

Charity Registration No. NIC103240

Company Registration No. NI028376 (Northern Ireland)

**HABITAT FOR HUMANITY NORTHERN IRELAND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

HABITAT FOR HUMANITY NORTHERN IRELAND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M Emerson, Chairman Mr G McCammon Mrs H Morrow Mr S Creighton Mrs J Belton	(Appointed 24 October 2019) (Appointed 24 October 2019)
Secretary	Ms J Williams	
Chief executive officer	Ms J Williams	
Charity number	NIC103240	
Company number	NI028376	
Registered office	Riverside Centre Young Street Lisburn BT27 5EA	
Auditor	GMcG BELFAST Chartered Accountants & Statutory Auditor Alfred House 19 Alfred Street Belfast BT2 8EQ	
Bankers	Ulster Bank Limited 11-16 Donegall Square East Belfast BT1 5UB First Trust Bank 35 University Road Belfast BT7 1ND	
Solicitors	CMG Cunningham Dickey 18-20 May Street Belfast BT1 4NL	

HABITAT FOR HUMANITY NORTHERN IRELAND

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HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2020

The trustees, who are also the directors of the Charity, present their Annual Report and the audited financial statements for the year ended 30 June 2020.

Objectives and activities

Habitat for Humanity is a non-denominational, Christian housing movement with a vision of a world where everyone has a decent place to live.

Habitat for Humanity's Global Impact Strategy 2025 challenges the organisation to dramatically increase the number of families it serves in addressing the urgent, global housing need.

Seeking to put God's love into action by bringing people together to build homes, communities and hope, the organisation's work focuses on building impact in three interconnected areas of work: community, sector and society. In order to deliver its impacts the strategy also focuses on building a sustainable organisation.

The activities for the year are outlined against the strategic plan.

The directors have paid due regard to the Charity Commission guidance on public benefit. The directors are confident that the Charity's aims and objectives are in accordance with the regulations on public benefit.

The Charity is a signatory to the Dóchas Code of Conduct on Images and Messages.

Build Community Impact - Improve Housing Conditions

Support Strategic International Partnerships

Habitat for Humanity Northern Ireland (Habitat NI) is a partner in Habitat for Humanity's global mission, raising funds to support international programmes and sending volunteer teams to work alongside families in some of the world's most vulnerable communities. The Charity has developed a number of long-term partnerships, enabling its support to have a greater impact and ensuring a better understanding of the needs of communities. Habitat NI chooses partnerships which fit with key themes; Peacebuilding, Vulnerable Groups, Impacts of Urbanisation and Disaster Response.

During the year ended 30 June 2020, Habitat NI transferred £165,792 in support of International Partnership programmes which directly impacts the lives of vulnerable people.

Malawi

In Malawi, four out of five families live in poorly built homes made of mud bricks, dirt floors and grass thatched roofs. Homes constantly need repair and families are at high risk of disease. The poorest are worst affected, including the 1.5 million children who are orphaned or vulnerable, largely as a result of HIV/AIDS.

During the year, funds raised in Northern Ireland supported a further 10 families through Habitat Malawi's orphaned and vulnerable group programme. This holistic programme builds simple homes, facilitates training on HIV and malaria prevention and encourages will writing. This uplifts children, and their families, providing a solid foundation to build a brighter future for generations to come.

HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Support Strategic International Partnerships (continued)

India

Globally, more than two thirds of people living in poverty are female. Women and girls who live in poor housing, without a proper toilet, are particularly vulnerable to disease and abuse.

During FY20 funds raised in Northern Ireland supported the rebuilding of a home for children, which had been destroyed by fire, in west Karbi Anglong district of Assam ensuring safe shelter and adequate sanitation. The home also provides space for a Women Self Help group which focuses on economic and training activities; empowering them for the future.

Cambodia

Habitat NI continues to support Habitat Cambodia. In the year supporting an urban resiliency project in Phnom Penh. Using the community-driven approach to enhance the urban community resiliency through strengthening DR3 capacity building, the provision of block grants for community improvement, and increased capacity on land and housing policy among the community and local authorities. The project will also improve hygiene and sanitation, waste management through the provision of rehabilitation facilities and training related to shelter, water, and sanitation, and awareness of COVID-19 prevention

Romania

Habitat NI has partnered with Habitat Romania since 1999. Despite being in the EU, more than five million Romanians live in poverty and its housing need is the worst in Europe. For over 20 years, Habitat Romania has been working beside families and communities in need to find innovative housing solutions, ranging from building and renovating homes to advocating for better housing policies.

