year but are in line with the organisational re-alignment of Reall's development programmes with the enterprise programme thereby naturally capping the number of funding applications explored.

Key Objectives for 2015-16

- Continue management of existing portfolio of grants (11 grants) and work with grant partners to build their capacity (financial management, grant requirements, monitoring and evaluation, project planning).
- Ensure that current/new grant partners develop their organisations to align with Reall's enterprise strategy (full organisational sustainability, housing delivery at scale or by providing strategic support to current CLIFF partners).
- Work with the Development Finance and Grant Funding Department to develop strategic grant funding opportunities.
- Support the Investment Integrity Initiative in the area of community development.
- Provide capacity building in community development to CLIFF partners.

Funding, Marketing and Communications (FM&C)

Funding, Marketing and Communications' work centred on ensuring the organisation has the resources to pursue its mission, raising awareness of slum and housing issues and rebranding Homeless International. The key 2014/15 achievements were:

- Reall's fundraising activity in 2014/15 achieved £324,208 in income, with a large portion of these funds being generated from the UK Housing Sector. This included £220,565 gross income from the 2014 Community Challenge event in Nepal. Other sources included £55,075 general donations, £20,043 appeals income, £15,656 membership income, £6,869 event income and £5,700 restricted funding.

- A focus toward securing investment in Reall's programmes by UK housing sector organisations as opposed to donations was commenced in the year. Early success saw work to secure an inward investment of £100,000 by Affinity Sutton just after the financial year end.

- The 2014 Community Challenge to Nepal was the most successful to date; two groups, one entirely from Walsall Housing Group, totalling fifty-two participants visited and participated in LUMANTI's work in Pokhara.

- The FM&C team held regional housing sector events in Manchester, Lichfield and Leeds with attendees from over 30 housing associations; the events were sponsored by City Response and Seddon. Our Chairman was the principal speaker at a dinner hosted by Seddon at the Chartered Institute of Housing event in Manchester.

- Reall participated in four UK housing sector conferences. Of note, the FM&C team presented a very well received workshop with our partners from Malawi, South Africa and Kenya at the National Housing Federation Conference in Birmingham.

- In September 2014 the FM&C team successfully rebranded the organisation from Homeless International to Reall including development of new corporate guidelines. As part of the rebranding a brand new website was successfully developed and launched. The new website better reflects organisational change and ambition and has been well received across our constituencies.

- Reall continues to progress in expanding its reach to new audiences and supporters. In 2014/15 the FM&C team achieved:

    - 40% increase in total web traffic compared to previous year
    - 10% growth in number of people receiving our newsletter
    - 500% increase in reach on social media
    - 17 articles across print and online press in UK housing sector, charity, development and finance publications including international press such as Devex
    - 600% increase on Click Through Rate to the website through Google Adwords

Key Targets for 2015/16:

- To secure donations totalling £250,000 and investment of £500,000 from the UK social housing sector and its contractors consultants and suppliers.

- Continued development of website, social media and brand awareness.

- Secure targeted articles in online and print press in UK housing sector, charity, development and finance publications including international.

Organisational Development and Alliance Building

We continue to develop relationships with UK housing sector organisations and with peer organisations.

During 2014/15 we undertook the following main activities:

- We engaged a consultant to develop investment opportunities and a board for a newly registered Reall USA entity.
- We built on our alliances with Rooftops Canada and Shelter Norway through our biannual CLIFF Stakeholders Group meetings. In particular we are working with both organisations to develop CLIFF partner programmes in Tanzania and Uganda.
- Through the support of Venture Partnership Foundation (VPF) we engaged various UK organisations who can assist the development of our work.
- We continued to benefit from pro bono legal work through Allen and Overy; Weil, Gotshal & Manges; and Devonshires.

Financial Overview of 2014/15

The Statement of Financial Activities on page 19 shows Reall's income (incoming resources) and expenditure (resources expended) for the year. During the year ended 31 March 2015, income exceeded expenditure by £11m. These high net incoming resources are the result of the continuation of our emphasis on disbursement of CLIFF income as loans rather than as grants to partners. These loans to CLIFF partners appear under programme related investments in the balance sheet, rather than expenditure in the Statement of Financial Activities. At the balance sheet date for 2015, a provision for loan impairment has been made of £1.4m following organisational difficulties in one of our African partner organisations. Despite this, increased loan disbursements in the year of £12m saw our total portfolio of loans double to £22m by the year end. FY15 saw the first CLIFF loan repayments received. A total of £0.3m was received, which comes back into the CLIFF programme as recycled funds ready for future deployment to programmes.

In Reall's General Unrestricted Funds, income exceeded expenditure by £73,055. This was a drop from the previous year surplus of £0.2m caused by a shift in emphasis toward work developing the new brand and the marketing of CLIFF to the housing sector. Reall will be moving away from seeking donations from this sector to seeking investment support for our work in future. The international challenge event in Nepal proved a great success providing a net income of £85,008. As a result of another year of surplus in unrestricted funding programmes we saw the closing unrestricted reserves climb slightly but remain in line with Reall's reserves policy.

Expenditure on charitable activities in 2014/15 increased by 16%; however, this is mainly due to the provision for loan impairment of £1.4m (see Notes 7 and 15). In 2014/15, CLIFF grants totalled £539,163 compared to £1.7m in 2013/14; this is reflective of the continued shift in emphasis to loan disbursements as the mode of funding capital projects for an increasing number of our international partner organisations. This can also be seen in CLIFF programme related investments which have risen from £10.8m at 31 March 2014 to £21.7m at 31 March 2015. Communities Programme grants and related costs in support of partners remained static at £1.5m (See Note 9).

As described in note 25, Reall's Trustees occasionally designate a proportion of the organisation's Unrestricted Funds to: respond to emergencies and opportunities; bridge finance projects where agreed funding is delayed; and match fund projects where required match funds have not been raised from elsewhere. During the year this fund was utilised for both bridging finance on a short term basis and for match funding to a level of £44,178.

Risk Management

Key risks faced by Reall have been reviewed by the management team and the Trustees. The risk register categorises risks in each of the organisation's operating units, together with governance or Board risk. The staff member or Trustee responsible for managing each risk is identified. The potential impact and likelihood of each risk are scored, and the scores multiplied to give an overall risk score. The control measures in place are then considered to give a risk score after risk management measures. Management report the most substantial inherent risks, together with any significant emerging risks, and the control measures in place to Board at each meeting.

There are a number of inherent areas of risk involved in Reall's international work, including:

- Financial risk – including not having the resources available to support planned work; and that international partner organisations might default on direct loans or loans secured with guarantees provided by Reall. Reall also bears material exchange rate risk due to the breadth of our loan portfolio across numerous countries. We monitor this on a cyclical basis throughout the year. Revaluations are taken to the Statement of Financial Activities at year end and can be both positive and negative. All fluctuations impact the restricted funding programmes and do not pose a risk to the unrestricted fund.
- Programmatic risk – that the work supported by providing grants, loans and technical support will not achieve the planned results.
- Health and safety risk – including that visits to international partner organisations and their project sites may put Reall staff at risk.
- Legal risk – that Reall might not fulfil its legal obligations.
- Reputational risk – that action taken by Reall or its international partner organisations might damage Reall's reputation.
- Business Interruption risk – that unforeseen events might prevent or limit Reall's operations for a period of time.

