

**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 2019**

# HABITAT FOR HUMANITY NORTHERN IRELAND

## LEGAL AND ADMINISTRATIVE INFORMATION

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

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# 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 2019

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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 2019.

#### **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 Building Impact Strategy 2020 challenges the organisation to dramatically increase the number of families it serves in addressing the urgent, global housing need.

As a Global NGO, with a focus on reconciliation and building community, and in response to the need for scale and efficiency, the board agreed to find ways to work together across Ireland. During the year Habitat for Humanity Northern Ireland and Habitat Ireland aligned operational activities while retaining two legal entities.

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 key 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 2019, Habitat NI transferred £163,400 in support of International Partnership programmes which directly impacts the lives of thousands 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 2019

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#### *Support Strategic International Partnerships (continued)*

##### India

Poverty has a woman's face. 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.

Habitat NI's partnership with Habitat India empowers women to break the cycle of poverty by building safe homes and healthy toilets. Funds raised in Northern Ireland supported four further vulnerable families with new homes and adequate sanitation in resettlement colonies in Delhi.

This life-changing work uplifts women and their families, freeing them from vulnerability and abuse after being socially and economically oppressed for generations.

##### 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 support Habitat Romania's work building affordable homes and community buildings, enabling vulnerable families 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 the response to flooding in Malawi and drought in Ethiopia.

# HABITAT FOR HUMANITY NORTHERN IRELAND

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

### FOR THE YEAR ENDED 30 JUNE 2019

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#### ***Enable local families to improve their homes at low-cost***

##### Habitat ReStore

Habitat ReStores in Lisburn, Ballymena and Newry (Sept 18) are a hub for Habitat NI's work, delivering real impacts for the local community.

During the year, against a target of reaching 20,000 customers, ReStore served more than 43,000 customers, at least 40 percent from deprived communities who are unable to afford commercial prices to improve their home.

ReStore also has a positive impact on the environment. Tons of reusable materials are diverted from landfill, 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 2019, more than 200 volunteers of all ages, backgrounds and abilities invested over 2,000 hours every month to ReStore.

During the year, nearly 40% of volunteers were on supported placements and participated in training and employment schemes through the Charity's partner organisations such as Action Mental Health, Stepping Stones and Cedar Foundation. Habitat NI encourages intergenerational learning through a buddy system which partners retired volunteers with those needing extra support.

Habitat NI continues to partner with Hydebank Wood College and the NI Probation Board facilitating more than 40 community placements for those who are in the justice system.

Volunteers also continue 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 the Welcome Organisation, DePaul and Extern the charity mobilised more than 500 volunteers from across the community supporting vulnerable people through its 'House to Home' programme. The programme enabled eight people with complex needs and challenges in sustaining tenancies 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. During the year two families have now completed that journey and celebrate their home ownership.

# HABITAT FOR HUMANITY NORTHERN IRELAND

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

### FOR THE YEAR ENDED 30 JUNE 2019

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#### **Build Sector Impact - Partner to increase shelter access**

##### ***Influence local government***

While Habitat NI continues to strongly advocate towards increasing access to funding to bring empty homes back to life and for more shared future housing, the lack of functioning Assembly during the period was a significant barrier.

##### **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). Ms J 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 Sustainable Development Goals (SDG's), the collection of 17 global goals designed to achieve a better and more sustainable future for everyone.

Research shows that safe, adequate and affordable housing leads to benefits in health, education and economic opportunity. SDG11 addresses housing: 11.1 – ensure access for all to adequate, safe and affordable housing and basic services.

Given the importance of housing in breaking the cycle of poverty, Habitat NI's campaign 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. For the first time the charity was able to invest in a public awareness raising poster campaign across Northern Ireland highlighting the huge global need for decent homes.

Build Solid Ground will continue in the coming year; there are plans for a public photo exhibition, to invest further capacity in public campaigning and to deepen engagement with young people in formal and informal education by developing an education toolkit.

##### ***Develop partnerships that unlock finance or provide leverage***

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

#### **Build Societal Impact - Inspire action to end poverty housing**

##### ***Engage and motivate more people to action***

Against a target to mobilise 3,750 people, during the year almost 6,000 people of all ages engaged with Habitat NI's work both locally and globally.