Funds raised in Northern Ireland supported Habitat Romania's work building affordable homes and community buildings, empowering vulnerable families and communities to build a brighter future.

Disaster Response and Risk Reduction

Disaster response is a strategic priority; getting help to families who need it most in the wake of disasters and incorporating disaster resilient design and mitigation training into programmes to reduce the impact of future disasters.

During the year, Habitat NI continued to support global efforts raising funds to support COVID-19 responses in Zambia, Malawi, Ethiopia and Romania.

HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Enable local families to improve their homes at low-cost

Habitat ReStore

Habitat ReStores in Lisburn, Ballymena, Newry and Newtownards are a hub for Habitat NI's work, delivering real impacts for local people and the wider community. The negative impact of the closure of ReStores, in March 20, was devastating for the community and our charity. Reduced access to low cost materials; often urgent needs like a washing machine, added to the burden of lockdown for many families. Vulnerable individuals; many already struggling with mental health challenges were negatively impacted and further isolated and the loss of income was immediate.

However, during the year, against a target of reaching 50,000 customers, ReStore served more than 52,000 people, at least 40 percent from deprived communities who are least able to afford commercial prices to improve or maintain their home.

ReStore protects the environment by diverting tons of reusable material from landfill. During the period more than 500,000 tons of reusable materials were diverted, helping build a more sustainable Northern Ireland.

Habitat NI passionately believes that everyone has something to contribute and something to gain in building strong communities. In ReStore, that is demonstrated through the strength of its diverse volunteer programme. During the year ended 30 June 2020, more than 220 volunteers of all ages, backgrounds and abilities invested over 2500 hours every month in ReStore.

In FY20, more than 40% of volunteers were on supported placements; getting employability support and other training at ReStore through partnerships with Action Mental Health, Stepping Stones, and Cedar Foundation. Volunteers and partner organisations testify to the impact of the supported volunteer programme, made possible through the dedication of many retired volunteers who provide 'buddy support' for those who need extra help. Over the year 25 individuals secured employment with support from Habitat.

Habitat NI continues to partner with Hydebank Wood College, NIACRO and NI Probation Board facilitating more than 100 community placements for those who are in the justice system.

Volunteers also continued to work in Habitat NI's upcycling workshop which extends the reach and impact of the volunteer programme.

Work in partnership to deliver projects which focus on meeting need locally

In Northern Ireland, breaking down barriers and building bridges between divided communities has defined Habitat NI's work since it began.

Today, the Charity's work remains focused on reconciliation and building strong communities. Habitat NI partners with other charities and communities to improve the quality of housing and community buildings for vulnerable groups.

During the year, working in partnership with Welcome Organisation, DePaul and others mobilised more than 200 volunteers from across the community supporting vulnerable people through its 'House to Home' programme. The programme supported 10 people who had been homeless, or at risk of becoming homeless to make their house a home.

The Charity also continues to support 30 families whose self-build partnership with Habitat NI provides a route to affordable home ownership in communities in Belfast and Downpatrick.

HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Build Sector Impact - Partner to increase shelter access

Influence local government

Habitat NI continues to strongly advocate towards increasing access to funding to bring empty homes back to life, housing affordability and for more shared future housing.

CADA NI

Habitat NI's work to influence government policy on global issues largely focuses on its activity as member of the Coalition of Aid and Development Agencies in NI (CADA). Jenny Williams, the Charity's Chief Executive, sits on CADA's management committee.

Activity focuses on encouraging the NI Assembly to be outward looking in their policy and strategy, and contribute towards the global Sustainable Development Goals on a local level.

Build Solid Ground

Habitat NI secured support from the EU through its Development Education and Awareness Raising programme. Working together with Habitat programmes and other partners across Europe, the Build Solid Ground campaign is raising awareness and engaging people of all ages in development issues. Focusing on the SDG's, and given the importance of housing in breaking the cycle of poverty, priority is given to SDG11 and specifically the need for land for shelter.

During the year the Build Solid Ground campaign continued to be delivered through schools and volunteer programmes, information included in supporter journeys and engagement was driven through social media. Since the implementation phase of the campaign began in February 2018 more than 1 million people in Northern Ireland have been reached.

Given the impact of COVID and the limitations on face to face engagement Habitat NI developed innovative ways to continue to engage the public, and developed tools, resources and partnerships which will continue to reach many people with campaign messages into the future.