Key risks facing the organisation in 2014/15 included:

- Potential impact on general fundraising efforts from the change in brand, the shift in message to traditional donors and capacity impact of the restructuring. We addressed this through a significant focus on income generated from our international challenge event and change in emphasis to securing investment for our enterprise programmes rather than unrestricted donations.
- During the year organisational problems occurred within one of our partner organisations putting at risk financial assets, programmatic outputs and presenting reputational risks for Reall. We have been working closely with the partner organisation, legal and professional advisors and the Charity Commission in managing this situation.
- Challenge in recruiting and building up staffing capacity to populate the new organisation structure and newly created business units. This has been challenging in an environment where we are building institutions (CDEs) and markets where none yet exist, as recruiting people "off the shelf" provides a challenge. We are managing this risk by engaging the support of some consultants as we build the staff team. An ongoing risk is that funding for the next phase of CLIFF might not be secured; we continue to address this through regular donor meetings, and exploring opening CLIFF to a wider range of donors.
- Since our FY12 transition from grants to loans to CDEs there has been a need for a dedicated fund manager. With an increasing loan portfolio of now over £20m we need to procure specialist software and modelling tools to help manage this fund and added staff capacity to build the fund. We have addressed this in part through the year by engaging the services of a funds consultant and commencing procurement on systems.
- Managing the significant change in the organisation continues to provide a risk. The impacts of change on people, positions, organisation habits and culture will continue to challenge the organisation as Reall responds to the changing needs of its Implementing Partners, Resource Partners, and to future investors.
- We face an "innovation versus scale" conundrum and this presents risk in so far as achieving the optimal balance. Our scale of delivery has created the increase in donor support. Our innovation, which requires design thinking, will be the means to accessing new forms of finance and scaling up the programme.
- Governance structures might not meet the needs of our future strategy, particularly in the areas of fundraising, social enterprise and relationships with development finance institutions; the Board addressed this through recruiting new board members with the requisite experience.

The board have considered the major risks to which the charity is exposed and the systems designed to minimise those risks.

Plans for next year

Reall's prepares an annual Operations plan, grouping objectives under the following key headings:

1. Reall Partner (CDE) delivery)
2. Reall Partner graduation and replication
3. Reall Network (Franchise) development
4. Funds mobilisation and leveraging

Reall establishes target outputs in each area. For 2015/16 Reall's plans to help achieve its targets are summarised below:

1. Strengthening the new organisational structure to ensure better support for partners.
2. Expanding Reall's footprint through the development of new partnerships in new and existing countries.
3. Developing a stronger network – provisionally called 'The REALL Network' of established CDEs.
4. Providing support to scale up delivery and broadening our resource base to a wider range of funders and investors and transitioning towards impact and debt funding.

Within the Operations Plan Reall works to a rolling three-year horizon. Over the next three years Reall aims to transition from an aid dependent organisation to one generating most of its income from franchising, development consulting, financing and investment activities. These will be driven by four imperatives:

1. Building a robust CDE franchise, adaptable to diverse (political, cultural, legal, economic contexts), supported by "scaffolding", systems and technologies [*Reall Partners*]
2. Establishing a network of at least 30 'kite marked' Reall Implementing Partners and Reall Resource Partners [*Reall Net*]
3. Establish a development fund that is able to service the finance and investment requirements of the network [*Reall Fund*]
4. Providing technical support to ensure CDE project delivery, investment viability, risk management and returns [*Reall Developments/Investments*]

Reference and Administrative Information

Name of Charity:	Homeless International (trading as 'Reall')
England and Wales Charity Registration Number:	1017255
Scottish Charity Registration Number	SC041976
Company Registration Number:	2713841
Chief Executive:	Larry English
Registered Office and Principal Address of the Charity:	Queens House, 16 Queens Road, Coventry, CV1 3EG.

Auditors

Baker Tilly UK Audit LLP
2nd Floor
St Philips Point
Temple Row
Birmingham
B2 5AF

Solicitors

Weil, Gotshal & Manges
One South Place
London
EC2M 2WG

(pro bono -)

Devonshires Solicitors
Salisbury House
London Wall
London
EC2M 5QY

(pro bono -)

Allen & Overy
One Bishops Square,
London
E1 6AD

(pro bono -)

Wornham & Co.
Ground Floor,
52 Albion Street,
Birmingham
B1 3EA

Bankers

The Royal Bank of Scotland plc
15 Little Park Street
Coventry
CV1 2RN

National Westminster Bank plc
PO Box 301
24 Broadgate
Coventry
CV1 1ZZ

Crown Agents Bank
St Nicholas House,
St Nicholas Road,
Sutton,
Surrey,
SM1 1EL

Structure, governance and management

Reall is governed by a Board of Trustees who are directors for the purposes of the Companies Act and trustees in charity law. Reall has three categories of membership: national representative organisations, other organisations, and individuals. It is from this membership base that the Board is formed at the Annual General Meeting (AGM). At a Special General Meeting of the Board held in March 2014 the Board ratified an amendment to the Articles of Association to set term limits for Board members; limit the number of Board members to nine and remove the requirement to have a post of Honorary Treasurer. Arising from this change up to nine members will be **elected** at the AGM for a three-year term. The elected members are then empowered to **appoint** further members taking account of the skills needed. Appointed members serve on the Board until the next AGM, when they may be elected or re-appointed. The Board may **co-opt** people for an indefinite term; they are not strictly members of the Board, but may vote except on issues related to membership. The Chair is elected by the Board itself. The Board meets at least four times a year. Sub-groups of the Board may meet as required.

The directors and trustees, and co-optees, of Reall since 1 April 2014 were as follows:

David Orr	Chair of Board	
Simon Dow	Past Chair	
Suzanne Forster	Finance	
Dr. Alexandre Apsan Frediani	International planning	
Eric D. Armitage	Housing Association support	(Resigned 28/10/2014)
Professor Malcolm Harper	New financial initiatives	(Resigned 28/10/2014)
Professor Alison Brown	International planning	
Stephen Jeffrey Troop	Treasury Management	(Appointed 01/04/2015)
Amy Becker	Finance and Business Development	(Appointed 28/10/2014)
Lynne Sacale	Organisational Development and Housing Association support	(Appointed 28/10/2014)
Shantanu Bhagwat	Venture philanthropy and social enterprise	(Appointed 28/10/2014)

Reall was incorporated as a company limited by guarantee on 12th May 1992. It is governed by its Articles of Association amended by special resolution on the 25th March 2014.

The induction process for newly appointed or elected trustees comprises supplying an induction pack, followed by an initial meeting with the Chief Executive, a skills analysis and board decision on the special area of responsibility for the new trustee. The induction pack explains the induction process and provides information on: organisational background and aims; how it is registered, structured and governed; and the staffing structure. Subsequent training consists of meetings with appropriate members of staff and/or sub groups of the Board related to their special area of responsibility. Staff brief Trustees on relevant changes to legislation.

The Chief Executive is responsible for carrying on the activities of the organisation, subject to any directions by the Board. At Board of Management meetings, the Trustees agree the broad strategy and areas of activity for the organisation, including consideration of reserves, risk management policies and performance. A strategy review each autumn involves staff and the Board. Outcomes feed into business planning and staff development processes; the annual business plan and budget are prepared by all staff and approved at a Board meeting in late March. The organisation maintains a Schedule of Delegated Authority which details the authority delegated by Board to staff members.