Habitat NI engaged almost 200 young people from schools in its Change Makers shared education and citizen programmes. The programme brings together Year 13 and 14 students from two partnering schools to explore social justice and active citizenship. They 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 1,667 pupils from 27 primary schools in the year.

# HABITAT FOR HUMANITY NORTHERN IRELAND

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

### FOR THE YEAR ENDED 30 JUNE 2019

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#### ***Intentional and meaningful volunteer opportunities local and global***

Global Village connects volunteers with Habitat NI's international partnership programmes, whilst volunteers travel short term there is nothing short term about the partnerships.

Volunteers have the privilege to serve and learn beside communities in need, and understand the reality of housing poverty and Habitat's development approach. The strategic goal is that the experience inspires volunteers to become advocates for shelter and to support Habitat's work over the longterm.

During the year, 315 volunteers travelled in 19 teams in support of Habitat NI's longterm partner programmes, raising £578,070 in donations. The programme remains a strategic priority and numbers are strong for 2020.

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

During this year teams included Hendersons and Neueda, Slemish Integrated College, St Joseph's Donaghmore, and a new partnership with Carrickmacross Parish 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 154 young people and their leaders travelled on teams to Romania.

The impact of local volunteering has already been mentioned, including more than 27,000 hours volunteers contributed to the 3 ReStores and 500 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.

#### **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 by £110,616 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 and Newry continued to grow demonstrating the increased impact for local families. The stores are meeting targets for sales, donations and volunteering impact.

Meeting the Charity's objective to scale ReStore to other communities, a Newtownards store opened in September 2019. Habitat NI is actively reviewing the potential for other locations. Overall ReStore sales of £560,967 represented an increase of 39% on the previous year.

Habitat NI's unrestricted donations for the year were £337,153 (2018 - £234,087) and funds raised for international programmes were £464,736 (2018 - £467,623). Despite the challenging context the charity is encouraged by the number of teams and individuals who raised additional funds to support its work.

Looking ahead, people from across NI continue to engage directly in global development by partnering with Habitat NI and it is believed there is still significant potential for growth in the Youth Build Programme and for deepening engagement with church, schools and community groups.

# HABITAT FOR HUMANITY NORTHERN IRELAND

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

### FOR THE YEAR ENDED 30 JUNE 2019

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#### **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. Habitat ReStore Newtownards opened in September 2019 and the strategy is to look for opportunities 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.
- Working across Ireland. The charities global Building Impact Strategy provided a clear call to find ways to work together effectively in order to secure more support for the most vulnerable. In Ireland; whilst 2 legal entities remain, Habitat is working together across the jurisdictions to maximise impact and ensure cost effective operations. The Boards of both organisations will further review in the coming year.
- 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.
- The ongoing uncertainty of Brexit continues to have a negative impact which needs to be managed. Currency fluctuations continue to create uncertainty around commitments which have already been made to support partner programmes and have also impacted in-country costs for international volunteers. The Charity's advocacy efforts; engaging with EU policy makers will be further hampered if Northern Ireland does not have MEP representation.

#### **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 2019

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#### **Financial review**

The net movement in funds during the year was a deficit of £63,192 (2018 - £69,428).

The Charity's assets are held to further its charitable objectives. At 30 June 2019 the Charity held net assets totalling £675,722 (2018 - £738,914).

The level of free reserves at the year end was £287,725 (2018 - £247,044), which equates to over two 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 2019

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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 2019

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### 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.

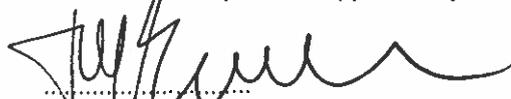
### Disclosure of information to auditor

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  
Young Street  
Lisburn  
BT27 5EA

Charity Registration No. NIC103240  
Company Registration No. NI028376

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



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Mr M Emerson, Chairman  
Trustee

Dated: 27/01/2020

## HABITAT FOR HUMANITY NORTHERN IRELAND

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS 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 2019 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 2019 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 MEMBERS OF HABITAT FOR HUMANITY NORTHERN IRELAND**