The project will continue until January 2021 and will underpin advocacy efforts into the future.

Develop partnerships that unlock finance or provide leverage

The Charity's partnerships with DePaul, Welcome Organisation and others create opportunities to reach the most vulnerable people in our community.

Build Societal Impact - Inspire action to end poverty housing

Engage and motivate more people to action

COVID impacted the number of people who were able to engage face to face, however almost 3,500 people of all ages engaged with Habitat NI's work both locally and globally.

Almost 150 young people from 14 schools participated in Habitat NI's Change Maker Programme. The shared education and citizen programme brings together Year 13 and 14 students from two partnering schools to explore social justice and active citizenship. Young people participate in two workshops, volunteer for a practical day and raise funds to make a difference to families in need.

Our Waste, Our World, which explores waste and sustainability issues for key stage two pupils, engaged nearly 1000 pupils from 14 primary schools in the year.

HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Intentional and meaningful volunteer opportunities local and global

Global Village connects volunteers with Habitat NI's international partnership programmes. Volunteers have the privilege to serve and learn beside communities in need, understand the reality of housing poverty and Habitat's development approach. Whilst volunteers travel short term there is nothing short term about our global partnerships. The strategic goal is that the experience inspires volunteers to become advocates for shelter and to support Habitat's work over the longterm.

COVID-19 travel restrictions had a significant and immediate impact on the Global Village Programme. 330 volunteers were booked to travel on 19 teams in support of Habitat NI's longterm partner programme however only 10 teams (153 participants) travelled. The commitment of volunteers, team leaders and their sending organisations at a time of uncertainty and disappointment must be acknowledged. Many teams committed donated funds in support of Habitat's global COVID-19 response which made an enormous difference in communities who were not able to stay safe at home.

A real strength of the international volunteer programme is its diversity, volunteers of all ages and backgrounds, schools and colleges and companies commit to serve Habitat partner programmes globally to learn more about the impact of Habitat's work.

Planned teams included longterm partnerships with Hendersons and Neueda, Slemish Integrated College, St Joseph's Donaghmore, as well as a number of See, Serve, Speak teams made up of individuals from across Ireland.

The Youth Build programme connects young people with global development, encourages them to think about challenges in their own community and equips them to become informed, active citizens. During the year 43 young people and their leaders travelled on teams to Romania in summer 2019. COVID-19 travel restrictions meant that a further 72 young people were unable to travel however they attended Youth Build training as part of the process.

The impact of local volunteering has already been mentioned, including more than 2,500 hours volunteers contributed to the 4 ReStores every month and 200 volunteers supported other local volunteer programmes including 'House to Home'.

During the year, Habitat NI welcomed a number of new volunteers who helped both in the office with communication and administration, at events and facilitating workshops in schools. We were also delighted to have the support of a number of European volunteers in Habitat ReStore, and are grateful that the EU funded European Solidarity Corp programme which makes it possible.

Build a sustainable organisation

Habitat NI so much appreciates all the support of partners, donors and volunteers, whose commitment enables the organisation's work locally and globally.

Habitat NI's impact is significant and life changing, however securing support remains challenging. The Charity's overall income increased and sustained growth in ReStore should be noted. Grant income was on target with support from the EU through its Development Education and Awareness Raising programme. The Help Build Impact Campaign has shown positive growth and will continue to underpin the fundraising strategy as the charity seeks to secure longterm support.

ReStore is a strategic, mission driven programme which seeks to serve local people. It also helps build a more sustainable Northern Ireland by diverting thousands of tons from landfill and the model underpins Habitat NI's effort to build a sustainable organisation. ReStores in Lisburn, Ballymena, Newry and Newtownards continued to grow demonstrating the increased impact for local families. The stores are meeting targets for sales, donations and volunteering impact.

Overall ReStore sales of £574,536 (2019 - £560,967) were very positive given that the store was closed due to lockdown March – June. In the longer term the strategy is to scale ReStore to other local communities.

HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Build a sustainable organisation (continued)

Habitat NI's unrestricted donations for the year were £247,163 (2019 - £337,153) and funds raised for international programmes were £284,126 (2019 - £464,736) which reflects the impact of travel restrictions on the Global Village Programme.

Looking ahead, the strategy to engage companies, churches, schools and community groups in Habitat's mission continues to be important. Whilst it is impossible to predict when the Global Village programme will resume the charity remains committed to support international programme partnerships and to continue to grow and deepen local impact.