International Policy

The Policy was approved by the then Council of Management (Board) on 18th March 2009. It provides a framework for grant giving which derives from Reall's Articles of Association and Belief Statement. It also informs our research, consultancy and advocacy work. The policy includes: the international work we aim to support; how we work in partnership with other organisations; monitoring and evaluation; grant-making and financial service provision processes; risk management; staff development; and, learning, knowledge creation and advocacy. The policy was formed with due regard to the public benefit guidelines published by the Charity Commission.

The Policy includes the following statements:

- Reall will provide grants and make financial services available to its international partner organisations for work that is in accord with its Belief Statement. Reall believes that:
    - All people have an equal right to adequate, safe and secure shelter and that people who are unable to exercise this right are, in effect, homeless.
    - Shelter is more than a house - it is a space for privacy, economic activity, social care and personal fulfilment.

    - Homelessness is a characteristic feature of poverty and that the eradication of poverty requires investment in the development of shelter that is economically, socially and environmentally sustainable.
    - Shelter development is more than the building of houses - it is the development of neighbourhoods and communities that provide opportunities for social and cultural expression.
    - Sustainable solutions to homelessness can be created only if people have access to appropriate land, finance, information, organisation and technology and also have an opportunity to play a lead role in designing solutions that work for them.
    - Sharing information about creating solutions to homelessness allows people to learn from and support each other.
- Reall will provide grants and make financial services available to its international partner organisations for initiatives that have the potential to scale up, attract other funding and influence policy and practice.
- Reall will make financial services available for international partner organisations' initiatives only where other sources of finance are not available or appropriate.
- Reall will make grants to its international partner organisations for initiatives within the context of a broader strategic partnership between Reall and the partner.
- If the work of one of Reall's international partner organisations is affected by a disaster or emergency, Reall may decide to make a grant to mitigate its impact, and aid recovery.

<u>Principles guiding partnership</u>
The policy contains a number of principles guiding our relationships with our international partner organisations:

- Reall will select new international partner organisations on the basis of criteria agreed by the Board, and revised from time to time on the basis of experience and strategy.
- Reall will only provide grants and make financial services available to new international partner organisations that have basic management systems in place and where there is an agreed plan to develop organisational capacity.
- Reall will decide to discontinue support to an international partner organisation if: it decides that their work is no longer in accordance with, or in breach of the Partnership Agreement, or grant or financial services agreements; or if it deems that the organisation has developed to the extent that it no longer needs external support.
- In future, Reall will enter into broad, medium-term partnership agreements with all new international partner organisations and gradually introduce such agreements with existing international partner organisations. Partnership agreements will take the form of a memorandum covering:
    - The international partner organisation's medium term strategy for its work and its organisational development.
    - Agreement on the elements of the international partner organisation's medium term strategy that Reall will seek financial and non-financial resources to support.
    - Shared risk and mutual benefits.
    - Shared authority, responsibility and accountability.
- Partnership agreements will be jointly drafted by Reall and the international partner organisation and brought to Reall's Board as a matter for information. Reall will continue to have specific contractual agreements for each grant, guarantee and loan.

Membership

Reall's membership at 31 March 2015 is shown below (2014 figures in brackets).

Organisations	35	(43)
Individuals	123	(187)

Public Benefit Statement
Under its Articles of Association, the objects for which Reall is established are the relief of poverty, in particular that caused by homelessness internationally. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the organisation's aims and objectives and in planning future activities and setting the grant making policy.

The **identifiable benefits** of Reall's work are that increasing numbers of homeless people in the urban areas where we work are housed in proper accommodation, with suitable sanitation and other services. A number of examples appear earlier in the report. These benefits are achieved through partnerships, as described above, providing support (financial, etc.) to local organisations. The **only restriction** is therefore that individuals and/or families should be members of, or their loan applications approved by, these local organisations, which may mean being committed in some way to the good of the local community, e.g. being members of a local savings group, or meeting loan eligibility criteria. There are **no fees**, though a rate of interest may be charged, on certain loans only, to organisations; in such cases this will usually be at a lower rate than that available locally. There are **no private benefits**.

Reserves
Reall's reserves are classified as either "restricted funds" or "unrestricted funds".

Restricted funds comprise grants received, but not yet spent, for specific purposes either as part of the HI Fund (formerly Guarantee Fund and Africa Bond), or in support of CLIFF and the Communities programme. They can be used only for these purposes.

Unrestricted funds are expendable, at the discretion of the Trustees, in furtherance of Reall's objectives. They provide the only resource to finance the organisational running costs that are not incurred in direct support of projects. Additionally, the Trustees may designate amounts for any urgent needs before funding is received, to respond to emergencies and opportunities or where there may be a shortfall of funding receivable. It is therefore the policy of the Trustees to generate sufficient annual unrestricted fund income to finance these costs in each year. As their source is largely donations, their level is unreliable. As a consequence, it is the Trustees' policy to carry forward, from one year to the next, a sufficient amount in the general unrestricted funds which, in their opinion, will provide against any material decrease in its income in the immediate future or any delays in receiving expected funding. This amount is currently deemed to be six months operating costs, which is budgeted to be in the region of £546,000. The balance of General Unrestricted Funds carried forward at 31 March 2015 was £616,257. Reall's Trustees have decided to designate a proportion of the organisation's Unrestricted Funds for the following purposes:

1) To enable Reall to respond to emergencies and strategic opportunities
2) To enable Reall to bridge finance projects to ensure that our partner organisations' work is not unduly affected by delays in agreed funding.
3) To enable Reall to match fund projects, where this is a donor requirement and where we have not been able to raise the match funding from other sources.

The use of designated unrestricted funds as bridge finance is becoming increasingly important as certain donors are now expecting Reall to spend funds on projects in advance of receipt.

The attached Balance Sheet shows overall reserves of £25.5m (2014: £14.1m) of which £24.8m are restricted funds, £0.7m are unrestricted including £0.1m of funds designated for responding to emergencies and strategic opportunities including providing short term funding for projects where funding is delayed.

Changes in Accounting Policies
There were no changes to accounting policies during the year.

Financial Dependence
Although a large proportion of Reall's support is provided by the UK social housing and construction sectors, statutory funders, trusts and foundations, Reall is not solely financially dependent on the support of any particular individuals, corporations or classes of donors known to play a key role in its affairs.

Investments
All investments held by Reall have been acquired in accordance with the powers available to the Trustees.

Relationships with Other Organisations
Although, as indicated above, Reall is committed to achieving its objects through partnership with other organisations, other than through its investments in Affordable Housing Solutions and Lendco (see Note 14), it is not directly connected to any other charities or similar organisations.

Obligations
The Trustees confirm that Reall's General Unrestricted Funds and Restricted Funds are available and adequate to fulfil Reall's obligations.

Donations in Kind
Reall is not dependent upon the services of unpaid volunteers. It has benefited from certain voluntary services, primarily uncharged professional advice and assistance from supporting organisations and individuals. Such donations in kind are not included in the Statement of Financial Activities because they cannot be quantified.

Third Party Indemnity Provision for Directors
Qualifying third party indemnity provision is in place for the benefit of all Trustees of the charitable company.

Statement as to Disclosure of Information to Auditors
The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors
A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors of the charitable company, will be put to the members at the annual general meeting.