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##### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 MEMBERS OF HABITAT FOR HUMANITY NORTHERN IRELAND**

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##### **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: <http://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 MEMBERS OF HABITAT FOR HUMANITY NORTHERN IRELAND**

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**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**

27 January 2020

**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 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b><u>Income from:</u></b>					
Donations and legacies	3	337,153	19,025	356,178	298,472
Charitable activities	4	558,456	464,736	1,023,192	964,148
Investments	5	24,517	-	24,517	30,651
<b>Total income</b>		<b>920,126</b>	<b>483,761</b>	<b>1,403,887</b>	<b>1,293,271</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	41,617	-	41,617	56,427
Charitable activities	7	870,047	555,415	1,425,462	1,306,272
<b>Total resources expended</b>		<b>911,664</b>	<b>555,415</b>	<b>1,467,079</b>	<b>1,362,699</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>8,462</b>	<b>(71,654)</b>	<b>(63,192)</b>	<b>(69,428)</b>
Fund balances at 1 July 2018		629,072	109,842	738,914	808,342
<b>Fund balances at 30 June 2019</b>		<b>637,534</b>	<b>38,188</b>	<b>675,722</b>	<b>738,914</b>

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

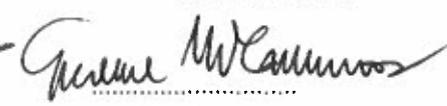
AS AT 30 JUNE 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		92,738		82,427
Investments	13		257,071		299,601
			<u>349,809</u>		<u>382,028</u>
<b>Current assets</b>					
Stocks	14	360		3,318	
Debtors	15	240,688		298,614	
Cash at bank and in hand		339,249		428,277	
		<u>580,297</u>		<u>730,209</u>	
<b>Creditors: amounts falling due within one year</b>	16	(254,384)		(373,323)	
Net current assets			325,913		356,886
<b>Total assets less current liabilities</b>			<u>675,722</u>		<u>738,914</u>
<b>Income funds</b>					
Restricted funds	18		38,188		109,842
Unrestricted funds			637,534		629,072
			<u>675,722</u>		<u>738,914</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 27/01/2020

  
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 2019

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	23		(111,321)		76,665
<b>Investing activities</b>					
Purchase of tangible fixed assets		(50,954)		(12,421)	
Proceeds on disposal of tangible fixed assets		6,200		-	
Movement in investments		42,530		73,450	
Interest received		24,517		30,651	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>			22,293		91,680
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(89,028)		168,345
Cash and cash equivalents at beginning of year			428,277		259,932
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>339,249</u>		<u>428,277</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 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)" (as amended for accounting periods commencing from 1 January 2016). 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

At the time of approving the financial statements, 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 unless the funds have been designated for other purposes.

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 2019

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#### 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 2019

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#### 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 2019

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#### **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 2019

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#### 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 2019

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Individuals	242,979	5,425	248,404	184,151
Habitat affiliate tithes and undesignated donations	77,125	-	77,125	6,636
Corporate	18,883	-	18,883	41,105
Less: deferred income	(1,834)	-	(1,834)	-
Other grants	-	13,600	13,600	66,580
	<u>337,153</u>	<u>19,025</u>	<u>356,178</u>	<u>298,472</u>
<b>For the year ended 30 June 2018</b>	<u>234,087</u>	<u>64,385</u>		<u>298,472</u>

#### 4 Charitable activities

	Local volunteer programme	International programme	ReStore	Other income from charitable activities	Total 2019	Total 2018
	£	£	£	£	£	£
Income from charitable activities	(8,384)	394,954	560,967	5,873	953,410	1,064,223
Less: deferred income	-	69,782	-	-	69,782	(100,075)
	<u>(8,384)</u>	<u>464,736</u>	<u>560,967</u>	<u>5,873</u>	<u>1,023,192</u>	<u>964,148</u>
Analysis by fund						
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>	
<b>For the year ended 30 June 2018</b>						
Unrestricted funds	23,359	-	402,904	5,262		496,525
Restricted funds	-	467,623	-	-		467,623
	<u>23,359</u>	<u>467,623</u>	<u>402,904</u>	<u>5,262</u>		<u>964,148</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 5 Investments