Risk Management

The directors and management review the major risks facing the Charity at regular Board and sub-committee meetings. The finance sub-committee review financial reports regularly and Board review at quarterly meetings.

Systems and internal financial controls have been established to mitigate significant financial risks.

Business risks are reviewed regularly and priority given to reducing risk and achieving ambitious but realistic fundraising goals. Other risks, which include an implementation risk (that the work supported by Habitat funds will not achieve the planned results), health and safety risk (both locally and globally) and funding risk (not having the resources to support the planned activities), are also monitored regularly by management and Board. The directors are satisfied that systems are in place to mitigate exposure to risk.

Plans for Future Periods

In the year ahead, the Charity's focus will be on:

- The Charity seeks to serve more local people and communities. Given ReStore's measurable impact, the strategy is to scale ReStore across Northern Ireland. It will also focus capacity to grow support from companies for ReStore to ensure consistent supply of quality materials.
- It is impossible to predict when global travel will be possible and the uncertainty means there is no opportunity to plan for the resumption of the Global Village programme. Given that Global Village is at the heart of the charities strategy to inspire action to end poverty housing, this will require further review and flexibility.
- The context remains challenging and Habitat NI is very aware of the need to grow support for the most vulnerable in the face of the growing global need for shelter. With limited capacity the Charity's fundraising focus remains on warm supporters and cost-effective digital opportunities.
- Building on the success of the Build Solid Ground Campaign and ensure effective advocacy to engage policy makers, funders and supporters with issues of housing and land rights.

Investment Policy

Investments consist of rental property investments whereby the occupant of the property purchases the equity ownership of the property under a Rental Purchase Agreement.

Investments are initially stated at cost and are reduced monthly in line with rental purchase agreements.

HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Financial review

The net movement in funds during the year was a deficit of £16,115 (2019 - £63,192).

The Charity's assets are held to further its charitable objectives. At 30 June 2020 the Charity held net assets totalling £659,607 (2019 - £675,722).

The level of free reserves at the year end was £356,038 (2019 - £287,725), which equates to over four months' expenditure.

The directors have reviewed the Charity's need for reserves in line with the Charity Commission guidelines and believe the Charity should hold reserves to protect against the risks of shortfalls in its cash balances due to uncertainties in the timing of fundraising opportunities for unrestricted funds, particularly from corporate and grant-making trusts.

The directors are seeking to establish a reserve fund equivalent to six months' operating costs reviewed annually and that this fund should be built up to the desired levels consistent with the Charity's overall financial position and its need to maintain and develop its charitable activities.

Structure, governance and management

The Charity was incorporated as a company limited by guarantee on 14 April 1994. The Company is exempt under this legislation from using 'limited' as part of its name.

The Charity is registered with The Charity Commission for Northern Ireland, NIC103240. The Company is also recognised as a Charity with HM Revenue & Customs, under registration number XR18070. The Charity is controlled by its trustees who are directors of the Company for the purposes of the Companies Act 2006.

Governance

The role of the directors is to ensure that Habitat NI is effectively governed; to ensure that the charity complies with all relevant legislation, its own Memorandum and Articles of Association and the requirements of good practice; and to ensure that the charity works to agreed strategic and operational plans.

The board delegates responsibility to the Chief Executive, Ms J Williams, for the day to day running of the Charity.

Director Induction and Training

Board Induction and Training is outlined in the Induction pack, which is given to new directors, and includes background and history of Habitat NI, roles and responsibilities of board members, Code of Conduct, charitable legislation and Habitat policies and procedures.

Board members come from different professional backgrounds, bringing a wide range of skills and experience to the role. Opportunities to join the Board are publically advertised through a number of network bodies including Boardmatch Ireland, Business in the Community and on Habitat NI's website. In addition, individuals may connect directly to offer to serve on the Board. Board Members assess candidates suitability and once confirmed the decision is ratified at a Board meeting.

HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr S McKeague	(Resigned 24 October 2019)
Mr M Emerson, Chairman	
Mr G McCammon	
Mrs H Morrow	
Mr S Creighton	(Appointed 24 October 2019)
Mrs J Belton	(Appointed 24 October 2019)

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Habitat For Humanity Northern Ireland for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate 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. 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.

HABITAT FOR HUMANITY NORTHERN IRELAND

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Registered Office:
Riverside Centre
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Charity Registration No. NIC103240
Company Registration No. NI028376

The Trustees' report was approved by the Board of Trustees.