The Trustees' Annual Report (including the Strategic Report) was approved by Reall's Board of Management on 29th June 2015.

I declare in my capacity of charity trustee, that

- the trustees have approved the Trustees' Annual Report incorporating the Strategic Report, and
- have authorised me to sign it on their behalf.

David Orr
Chair.

Statement of Directors'/Trustees' Responsibilities

The trustees (who are also directors of Reall for the purposes of company law) are responsible for preparing the Trustees' Report and incorporated Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Trustees and Members of Homeless International

We have audited the financial statements of Homeless International for the year ended 31 March 2015 on pages 19 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)© of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 17, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

STEPHANIE WARBOYS (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date 27th July 2015

Baker Tilly UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

FINANCIAL STATEMENTS
for the year ended 31 March 2015

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31 March 2015

		Unrestricted Funds		Restricted Funds	2015	2014
		General	Designated		Total	Total
	Notes	£	£	£	£	£
Incoming Resources						
Incoming resources from generated funds						
Voluntary income	1	84,151	6,623	-	90,774	326,857
Activities for generating funds	1	227,734	-	-	227,734	8,787
Investment income	1/5	608	-	3,300	3,908	8,200
Incoming resources from charitable activities	1	2,500	-	16,651,090	16,653,590	11,312,700
Total Incoming Resources	1	314,993	6,623	16,654,390	16,976,006	11,656,544
Resources Expended						
Costs of generating funds						
Costs of generating voluntary income	6	59,395	-	-	59,395	61,281
Costs of activities for generating funds	6	142,726	-	-	142,726	11,416
Charitable activities	7	-	-	5,324,321	5,324,321	4,596,216
Governance costs	8	39,817	-	-	39,817	28,015
Total Resources Expended		241,938	-	5,324,321	5,566,259	4,696,928
Net incoming resources before transfers		73,055	6,623	11,330,069	11,409,747	6,959,616
Transfers between funds	25/26	207	(44,178)	43,971	-	-
Net movement in funds being net income		73,262	(37,555)	11,374,040	11,409,747	6,959,616
Balance brought forward at 1 April 2014		542,995	171,319	13,385,670	14,099,984	7,140,368
Balance Carried Forward at 31 March 2015	24/26	616,257	133,764	24,759,710	25,509,731	14,099,984

The income and expenditure all relates to continuing operations. There are no gains or losses other than the net incoming resources for the year which have been calculated on a historical cost basis.
The notes on pages 24 to 40 form part of these accounts.

Balance Sheet as at 31 March 2015

Company registration number: 2713841

	Notes	2015		2014	
		£	£	£	£
Fixed Assets:					
Tangible assets	13		12,922		1,642
Investments:					
Investments in joint ventures and associates	14		-		-
Programme related investments	15		22,294,464		11,400,185
			22,307,386		11,401,827
Current Assets:					
Debtors – within one year	16	155,850		98,004	
Cash at bank and in hand -					
CLIFF		2,578,954		1,739,455	
HI Fund		313,324		283,738	
Other		1,150,376		1,542,133	
		4,198,504		3,663,330	
Liabilities:					
Creditors					
Amounts falling due within one year	17	(462,159)		(221,673)	
Net Current Assets			3,736,345		3,441,657
Total Assets less Current Liabilities			26,043,731		14,843,484
Creditors					
Amounts falling due after more than one year	18		(534,000)		(743,500)
			25,509,731		14,099,984
Represented by:					
Restricted funds	26		24,759,710		13,385,670
Unrestricted funds					
Unrestricted income funds	24		750,021		714,314
Total Charity Funds			25,509,731		14,099,984

The financial statements were approved by the Board of Trustees and authorised for issue on 29th June 2015 and are signed on its behalf by:

David Orr, Chair

Suzanne Forster, Director

The notes on pages 24 to 40 form part of these accounts.

Cashflow Statement
For the year ended 31 March 2015

	Notes	2015 £	2014 £
Cash Flow from Operating Activities	19	12,379,731	7,291,558
Returns on investment and servicing of finance	20	111,152	11,635
Capital expenditure and financial investment	21	(12,013,555)	(7,181,068)
Increase in Cash in the Year	22	477,328	122,125
Reconciliation of Net Cash Flow to Movement in Net Funds			
Increase in cash in the year being movement in net funds for the year		477,328	122,125
Net Funds at 1 April		2,781,826	2,659,701
Net Funds at 31 March	22	3,259,154	2,781,826

Accounting Policies

The principal accounting policies, all of which have been applied consistently throughout the year, are set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in March 2005 and applicable accounting standards, Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Going concern

The charity has prepared detailed budgets which indicate that the charity has sufficient resources in order to meet its liabilities as they fall due and on that basis, the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

Fund accounting

General Unrestricted Funds are available for use at the Trustees' discretion in furtherance of the charity's objectives. Designated Unrestricted Funds are set aside at the discretion of the Trustees for specific purposes. Restricted Funds are those donated and restricted for use in a particular area or for specific purposes.

Incoming resources

All incoming resources are accounted for when the charity has entitlement to the funds, certainty of receipt and the amount is measurable.

Voluntary income and activities for generating funds

Voluntary donations are accounted for in the period in which they are received, or when deemed receivable through prior knowledge. For legacies, entitlement is the earlier of the notification of an impending quantifiable distribution or the legacy being received. Membership fees are accounted for on an accruals basis.

Investment income

Investment income is recognised on a receivable basis.

Incoming resources from charitable activities

Grants are recognised in the Statement of Financial Activities either when received or when there is a formal agreement with the relevant funding organisations as to their receivability. Grants receivable within an accounting period are mainly utilised within that period. Any unutilised grants are reflected in the restricted funds carried forward. All income is therefore recognised at the time it is received or receivable.

Resources expended

Resources expended are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Support costs include staff and office administration costs and are apportioned in the following manner. Salary and related costs (pension, national insurance, etc.) are allocated across areas on a percentage basis according to the amount of time spent in each area. Office administration expenses (rent, rates, utilities, IT/telecoms costs etc.) are allocated across areas of the Charity's work according to the total proportion of staff time spent in that area.

Costs of generating funds

The direct costs of generating funds include specific campaign and event costs and promotional material.

Charitable activities

Charitable activities include grants made to international partner organisations to carry out work in line with our objectives. Charitable activities also include the direct costs of the Communities and CLIFF Programmes. These direct costs include, for example, monitoring and evaluation, travel, consultancy fees, documentation production and legal fees. Our disbursements of funds in the form of loans to international partner organisations, whilst being for charitable purposes, do not appear under Charitable activities in the Statement of Financial Activities. These disbursements appear on our Balance Sheet under Programme Related Investments and are further broken down in Note 15.

Governance costs

Governance costs are associated with the governance arrangements of the charity and include the costs associated with meeting constitutional and statutory requirements. Governance costs include audit and accountancy, the annual strategic review meeting and other Trustees' expenses.

Grant making

Grants to be made to partner organisations are recognised when the conditions under which Homeless International can make the grant payment are fulfilled.

Pension costs

The charity participates in the Social Housing Pension Scheme (SHPS) which is a multi-employer defined benefit scheme. The actuary is unable to identify the share of underlying assets and liabilities belonging to individual employers. As such the SHPS is treated as a defined contribution scheme and the contributions recognised in the Statement of Financial Activities as they are paid each year.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Taxation

Tax recovered from voluntary income received under gift aid is recognised when the related income is receivable and is allocated to the income category to which the income relates.