	Unrestricted funds 2019 £	Unrestricted funds 2018 £
Income from investments	24,517	30,651

### 6 Raising funds

	Unrestricted funds 2019 £	Unrestricted funds 2018 £
<u>Fundraising and publicity</u>		
Publicity and marketing	1,422	12,300
Staff costs	33,085	34,596
	<u>34,507</u>	<u>46,896</u>
<u>Programme support</u>		
Other costs	1,220	3,908
Staff costs	5,035	5,623
Support costs	855	-
	<u>7,110</u>	<u>9,531</u>
Programme support costs	7,110	9,531
	<u>41,617</u>	<u>56,427</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 7 Charitable activities

	Local volunteer programme	International programme support	International programme	ReStore	Advocacy	Sale of investments	Total 2019	Total 2018
	£	£	£	£	£	£	£	£
Staff costs	41,553	68,098	-	268,079	81,351	-	459,081	382,853
Depreciation	-	-	-	25,259	-	-	25,259	20,436
Other charitable expenditure	10,351	9,900	464,736	171,263	37,484	-	693,734	689,074
	<u>51,904</u>	<u>77,998</u>	<u>464,736</u>	<u>464,601</u>	<u>118,835</u>	<u>-</u>	<u>1,178,074</u>	<u>1,092,363</u>
Share of support costs (see note 8)	8,598	17,298	-	177,753	-	-	203,649	170,047
Share of governance costs (see note 8)	43,739	-	-	-	-	-	43,739	43,862
	<u>104,241</u>	<u>95,296</u>	<u>464,736</u>	<u>642,354</u>	<u>118,835</u>	<u>-</u>	<u>1,425,462</u>	<u>1,306,272</u>
<b>Analysis by fund</b>								
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>-</u>	<u>1,425,462</u>	
<b>For the year ended 30 June 2018</b>								
Unrestricted funds	86,077	101,756	-	478,070	66,155	55,524		787,582
Restricted funds	39,171	-	467,623	2,160	9,736	-		518,690
	<u>125,248</u>	<u>101,756</u>	<u>467,623</u>	<u>480,230</u>	<u>75,891</u>	<u>55,524</u>		<u>1,306,272</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

8 Support costs	Support costs £	Governance costs £	2019 £	2018 £
Staff costs	62,515	33,968	96,483	88,900
Depreciation	8,142	-	8,142	11,675
Other support costs	138,882	-	138,882	106,807
Audit fees	-	6,900	6,900	6,600
Accountancy	-	2,871	2,871	5,550
	<u>209,539</u>	<u>43,739</u>	<u>253,278</u>	<u>219,532</u>
Analysed between				
Fundraising	5,890	-	5,890	5,623
Charitable activities	203,649	43,739	247,388	213,909
	<u>209,539</u>	<u>43,739</u>	<u>253,278</u>	<u>219,532</u>

Governance costs includes payments to the auditors of £6,900 (2018- £6,600) for audit fees.

9 Net movement in funds	2019 £	2018 £
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	6,600
Depreciation of owned tangible fixed assets	<u>33,401</u>	<u>32,111</u>

## 10 Trustees

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

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 11 Employees

##### Number of employees

The average monthly number of employees during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Volunteer programme, communications and fundraising	14	13
Administration	4	4
	<u>18</u>	<u>17</u>
	<u><u>18</u></u>	<u><u>17</u></u>

##### Employment costs

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	507,993	431,687
Social security costs	45,616	41,715
Other pension costs	35,040	32,947
	<u>588,649</u>	<u>506,349</u>
	<u><u>588,649</u></u>	<u><u>506,349</u></u>

Total remuneration payable to key management personnel during the year was £114,792 (2018 - £59,445).