.....
Mr M Emerson, Chairman
Trustee

Dated: 10/09/21

HABITAT FOR HUMANITY NORTHERN IRELAND

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HABITAT FOR HUMANITY NORTHERN IRELAND

Opinion

We have audited the financial statements of Habitat For Humanity Northern Ireland (the 'charitable company') for the year ended 30 June 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2020 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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HABITAT FOR HUMANITY NORTHERN IRELAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HABITAT FOR HUMANITY NORTHERN IRELAND

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate accounting records have not been kept, 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.



HABITAT FOR HUMANITY NORTHERN IRELAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HABITAT FOR HUMANITY NORTHERN IRELAND

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



HABITAT FOR HUMANITY NORTHERN IRELAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF HABITAT FOR HUMANITY NORTHERN IRELAND

Use of our report

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

Mr Nigel Moore FCA (Senior Statutory Auditor)
for and on behalf of GMcG BELFAST

10 September 2021

Chartered Accountants
Statutory Auditor

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

HABITAT FOR HUMANITY NORTHERN IRELAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	247,163	73,313	320,476	337,153	19,025	356,178
Charitable activities	4	597,489	304,286	901,775	558,456	464,736	1,023,192
Investments	5	22,625	-	22,625	24,517	-	24,517
Other income	6	118,811	-	118,811	-	-	-
Total income		986,088	377,599	1,363,687	920,126	483,761	1,403,887
<u>Expenditure on:</u>							
Raising funds	7	71,305	-	71,305	41,617	-	41,617
Charitable activities	8	898,215	410,282	1,308,497	870,047	555,415	1,425,462
Total resources expended		969,520	410,282	1,379,802	911,664	555,415	1,467,079
Net income/(expenditure) for the year/ Net movement in funds		16,568	(32,683)	(16,115)	8,462	(71,654)	(63,192)
Fund balances at 1 July 2019		637,534	38,188	675,722	629,072	109,842	738,914
Fund balances at 30 June 2020		654,102	5,505	659,607	637,534	38,188	675,722

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HABITAT FOR HUMANITY NORTHERN IRELAND

BALANCE SHEET

AS AT 30 JUNE 2020

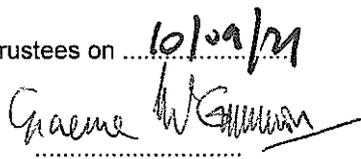
	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		79,023		92,738
Investments	14		219,041		257,071
			<u>298,064</u>		<u>349,809</u>
Current assets					
Stocks	15	245		360	
Debtors	16	286,329		240,688	
Cash at bank and in hand		309,943		339,249	
		<u>596,517</u>		<u>580,297</u>	
Creditors: amounts falling due within one year	17	(234,974)		(254,384)	
Net current assets			<u>361,543</u>		<u>325,913</u>
Total assets less current liabilities			<u><u>659,607</u></u>		<u><u>675,722</u></u>
Income funds					
Restricted funds	18		5,505		38,188
Unrestricted funds			654,102		637,534
			<u>659,607</u>		<u>675,722</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 10/09/21



Mr M Emerson, Chairman
Trustee



Mr G McCammon
Trustee

Company Registration No. NI028376

HABITAT FOR HUMANITY NORTHERN IRELAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(78,308)		(111,321)
Investing activities					
Purchase of tangible fixed assets		(11,653)		(50,954)	
Proceeds on disposal of tangible fixed assets		-		6,200	
Movement in investments		38,030		42,530	
Interest received		22,625		24,517	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			49,002		22,293
Net cash used in financing activities			-		-
			<u> </u>		<u> </u>
Net decrease in cash and cash equivalents			(29,306)		(89,028)
Cash and cash equivalents at beginning of year			339,249		428,277
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>309,943</u>		<u>339,249</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Charity information

Habitat For Humanity Northern Ireland is a private company limited by guarantee incorporated in Northern Ireland. The registered office is Riverside Centre, Young Street, Lisburn, BT27 5EA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements were approved in the midst of the coronavirus global pandemic and the Trustees anticipate that there will be an impact on the charity's income in the short term. The Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Given the nature and uncertainty of the resale value of donated goods, it is deemed impractical to measure the fair value of these goods and the cost of valuation would outweigh the benefit. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Income from the sale of rental purchase agreements is treated in full as income from charitable activities and any residual costs are charged to direct charitable expenditure.