Operating leases

All leases are "operating leases" and the annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Computer equipment and digital photographic equipment	- over 2 years (straight-line)
Furniture, fittings and general equipment	- 25% reducing balance

Tangible fixed assets are stated at cost. Individual items of capital expenditure costing less than £500 are written off in the year of acquisition.

Programme Related Investments

Programme Related Investments comprise loans issued to international partner organisations for projects in furtherance of our aims. Principal and interest repayments are initially disclosed in the balance sheet at the exchange rate ruling at the original time of issue. Any difference owing to a change in exchange rate at the time of the transaction is taken to Charitable Activities in the Statement of Financial Activities. Outstanding balances are re-translated at the prevailing exchange rate at the balance sheet date, with any further exchange rate gains or losses also taken to the Statement of Financial Activities and the loan balances in the balance sheet updated. Due to the breadth of our loan portfolio across numerous countries there is the potential for material exchange rate fluctuations which could impact the total valuation of our Programme Related Investments both positively and negatively. We monitor this on a cyclical basis throughout the year.

Each year, the Board of Management considers the recoverable amount of each outstanding loan. This decision is made on the basis of a report from the management which focuses on: any non-repayment; significant delays in project implementation; and external factors such as policy change or political interference. Any provisions for impairment are taken to the Statement of Financial Activities. Where an impairment review is required, the charity assesses the carrying amount of the loans to confirm that this does not exceed the higher of net realisable value and value in use.

Notes to the Financial Statements for the year ended 31 March 2015

1. Incoming Resources

	Unrestricted Funds		Restricted	2015	2014
	General	Designated	Funds	Total	Total
	£	£	£	£	£
Incoming resources from generated funds					
Voluntary income					
Membership fees	15,656	-	-	15,656	20,411
General donations (note 2)	54,923	152	-	55,075	277,650
Appeals	13,572	6,471	-	20,043	28,796
	84,151	6,623	-	90,774	326,857
Activities for generating funds					
Event fundraising (note 2)	6,869	-	-	6,869	8,787
International Challenge events	220,565	-	-	220,565	-
Other	300	-	-	300	-
	227,734	-	-	227,734	8,787
Investment income (note 5)					
Interest on deposit accounts	608	-	3,300	3,908	8,200
	608	-	3,300	3,908	8,200
Incoming resources from charitable activities					
Grants receivable:					
-Statutory sources (note 3)	-	-	16,234,681	16,234,681	10,155,704
-Trusts and foundations (note 4)	-	-	303,465	303,465	1,121,760
-Housing Association donations	-	-	5,700	5,700	9,578
Organisational development & alliance building	2,500	-	-	2,500	20,000
Interest on CLIFF loans	-	-	88,424	88,424	-
Interest on HI Fund loans	-	-	18,820	18,820	3,435
Other	-	-	-	-	2,223
	2,500	-	16,651,090	16,653,590	11,312,700
Total Incoming Resources	314,993	6,623	16,654,390	16,976,006	11,656,544

These income categories may be alternatively analysed across Reall's main activities appearing in notes 6 and 7, as follows:

	2015	2014
	£	£
Communities Programme (formerly Development Programmes & Partnerships)	1,093,882	1,864,319
CLIFF Programme	15,532,756	9,435,938
Fundraising, Marketing & Communications	324,208	335,633
Other	25,160	20,654
	16,976,006	11,656,544

2. Analysis of General Donations

	2015 £	2014 £
Organisation donations	34,895	196,212
Trusts and Foundations (non-project specific)	-	400
Individual donations	19,000	35,538
Legacies	1,180	45,500
Subtotal general donations	55,075	277,650
Fundraising by individuals	6,869	8,759
Fundraising by organisations	-	28
Subtotal event fundraising	6,869	8,787
Total general donations and event fundraising	61,944	286,437

3. Analysis of Statutory Grants Receivable

	2015 £	2014 £
Department for International Development		
- Civil Society Challenge Fund (CSCF 527)	45,689	141,116
- Civil Society Challenge Fund (CSCF 528)	91,468	97,830
- Global Poverty Action Fund (GPAF – IMP – 079)	88,251	127,670
- Global Poverty Action Fund (GPAF – IMP – 099)	346,731	227,487
- Private Sector Department (CLIFF)	6,157,397	4,017,659
Guernsey Overseas Aid Commission	50,792	19,793
Jersey Overseas Aid Commission	167,486	116,846
Swedish International Development Co-operation Agency (CLIFF)	9,286,867	5,407,303
	16,234,681	10,155,704

4. Analysis of Project Specific Trusts and Foundations Grants Receivable

	2015 £	2014 £
Comic Relief	265,010	1,047,238
Other trusts and foundations	38,455	74,522
	303,465	1,121,760

5. Investment Income

Investment income consists of interest received and accrued on deposits with UK banks.

	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	2015 Total £	2014 Total £
Interest on deposit accounts					
- CLIFF Capital and Operational Funds	-	-	68	68	(3,121)
- HI Fund	-	-	729	729	8,439
- Other	608	-	2,503	3,111	2,882
	608	-	3,300	3,908	8,200

6. Costs of Generating Funds

	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	2015 Total £	2014 Total £
Costs of generating voluntary income					
Appeals costs	289	-	-	289	2,248
Website costs	2,152	-	-	2,152	761
Other fundraising costs	14,794	-	-	14,794	905
Support costs	42,160	-	-	42,160	57,367
	59,395	-	-	59,395	61,281
Costs of activities for generating funds					
International Challenge events	106,569	-	-	106,569	3,002
Support costs	36,157	-	-	36,157	8,414
	142,726	-	-	142,726	11,416
Total costs of generating funds	202,121	-	-	202,121	72,697

7. Charitable Expenditure

Charitable activities	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	2015 Total £	2014 Total £
Communities Programme					
Grants paid	-	-	1,289,007	1,289,007	1,333,024
Monitoring and evaluation costs	-	-	53,525	53,525	43,894
International technical assistance and project design costs	-	-	5,014	5,014	725
Support costs	-	-	111,933	111,933	113,988
CLIFF Programme					
CLIFF - Capital and Operational Grants (note 10)	-	-	539,163	539,163	1,713,912
CLIFF - Direct operational costs	-	-	484,821	484,821	256,760
CLIFF - Cloud Banking Project	-	-	1,076,380	1,076,380	-
CLIFF - Support costs	-	-	658,807	658,807	421,595
CLIFF - exchange rate (gain) / loss on programme-related investments	-	-	(357,385)	(357,385)	683,130
CLIFF - Loan impairment	-	-	1,434,040	1,434,040	-
HI Fund					
HI Fund - exchange rate loss on loans repaid	-	-	17,985	17,985	167
HI Fund Other costs	-	-	42	42	137
Other					
Direct costs	-	-	10,989	10,989	17,075
Support costs	-	-	-	-	11,809
	-	-	5,324,321	5,324,321	4,596,216

An alternative tabular form of presentation is given below analysing by programme area:

	Grants paid	Direct operational costs	Support costs	2015 Total	2014 Total
	£	£	£	£	£
Communities Programme (note 9)	1,289,007	65,739	111,933	1,466,679	1,491,631
CLIFF Programme	539,163	2,637,855	658,807	3,835,825	3,075,701
HI Fund	-	18,028	-	18,028	24,406
Other	-	3,789	-	3,789	4,478
	1,828,170	2,725,411	770,740	5,324,321	4,596,216