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
In the band £60,001 - £70,000	<u>1</u>	<u>-</u>
	<u><u>1</u></u>	<u><u>-</u></u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 12 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2018	113,508	90,858	35,179	239,545
Additions	19,212	4,040	27,702	50,954
Disposals	-	(17,217)	(7,900)	(25,117)
At 30 June 2019	132,720	77,681	54,981	265,382
<b>Depreciation and impairment</b>				
At 1 July 2018	68,376	73,384	15,358	157,118
Depreciation charged in the year	17,758	8,125	7,518	33,401
Eliminated in respect of disposals	-	(17,217)	(658)	(17,875)
At 30 June 2019	86,134	64,292	22,218	172,644
<b>Carrying amount</b>				
At 30 June 2019	46,586	13,389	32,763	92,738
At 30 June 2018	45,132	17,474	19,821	82,427

#### 13 Fixed asset investments

	Rental purchase agreements £
<b>Cost or valuation</b>	
At 1 July 2018	299,601
Repaid in the year	(42,530)
At 30 June 2019	257,071
<b>Carrying amount</b>	
At 30 June 2019	257,071
At 30 June 2018	299,601

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 13 Fixed asset investments (Continued)

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 (2018 – £nil) and the net liabilities were £691,282 (2018 – £691,282) at 30 June 2019.

#### 14 Stocks

	2019 £	2018 £
Habitat merchandise	360	3,318

#### 15 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	42,530	47,601
Amounts owed by subsidiary undertakings	1,267	1,267
Other debtors	196,891	249,746
	<u>240,688</u>	<u>298,614</u>

## HABITAT FOR HUMANITY NORTHERN IRELAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2019

#### 16 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other taxation and social security	13,916	21,442
Trade creditors	54,545	90,453
Other creditors	1,794	-
Accruals and deferred income	184,129	261,428
	<u>254,384</u>	<u>373,323</u>
	<u><u>254,384</u></u>	<u><u>373,323</u></u>
<b>Deferred income</b>	<b>£</b>	
Deferred income at 1 July 2018	235,688	
Resources deferred during the year	167,740	
Amounts released from previous years	(235,688)	
	<u>167,740</u>	
Deferred income at 30 June 2019	<u><u>167,740</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.

#### 17 Retirement benefit schemes

##### Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £35,040 (2018 - £32,947).

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 18 Restricted funds

	Movement in funds			Movement in funds			Balance at 30 June 2019 £
	Balance at 1 July 2017 £	Incoming resources £	Resources expended £	Balance at 1 July 2018 £	Incoming resources £	Resources expended £	
International Funds	-	467,623	(467,623)	-	464,736	(464,736)	-
Oak Development Grant	96,524	-	(39,171)	57,353	-	(39,171)	18,182
Probation Board NI	-	2,160	(2,160)	-	3,600	(3,600)	-
DEAR EU Grant	-	62,225	(9,736)	52,489	-	(37,908)	14,581
Ulster Garden Villages	-	-	-	-	10,000	(10,000)	-
Kerela Floods Appeal	-	-	-	-	1,650	-	1,650
Malawi Appeal	-	-	-	-	3,775	-	3,775
	<u>96,524</u>	<u>532,008</u>	<u>(518,690)</u>	<u>109,842</u>	<u>483,761</u>	<u>(555,415)</u>	<u>38,188</u>

## HABITAT FOR HUMANITY NORTHERN IRELAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2019

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#### 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 and Malawi Appeal**

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

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 20 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 30 June 2019 are represented by:				
Tangible assets	92,738	-	92,738	82,427
Investments	257,071	-	257,071	299,601
Current assets/(liabilities)	287,725	38,188	325,913	356,886
	<u>637,534</u>	<u>38,188</u>	<u>675,722</u>	<u>738,914</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:

	2019 £	2018 £
Within one year	133,000	93,625
Between two and five years	440,750	301,583
In over five years	273,000	152,250
	<u>846,750</u>	<u>547,458</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

	2019 £	2018 £
Deficit for the year	(63,192)	(69,428)
Adjustments for:		
Investment income recognised in statement of financial activities	(24,517)	(30,651)
Loss/(gain) on disposal of tangible fixed assets	1,042	(369)
Depreciation and impairment of tangible fixed assets	33,401	32,111
Movements in working capital:		
Decrease/(increase) in stocks	2,958	(2,222)
Decrease/(increase) in debtors	57,926	(14,059)
(Decrease)/increase in creditors	(118,939)	161,283
<b>Cash (absorbed by)/generated from operations</b>	<u>(111,321)</u>	<u>76,665</u>