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	15% straight line per annum
Fixtures and fittings	15-25% straight line per annum
Motor vehicles	25% straight line per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

All investments of the charity are programme related investments.

Investments consist of rental property investments whereby the occupant of the property purchases the equity ownership of the property under a Rental Purchase Agreement.

Investments are stated at cost, less any provision for impairment and are reduced monthly in line with the terms of the Rental Purchase Agreement.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.14 Retirement benefits

The charity contributes to a money purchase pension scheme for the benefit of certain employees. The assets of the scheme are held separately from those of the charity. Contributions are accounted for by charging costs to the Statement of Financial Activities as payments accrue.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

1.17 Consolidation

In the opinion of the trustees, the company and its subsidiary undertaking comprise a small sized group. The company has therefore taken advantage of the exemption provided by Section 399(2A) of the Companies Act 2006 not to prepare group accounts.

This is not in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' which requires consolidated accounts to be prepared. The trustees believe that the results of the subsidiary company are immaterial to the group as a whole and, therefore, these financial statements present information about the company as an individual undertaking and not about its group.

1.18 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fixed Assets - The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

Debtors - Short term debtors are measured at transaction price, less any impairment. Impairment of such debtors involves some estimation uncertainty.

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Individuals	181,155	80	181,235	248,404
Habitat affiliate tithes and undesignated donations	2,524	-	2,524	77,125
Corporate	36,650	-	36,650	18,883
Less: deferred income	1,834	-	1,834	(1,834)
Other grants	25,000	73,233	98,233	13,600
	<u>247,163</u>	<u>73,313</u>	<u>320,476</u>	<u>356,178</u>
For the year ended 30 June 2019	<u>337,153</u>	<u>19,025</u>		<u>356,178</u>

4 Charitable activities

	Local volunteer programme	International programme	ReStore	Other income from charitable activities	Total 2020	Total 2019
	£	£	£	£	£	£
Income from charitable activities	20,160	250,944	574,536	847	846,487	953,410
Programme income	-	-	-	22,106	22,106	-
Less: deferred income	-	33,182	-	-	33,182	69,782
	<u>20,160</u>	<u>284,126</u>	<u>574,536</u>	<u>22,953</u>	<u>901,775</u>	<u>1,023,192</u>
Analysis by fund						
Unrestricted funds	-	-	574,536	22,953	597,489	
Restricted funds	20,160	284,126	-	-	304,286	
	<u>20,160</u>	<u>284,126</u>	<u>574,536</u>	<u>22,953</u>	<u>901,775</u>	
For the year ended 30 June 2019						
Unrestricted funds	(8,384)	-	560,967	5,873		558,456
Restricted funds	-	464,736	-	-		464,736
	<u>(8,384)</u>	<u>464,736</u>	<u>560,967</u>	<u>5,873</u>		<u>1,023,192</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

5 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Income from investments	22,625	24,517
	<u>22,625</u>	<u>24,517</u>

6 Other income

	Unrestricted funds 2020 £	Total 2019 £
Habitat for Humanity Ireland	32,231	-
Coronavirus job retention scheme	86,580	-
	<u>118,811</u>	<u>-</u>

7 Raising funds

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Fundraising and publicity</u>		
Other fundraising costs	2,617	1,422
Staff costs	40,393	33,085
	<u>43,010</u>	<u>34,507</u>
<u>Trading costs</u>		
Other trading activities	15,372	1,220
Staff costs	5,623	5,035
Support costs	7,300	855
	<u>28,295</u>	<u>7,110</u>
	<u>71,305</u>	<u>41,617</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

8 Charitable activities

	Local volunteer programme	International programme support	International programme	ReStore	Advocacy	Total 2020	Total 2019
	£	£	£	£	£	£	£
Staff costs	19,782	48,101	-	324,116	83,014	475,013	459,081
Depreciation	-	-	-	21,783	-	21,783	25,259
Other charitable expenditure	2,539	9,336	284,126	234,076	59,336	589,413	693,734
	<u>22,321</u>	<u>57,437</u>	<u>284,126</u>	<u>579,975</u>	<u>142,350</u>	<u>1,086,209</u>	<u>1,178,074</u>
Share of support costs (see note 9)	3,970	11,062	-	165,995	-	181,027	203,649
Share of governance costs (see note 9)	41,261	-	-	-	-	41,261	43,739
	<u>67,552</u>	<u>68,499</u>	<u>284,126</u>	<u>745,970</u>	<u>142,350</u>	<u>1,308,497</u>	<u>1,425,462</u>
Analysis by fund							
Unrestricted funds	49,370	68,499	-	722,209	58,137	898,215	
Restricted funds	18,182	-	284,126	23,761	84,213	410,282	
	<u>67,552</u>	<u>68,499</u>	<u>284,126</u>	<u>745,970</u>	<u>142,350</u>	<u>1,308,497</u>	
For the year ended 30 June 2019							
Unrestricted funds	65,070	95,296	-	628,754	80,927		870,047
Restricted funds	39,171	-	464,736	13,600	37,908		555,415
	<u>104,241</u>	<u>95,296</u>	<u>464,736</u>	<u>642,354</u>	<u>118,835</u>		<u>1,425,462</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