8. Governance Costs

	Unrestricted Funds		Restricted Funds	2015	2014
	General	Designated		Total	Total
	£	£	£	£	£
Direct costs	20,446	-	-	20,446	20,608
Support costs	19,371	-	-	19,371	7,407
	39,817	-	-	39,817	28,015

9. Communities Programme Grants

The grants paid to international partners, together with the costs of administrative support, project design, monitoring and evaluation, related documentation, internal capacity building, advocacy and technical assistance, are as follows:

	2015 £	2014 £
Pamoja Trust (Kenya) Innovative partnerships for water and sanitation delivery in Kenya; Strategic grant.	118,304	164,953
Dialogue on Shelter for the Homeless in Zimbabwe Trust Community-led water & sanitation delivery in Tanzania and Zimbabwe; Community-led water and sanitation delivery in Chinhoyi, Zimbabwe; Strategic grant.	238,173	112,495
Centre for Community Initiatives (Tanzania) Community-led water & sanitation delivery in Tanzania and Zimbabwe; Slum dwellers working together to improve their living conditions; Strengthening Tanzanian organisations to develop a relocation project for evicted slum dwellers and set a precedent; Community-led environmental sanitation in Chamazi; Strengthening the Jenga Fund.	214,590	239,722
Namibia Housing Action Group Strategic Grant.	-	17,441
Development Workshop Angola Strengthening the role of poor, peri-urban communities in development planning and poverty reduction strategies in Luanda, Angola.	33,805	137,701
People's Process on Housing and Poverty (Zambia) Scaling up access to land, housing and basic services for slum dwellers in Zambia; Improving access to sanitation and hygiene for slum dwellers in Lusaka; Improving water and sanitation in Kalundu View; Capital support for Swalisano Fund; Zambia urban land and livelihoods programme.	334,707	177,101
SEVANATHA Urban Resource Centre (Sri Lanka) Empowering Colombo's urban poor to realise their right to adequate living conditions.	99,727	108,276
Centre for Community Organisation and Development (Malawi) Scaling up access to land and basic services for slum dwellers in Malawi; Improving access to sanitation and hygiene in poor peri-urban communities.	230,835	372,923
Orangi Pilot Project – Research and Training Institute (Pakistan) Floods rehabilitation in Pakistan; Secure housing programme Karachi; Earthquake Appeal – Reconstruction.	-	2,412
LUMANTI Support Group for Shelter (Nepal) Seed funding for the Kohalpur Urban Community Support Fund.	18,866	-
Grants paid	1,289,007	1,333,024
Other project costs	65,739	59,552
Support costs	111,933	113,988
	1,466,679	1,506,564

	2015 £	2014 £
These costs may be further analysed as follows:		
Grants paid	1,289,007	1,333,024
Monitoring and evaluation	53,525	43,894
International technical assistance and project design	5,014	725
Documentation and advocacy	7,200	6,474
Organisational Development & Alliance Building	-	8,459
Support costs	111,933	113,988
	1,466,679	1,506,564

10. CLIFF Grants

Grants paid to CLIFF partners are as follows:

	2015	2014
	£	£
SPARC Samudaya Nirman Sahayak, Mumbai, India	7,937	11,470
Philippine Action for Community-Led Shelter Initiatives, Inc., Philippines	63,128	21,792
Lumanti Support Group for Shelter, Nepal	91,648	1,003,253
National Association of Co-operative Housing Unions, Kenya	5,766	20,091
ZINAHCO, Zimbabwe	68,875	14,080
Centre for Community Organisation and Development, Malawi	106,165	323,052
Development Workshop, Angola	8,410	14,219
Water Sanitation for Africa	3,002	12,676
Women Advancement Trust	20,262	280,702
Millard Fuller Foundation, Nigeria	6,835	3,103
Uganda Co-operative Alliance, Uganda	16,805	2,426
Ansaar Management Company, Pakistan	127,064	2,623
New Horizon Association for Social Development, Egypt	4,300	3,057
Kuyasa Fund, South Africa	5,776	1,368
NovoDia, Mozambique	3,190	-
	539,163	1,713,912

Grants include expenses paid on behalf of partner organisations in relation to stakeholder events and other costs.

Increasingly CLIFF capital funds have been provided to partners as loans rather than grants and therefore appear in the programme related investments section of the balance sheet and note 15 to the accounts. In FY15 no capital grants were issued. All grants were operational capacity building grants and other costs.

11. Resources Expended

Resources expended include charges for:

	2015	2014
	£	£
Auditor's remuneration - audit services	19,800	13,200
Auditor's remuneration - other services	1,200	-
Depreciation	13,554	2,491
Operating leases - land and buildings	30,600	30,600
Operating leases – office equipment	4,661	4,893

12. Support Costs

The total support costs incurred during the year is analysed as follows:

	Personnel Costs	Office Costs & Depreciation	2015 Total	2014 Total
	£	£	£	£
Communities Programme	86,617	25,316	111,933	113,988
CLIFF Programme	545,393	113,414	658,807	421,595
Organisational Development & Alliance Building	-	-	-	1,101
Costs of generating funds and voluntary income (note 6)	69,092	9,225	78,317	65,781
Fundraising and Marketing	-	-	-	10,708
Governance	17,089	2,282	19,371	7,407
	718,191	150,237	868,428	620,580
2014 comparatives	506,760	113,820	620,580	

Personnel costs include the following:	2015	2014
	£	£
Salaries and wages	616,539	423,957
Employer's social security	38,558	29,654
Pension costs (note 23)	63,094	53,149
	718,191	506,760

The average number of employees during the year was 17.5 (2014: 14.5).

There was one employee who earned remuneration in the band £70,000 - £79,999 (2014: nil). No employees in band £60,000 - £69,999 (2014: One). The employer's contribution to the pension scheme is in line with that described in note 23. Amounts paid in the year for employees in this band were £6,760 (2014: £5,641).

No remuneration has been paid to any Trustee or person connected to any Trustee.

Professional Indemnity Insurance has been paid on behalf of the directors/trustees amounting to £855 (2014: £733).

Expenses have been paid to two (2014: two) trustees totalling £88 (2014: £327). This was to cover their travelling expenses incurred in attending meetings of the charity.

13. Fixed Assets

	Computer and digital photographic equipment	Furniture, fixtures and general equipment	Total
Cost	£	£	£
As at 1 April 2014	27,710	15,816	43,526
Additions	24,834	-	24,834
Disposals	(3,252)	-	(3,252)
As at 31 March 2015	49,292	15,816	65,108
Depreciation			
As at 1 April 2014	26,741	15,143	41,884
Charge for the year	13,386	168	13,554
Disposals	(3,252)	-	(3,252)
As at 31 March 2015	36,875	15,311	52,186
Net Book Value			
As at 31 March 2015	12,417	505	12,922
As at 31 March 2014	969	673	1,642

These assets are used for both administration and the direct charitable purposes of the company. There is no clear distinction as to individual assets relating to specific purposes.

14. Investments

	Country of incorporation	Class of holding	Proportion held	Aggregate capital and reserves	Results for the period	Nature of business
				£	£	
Affordable Housing Solutions	Tanzania	Limited by guarantee	33%	(240)	4,049	Social rental housing
Lendco	Tanzania	Limited by guarantee	50%	-	-	Dormant

The company holds 33% of the voting rights in Affordable Housing Solutions, an associated company created to build and manage social rental housing in Tanzania, starting with the Chamazi project in Dar es Salaam. It is a company limited by guarantee.

At the date of signing these financial statements the most recent audited accounts for Affordable Housing Solutions were for the year ended 31 December 2013. The above figures are based upon the latest management information to 31 March 2015.

The company also holds 50% of the voting rights in Lendco, a joint venture company created to provide loans to Affordable Housing Solutions from the United Kingdom. It is a company limited by guarantee. No financial transactions have taken place within Lendco as at the balance sheet date.

15. Programme Related Investments

	2015	2014
	£	£
HI Fund:		
Loans outstanding at 1 April 2014	622,838	113,978
Loans issued during the year	-	535,672
Loans repaid during the year	(9,947)	(26,812)
Exchange rate losses on revaluation	(17,787)	-
Loans outstanding at 31 March 2015	595,104	622,838
CLIFF:		
Loans outstanding at 1 April 2014	10,777,347	4,790,596
Loans issued during the year	12,329,864	6,669,881
Loans repaid during the year	(331,196)	-
Exchange rate gains / (losses) on revaluation	357,385	(683,130)
Impairment provision	(1,434,040)	-
Loans outstanding at 31 March 2015	21,699,360	10,777,347
Total loans outstanding at 31 March 2015	22,294,464	11,400,185

Typically all loans have a term of five years. All exchange gains and losses are absorbed into/by the HI/CLIFF funding portfolio respectively. Any loan repayments received are recycled into future HI/CLIFF projects respectively.

Reall's loans are largely denominated in local currency. We are working in a number of countries with volatile currencies. As such the valuation of our loan portfolio can vary significantly over relatively short time periods. Within 12 weeks of the balance sheet date the total portfolio (CLIFF and HI Fund loans) had devalued by a further £1.77m.

Due to risks associated with one of our partner's we have taken a prudent approach to make an impairment provision for the entire value of that partner's loan balance. We are working with the partner to ensure that loans can be repaid.

16. Debtors

	2015	2014
	£	£
Debtors due within one year:		
Prepayments and accrued income	143,191	90,324
Other	12,659	7,680
	155,850	98,004

17. Creditors - amounts falling due within one year

	2015	2014
	£	£
Unpaid supplier invoices	13,017	15,081
Taxation and pension contributions outstanding	26,546	18,971
HI Fund loans repayable (note 18)	249,500	40,000
Accruals	26,339	17,569
Deferred income	-	130,052
Returnable grant	146,757	-
	462,159	221,673

Movement in deferred income:	£
At 1 April 2014	130,052
Released to SOFA in year	(130,052)
Income deferred during the year	-
At 31 March 2015	-

18. Creditors - Amounts falling due after more than one year

As at 31 March 2015, the status of the HI Fund loans is as follows:

	2015	2014
	£	£
The ACT Foundation (repayable 31/12/2017)	200,000	200,000
A2 Dominion Group (repayable 13/5/2017)	125,000	125,000
B3 Living Ltd (repayable 16/1/2016)	-	7,000
CHS Group (repayable 25/3/2018)	18,000	18,000
First Wessex (repayable 6/10/2016)	50,000	50,000
Guinness Northern Counties Ltd (repayable 18/7/2017)	5,000	5,000
Home Group Ltd (repayable 15/6/2017)	5,000	5,000
Johnnie Johnson Housing Trust (repayable 30/3/2021)	50,000	50,000
The London Housing Foundation (repayable 8/8/2017)	30,000	30,000
Magna Housing Group (repayable 16/4/2016)	21,000	21,000
MHS Homes (repayable 14/3/2016)	-	17,500
Notting Hill Housing Trust (repayable 17/1/2016)	-	110,000
Octavia Housing (repayable 25/3/2017)	20,000	20,000
The Sovereign Housing Group Ltd (repayable 17/10/2017)	10,000	10,000
Waterloo Housing Group Ltd (repayable 30/9/2015)	-	75,000
	534,000	743,500

None of the loans are subject to a rate of interest.

Analysis of debt maturity	2015	2014
	£	£
Amounts payable:		
In one year or less or on demand	249,500	40,000
In more than one year but not more than two years	91,000	209,500
In more than two years but not more than five years	393,000	484,000
In five years or more	50,000	50,000
	783,500	783,500

19. Reconciliation of net incoming resources to net cash flow from operating activities

	2015	2014
	£	£
Net incoming resources	11,409,747	6,959,616
Depreciation	13,554	2,491
Increase in debtors	(57,846)	(3,034)
Increase / (decrease) in creditors	30,986	(339,010)
Interest receivable	(111,152)	(11,635)
Exchange rate (gains) / losses on loans	(339,598)	683,130
Loan Impairment	1,434,040	-
	12,379,731	7,291,558

20. Returns on investments and servicing of finance

	2015	2014
	£	£
CLIFF loan interest receivable	88,424	-
HI Fund loan interest received	18,820	3,435
Bank interest received	3,908	8,200
	111,152	11,635

21. Capital expenditure and financial investment

	2015	2014
	£	£
Purchase of tangible fixed assets	(24,834)	(2,327)
Issue of loans to international partner organisations	(12,329,864)	(7,205,553)
Repayment of loans from international partner organisations	341,143	26,812
	(12,013,555)	(7,181,068)

22. Analysis of changes in net funds

	At 1 April 2014	Cashflows	Other non-cash changes	At 31 March 2015
	£	£	£	£
Cash in hand, and at bank	3,565,326	477,328	-	4,042,654
Debt due within one year	(40,000)	-	(209,500)	(249,500)
Debt due after one year	(743,500)	-	209,500	(534,000)
	2,781,826	477,328	-	3,259,154

23. Pension Commitments

Reall participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme. SHPS is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the 'SHPS House Policies and Rules Employer Guide'.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 31 March 2007. From April 2007 three defined benefit structures have been available, namely:

1. Final salary with a 1/60th accrual rate.
2. Final salary with a 1/70th accrual rate.
3. Career average revalued earnings (CARE) with a 1/60th accrual rate.

From April 2010 a further two defined benefit structures have been available, namely:

1. Final salary with a 1/80th accrual rate.
2. Career average revalued earnings (CARE) with a 1/80th accrual rate.

A defined contribution benefit structure was made available from 1 October 2010. A Career average revalued earnings (CARE) structure with a 1/120th accrual rate was made available from 1 April 2013. This structure is contracted-in to the State Second Pension scheme. An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can operate one open defined benefit structure plus CARE 1/120th, plus the defined contribution benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Reall currently operates the Career average revalued earnings with a 1/60th accrual rate for active members.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Reall paid contributions at the rate of 8.5%. Members contributed at the rate of 9.6%. As at the balance sheet date there were 13 active members of the Scheme employed by Reall. The annual pensionable payroll in respect of those members was £480,815. Reall continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the Scheme's assets was £3,123 million. There was a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

Valuation Discount Rates:	**% pa**
Pre-retirement	7.0
Non pensioner post-retirement	4.2
Pensioner post-retirement	4.2
Pensionable earnings growth	2.5 per annum for 3 years, then 4.4
Price inflation (RPI)	2.9
Pension Increases:	
Pre 88 GMP	0.0
Post 88 GMP	2.0
Excess over GMP	2.4

Expenses for death-in-service insurance, administration and Pension Protection Fund (PPF) levy are included in the contribution rate.