9 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Staff costs	59,410	32,764	92,174	96,483
Depreciation	3,585	-	3,585	8,142
Other support costs	130,955	-	130,955	138,882
Audit fees	-	6,900	6,900	6,900
Accountancy	-	1,597	1,597	2,871
	<u>193,950</u>	<u>41,261</u>	<u>235,211</u>	<u>253,278</u>
Analysed between				
Fundraising	12,923	-	12,923	5,890
Charitable activities	181,027	41,261	222,288	247,388
	<u>193,950</u>	<u>41,261</u>	<u>235,211</u>	<u>253,278</u>

Governance costs includes payments to the auditors of £6,900 (2019- £6,900) for audit fees.

10 Net movement in funds

	2020 £	2019 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	6,900	6,900
Depreciation of owned tangible fixed assets	<u>25,368</u>	<u>33,401</u>

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

12 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Volunteer programme, communications and fundraising	18	14
Administration	4	4
Total	<u>22</u>	<u>18</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

12 Employees (Continued)

Employment costs	2020 £	2019 £
Wages and salaries	526,964	507,993
Social security costs	43,416	45,616
Other pension costs	37,200	35,040
	<u>607,580</u>	<u>588,649</u>

Total remuneration payable to key management personnel during the year was £111,081 (2019 - £114,792).

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

13 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and Motor vehicles fittings £	£	Total £
Cost				
At 1 July 2019	132,719	77,682	54,981	265,382
Additions	1,736	9,917	-	11,653
	<u>134,455</u>	<u>87,599</u>	<u>54,981</u>	<u>277,035</u>
Depreciation and impairment				
At 1 July 2019	86,134	64,292	22,218	172,644
Depreciation charged in the year	14,642	6,307	4,419	25,368
	<u>100,776</u>	<u>70,599</u>	<u>26,637</u>	<u>198,012</u>
Carrying amount				
At 30 June 2020	<u>33,679</u>	<u>17,000</u>	<u>28,344</u>	<u>79,023</u>
At 30 June 2019	<u>46,586</u>	<u>13,389</u>	<u>32,763</u>	<u>92,738</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

14 Fixed asset investments

	Rental purchase agreements £
Cost or valuation	
At 1 July 2019	257,071
Repaid in the year	(38,030)
	<u>219,041</u>
At 30 June 2020	219,041
	<u>219,041</u>
Carrying amount	
At 30 June 2020	219,041
	<u>219,041</u>
At 30 June 2019	257,071
	<u>257,071</u>

Rental Purchase Agreement investments arise from the historic cost of homes under Rental Purchase Agreements. The balance is reduced over a maximum of 25 years by the tenants in monthly instalments and is secured by a first charge over each property.

Investment in Subsidiary

The Charity is the sole member of Habitat Homes Limited (a company limited by guarantee and not having a share capital). Habitat Homes Limited is incorporated in Northern Ireland and its principal activity is to develop affordable home ownership opportunities in Northern Ireland. The profit for the year for Habitat Homes Limited was £nil (2019 – £nil) and the net liabilities were £691,282 (2019 – £691,282) at 30 June 2020.

15 Stocks

	2020 £	2019 £
Habitat merchandise	245	360
	<u>245</u>	<u>360</u>

16 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	38,030	42,530
Amounts owed by subsidiary undertakings	1,267	1,267
Other debtors	247,032	196,891
	<u>286,329</u>	<u>240,688</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

17 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	12,231	13,916
Trade creditors	69,996	54,545
Other creditors	3,912	1,794
Accruals and deferred income	148,835	184,129
	<u>234,974</u>	<u>254,384</u>
	<u><u>234,974</u></u>	<u><u>254,384</u></u>
Deferred income	£	
Deferred income at 1 July 2019	167,740	
Resources deferred during the year	132,724	
Amounts released from previous years	(167,740)	
	<u>132,724</u>	
Deferred income at 30 June 2020	<u><u>132,724</u></u>	

The deferred income arises in respect of income being received in the year which relates to a future accounting period and in respect of income received in the year where conditions for recognition have not been satisfied. The income will be released to the Statement of Financial Activities in the period to which it relates.