The valuation was carried out using the following demographic assumptions:

Mortality pre-retirement – 41% SAPS S1 Male / Female All Pensioners (amounts), Year of Birth, CMI_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

Mortality post retirement – 97% SAPS S1 Male / Female All Pensioners (amounts), Year of Birth, CMI_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

Valuation Results

The long-term joint contribution rates required from April 2013 from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60th accrual rate	19.4
Final salary with a 1/70th accrual rate	16.9
Career average revalued earnings with a 1/60th accrual rate	18.1
Final salary with a 1/80th accrual rate	14.8
Career average revalued earnings with a 1/80th accrual rate	14.0
Career average revalued earnings with a 1/120th accrual rate	9.7

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a Recovery Plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £1,035 million would be dealt with by the payment of deficit contributions as shown in the table below:

From 1 April 2013 to 30 September 2020	A cash amount(*) equivalent to 7.5% of Members' Earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 October 2020 to 30 September 2023	A cash amount(*) equivalent to 3.1% of Members' Earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 April 2013 to 30 September 2026	£30,640,000 per annum (payable monthly and increasing by 3% per annum each 1 April; first increase on 1 April 2014)

(*) The contributions of 7.5% will be expressed in nominal pound terms (for each Employer), increasing each year in line with the Earnings growth assumption used in the 30 September 2008 valuation (i.e. 4.7% per annum). The contributions of 3.1% will be calculated by proportioning the nominal pound payment at the time of the change. Earnings at 30 September 2008 (for each Employer) will be used as the reference point for calculating these contributions.

These deficit contributions are in addition to the long-term joint contribution rates as set out above.

During 2014/15, Reall made payments into the pension fund under the above Deficit Recovery Plan as follows:

Deficit Recovery Payments 2014/15	Deficit Recovery Payments due 2015/16	Annual Increase	Payments cease
£27,673	£28,814	4.7%	30th September 2023

The total sum payable by Reall under the Deficit Recovery Plan from April 1, 2014 is £224,595.

A formal valuation of the Scheme was carried out in October 2014. The results of this valuation will be available in Spring 2016.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate). Employers that have closed the defined benefit section of the Scheme to new entrants are required to pay an additional employer contribution loading of 2.5% to reflect the higher costs of a closed arrangement. A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into SHPS.

New employers that do not transfer any past service liabilities to the Scheme pay contributions at the ongoing future service contribution rate. This rate is reviewed at each valuation and new employers joining the Scheme between valuations up until 1 April 2010 do not contribute towards the deficit until two valuations have been completed after their date of joining. New employers joining the Scheme after 1 April 2010 will be liable for past service deficit contributions from the valuation following joining. Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

A copy of the Recovery Plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or Recovery Plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Scheme liabilities and hence impact on the Recovery Plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the Recovery Plan).

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total

Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The charity is expecting to make employer contributions (including deficit contributions) to the pension scheme of £91,965 for the year ended 31st March 2016.

24. Unrestricted Funds

The unrestricted funds are made up as follows:

	2015	2014
	£	£
General Unrestricted Funds	616,257	542,995
Designated Unrestricted Funds	133,764	171,319
	750,021	714,314

25. Designated Unrestricted Funds

Reall's Directors/Trustees have decided to designate a proportion of the organisation's Unrestricted Funds for the following purposes:

1) To enable Reall to respond to emergencies and strategic opportunities
2) To enable Reall to bridge finance projects to ensure that our partner organisations' work is not unduly affected by delays in agreed funding
3) To enable Reall to match fund projects, where this is a donor requirement and where we have not been able to raise the match funding from other sources.

During the year this fund was utilised for both bridging finance on a short term basis and for match funding to a net level of £44,178.

26. Restricted Funds

These comprise grants given for specific use of the HI Fund, CLIFF and Development Programmes and Partnerships.

These are summarised as follows:

	Balance at 1st April 2014	Movement in Funds: Incoming Resources	Movement in Funds: Resources Expended	Movement in Funds: Transfers between Funds	**Balance at 31st March 2015**
	£	£	£	£	£
HI Fund	123,406	19,549	(18,028)	-	124,927
CLIFF Capital and Operational Funds	12,516,802	15,532,756	(3,835,825)	(331,403)	23,882,330
CLIFF Recycled Funds	-	-	-	331,196	331,196
Communities Programme	745,462	1,096,385	(1,466,679)	44,178	419,346
Other	-	5,700	(3,789)	-	1,911
	13,385,670	16,654,390	(5,324,321)	43,971	24,759,710

The HI Fund comprises loans, donations, grants and accumulated interest received and held for the purpose of making loans to Reall's partner organisations.

CLIFF (Community-Led Infrastructure Finance Facility) is funded by DFID, Sida and Reall. Reall co-ordinates CLIFF at the global/central level, and development partners' co-ordinate CLIFF at the local level.

During the year we received CLIFF loan repayments which are to be recycled back into the CLIFF programme. These are presented separately in the table above under the heading CLIFF Recycled Funds. This separation demonstrates the process by which donor funds previously disbursed as loans to projects are received back from partner organisations through loan repayments and which are then available for subsequent use by Reall on new projects within the CLIFF programme.

Communities Programme funds comprise grants made to Reall for use on international projects, implemented by our partners, and associated support costs.

A grant of £5,700 was provided by London Housing Foundation to cover the costs of the three Into Africa competition winners. Costs fell short of the funds available and so a balance of funds are carried forward within the Other restricted funds line above.

The funds available for utilisation within the HI Fund as at 31 March 2015 amounted to £313,323 and comprise:

	£
Balance as above	124,927
Net loans issued (Note 15)	(595,104)
Amounts held as loans (Notes 17 and 18)	783,500
	313,323

27. Analysis of Net Assets between Funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible Fixed Assets	6,456	6,466	12,922
Investments	22,294,464	-	22,294,464
Net Current Assets	2,992,790	743,555	3,736,345
Creditors: amounts falling due after more than one year	(534,000)	-	(534,000)
	24,759,710	750,021	25,509,731

28. Members of the Company

The company is limited by guarantee and thus does not have a share capital. Each member guarantees during their membership and for one year after membership ceases, the sum of £1 to the company in the event of a winding up order. Any surplus on winding up is to go to a charity whose objects are of a similar nature. As at 31st March 2015 there were 35 individual members and 123 organisational members.

29. Contingent Liabilities

The charity receives significant restricted income from institutional donors. The charity takes all reasonable steps to ensure it complies with the terms attached to the receipt of all income under funding agreements. However, the trustees recognise that there is a risk that some funding could become repayable in the event that funds are not used in accordance with the terms of funding agreements.

30. Financial Commitments

As at 31 March 2015, the company had annual commitments under non-cancellable operating leases as set out below:

	2015		2014	
	Land and buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases which expire				
In less than one year	10,269	-	10,269	-
In two to five years	-	3,968	-	4,893

31. Related Party Transactions

There were no such transactions within the years ended 31st March 2015 and 31st March 2014. In prior years loan disbursements were made to Affordable Housing Solutions (Tanzania). No interest is payable on this loan. At 31st March 2015, £140,921 (2014: £140,921) was owed to Reall.