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

18 Restricted funds

	Movement in funds			Movement in funds			Balance at 30 June 2020 £
	Balance at 1 July 2018 £	Incoming resources £	Resources expended £	Balance at 1 July 2019 £	Incoming resources £	Resources expended £	
International Funds	-	464,736	(464,736)	-	284,126	(284,126)	-
Oak Development Grant	57,353	-	(39,171)	18,182	-	(18,182)	-
Probation Board NI	-	3,600	(3,600)	-	3,600	(3,600)	-
DEAR EU Grant	52,489	-	(37,908)	14,581	69,633	(84,214)	-
Ulster Garden Villages	-	10,000	(10,000)	-	-	-	-
Kerela Floods Appeal	-	1,650	-	1,650	-	-	1,650
Malawi Appeal	-	3,775	-	3,775	25	-	3,800
Nepal Appeal	-	-	-	-	55	-	55
Northern Ireland Housing Executive	-	-	-	-	20,160	(20,160)	-
	<u>109,842</u>	<u>483,761</u>	<u>(555,415)</u>	<u>38,188</u>	<u>377,599</u>	<u>(410,282)</u>	<u>5,505</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

19 Explanatory note to the funds

Unrestricted

This fund is expendable at the discretion of the directors.

Restricted

International/Global Village Funds

This represents funds raised by local volunteer teams to support their participation in the Global Village programme and includes direct contributions to Habitat's work to alleviate poverty through housing alongside families in partner countries. Funds raised in excess of minimum donations becomes unrestricted and used where the need is greatest.

Oak Development Grant

This balance represents a surplus on a grant previously received to scale up local house building. During the prior year the trustees of the Oak Fund approved the proposal to use the remainder of the fund to support the development of the Ballymena ReStore, and also to support the development of affordable homes and refurbishment work over a four year period.

Probation Board NI

PBNI funding allows Habitat to provide work placements for those serving probation in the community.

DEAR EU Grant

DEAR aims to deliver increased understanding of Europeans in support of global housing, land and urban issues and commitment to SDG11. In Northern Ireland delivering Build Solid Ground is engaging the public, young people through formal and informal education and Habitat volunteers of all ages through a range of awareness raising and educational activities designed to deepen understanding and grow capacity.

Ulster Garden Villages

Ulster Garden Villages supported the Charity's innovative ReStore volunteer programme which brings together people of all ages, backgrounds and abilities.

Kerela Floods Appeal, Malawi Appeal and Nepal Appeal

Funds raised in support of Habitat's longterm disaster response effort to flooding in Malawi, Nepal and in Kerala, India.

Northern Ireland Housing Executive

Funding to support the 'House to Home' project.

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

20 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Fund balances at 30 June 2020 are represented by:				
Tangible assets	79,023	-	79,023	92,738
Investments	219,041	-	219,041	257,071
Current assets/(liabilities)	356,038	5,505	361,543	325,913
	<u>654,102</u>	<u>5,505</u>	<u>659,607</u>	<u>675,722</u>

21 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	135,625	133,000
Between two and five years	517,292	440,750
In over five years	275,000	273,000
	<u>927,917</u>	<u>846,750</u>

22 Related party transactions

The directors have taken advantage of the exemption from disclosing related party transactions with other wholly owned group companies, in accordance with FRS 102.

23 Cash generated from operations

	2020 £	2019 £
Deficit for the year	(16,115)	(63,192)
Adjustments for:		
Investment income recognised in statement of financial activities	(22,625)	(24,517)
(Gain)/loss on disposal of tangible fixed assets	-	1,042
Depreciation and impairment of tangible fixed assets	25,368	33,401
Movements in working capital:		
Decrease in stocks	115	2,958
(Increase)/decrease in debtors	(45,641)	57,926
(Decrease) in creditors	(19,410)	(118,939)
Cash absorbed by operations	<u>(78,308)</u>	<u>(111,321)</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

24 **Analysis of changes in net funds**

The charitable company had no debt during the year.