

Registered number: NI028376
Charity number: NIC103240

HABITAT FOR HUMANITY NORTHERN IRELAND

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

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HABITAT FOR HUMANITY NORTHERN IRELAND

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2017

Directors Mr Seamus McKeague, Chairman
Mr Mark Emerson, Vice Chairman
Mr Graeme McCammon
Mrs Hilary Morrow
Mr Steven Creighton (resigned 22 September 2016)
Mr Philip Weir (appointed 27 April 2017)

Company registered number NI028376

Charity registered number NIC103240

Registered office Riverside Centre
Young Street
Lisburn
BT27 5EA

Company secretary Ms Jenny Williams

Chief executive officer Ms Jenny Williams

Independent auditors GMcG BELFAST
Chartered Accountants
Statutory Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

Bankers Ulster Bank
11-16 Donegall Square East
Belfast
BT1 5UB

First Trust Bank
31-35 High Street
Belfast
BT1 2AL

Solicitors CCD Solicitors
18-20 May Street
Belfast
BT1 4NL

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors, who are also the trustees of the Charity, present their Annual Report and the audited group financial statements for the year ended 30 June 2017.

Reference and Administration Details

The reference and administrative details of the Charity, including details of the directors who served during the year, are as shown on page 1.

Change in Financial Reporting Framework

This is the first set of financial statements prepared by the Charity in accordance with accounting standards issued by the Financial Reporting Council, including Reporting by Charities: Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102). The charity transitioned from previously extant Irish and UK GAAP to FRS 102 as at 1 July 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in the notes to the Financial Statements.

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 for Humanity Northern Ireland ("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 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
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

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 2014-2018 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 Charity's work focuses on building impact in three interconnected spheres of influence: community, sector and society.

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.

Build Community Impact - Improve Housing Conditions

Support Strategic International partnerships

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 developing 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 2017, Habitat NI transferred £103,379 in support of International Partnership programmes which directly impacts the lives of thousands of vulnerable people.

Ethiopia

In Ethiopia's towns and cities, more than 90% of homes are in urgent need of repair. Four out of five families do not have access to a proper toilet.

During the year, funds raised in Northern Ireland supported Habitat Ethiopia's painstaking, slum upgrading work in Addis Ababa, reaching more than 1,000 people in need. Interventions included building community toilet blocks, home renovations, improving pathways and drainage.

Since 2005, the Ethiopia Partnership has transformed lives of the poor and marginalised across the country by making small changes that make a world of difference to families in need; simple homes, clean water, and proper toilets.

Malawi

In Malawi, 4 out of 5 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 1.4 million children who are orphaned or vulnerable, largely as a result of the HIV/AIDS epidemic.

During the year, funds raised in Northern Ireland supported 7 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
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Support Strategic International partnerships (continued)

Cambodia

Cambodia is home to 15 million people, more than a quarter of whom live below the poverty line. The country is emerging from decades of conflict and inequalities still persist.

Habitat Cambodia works across the country to develop sustainable communities with decent housing, water, sanitation and electricity access. Training promotes gender equality, income generation and appropriate responses to HIV/AIDS and vulnerable groups.

During the year, funds raised in Northern Ireland reached 4,500 people through Habitat Cambodia's water, sanitation and home repair project in Siem Reap. Targeting three rural villages and two primary schools, the project renovated 10 homes, improved access to clean water and proper sanitation, and conducted water, sanitation and hygiene training in the communities and schools. These changes will result in improved health and well-being for the communities.

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 through building safe homes and healthy toilets.

Funds raised in Northern Ireland continued to support the project, which is building 10 homes with vulnerable women in the resettlement colonies in Delhi and 100 toilets in rural Rajasthan.

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

Romania

More than 5 million Romanians live in poverty. For 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 are supporting Habitat Romania's work building affordable homes with vulnerable families, providing a solid foundation to build a brighter future. Since 2009, Habitat NI has partnered with Habitat Romania at Big Build. The annual event helps families access simple homes and raises awareness about the urgent need for safe shelter in Romania and around the world. Due to changes in planning law in Romania Big Build 16 was postponed and Habitat NI served the selected families at Big Build in October 2017.

Disaster Response

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 launched a fundraising appeal in the aftermath of Hurricane Matthew in Haiti. The Charity transferred £10,000 to support recovery and rebuilding efforts and will continue to support Habitat Haiti innovatively serve families in need.

HABITAT FOR HUMANITY NORTHERN IRELAND
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Enable local families to improve their homes at low-cost

Habitat ReStore

More than four and a half years after opening Habitat ReStore in Lisburn, it has become a hub for Habitat NI's work in Northern Ireland, delivering real impacts for the local community, as well as raising vital funds to support the Charity's work.

In September 2016, Habitat NI opened its second ReStore in Ballymena. Thanks to a strong staff and volunteer team and the support of the local community, the store has developed a solid foundation in its first nine months.

During the year, against a target of reaching 12,000 customers, ReStore was able to serve more than 30,000 customers, at least 40 percent from deprived communities who would struggle to afford commercial prices to make needed home improvements.

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 ReStore, which is demonstrated through the strength of its diverse volunteer programme. In the year ended 30 June 2017, 144 volunteers from all backgrounds and abilities gave their time to ReStore, which totalled 15,589 hours of service.

During the year, 33 percent of volunteers were on supported placements and participated in training and employment schemes through the Charity's partner organisations, such as Action Mental Health, Mencap and Stepping Stones. Habitat NI encourages intergenerational learning through a buddy system which partners retired volunteers with those needing extra support.

Habitat NI also started new partnerships with Hydebank Wood College and the NI Probation Board facilitating 11 community placements for those who are in the justice system during the year.

Volunteers also continue to work in Habitat NI's upcycling workshop above ReStore in Lisburn. Volunteers 'lovingly restore' donated furniture which is sold in ReStore. This extended the reach of the Charity's volunteer programme providing new learning experiences for a wide range of people.

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 at Iris Mews in Belfast.

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, the Charity's partnerships with The Welcome Organisation, when it engaged 39 volunteers from across the community to refurbish crisis accommodation for vulnerable women at risk in Belfast city centre.

The partnership supports both organisations' common goal of bringing people together to create strong communities where everyone can reach their full potential.

The Charity also worked with Love for Life to refurbish their office and outreach facilities to create a space to engage the local community.

The Charity also continues to support 36 families whose self-build partnership with Habitat NI provides a route to affordable home ownership.

HABITAT FOR HUMANITY NORTHERN IRELAND
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Build Sector Impact - Partner to increase shelter access

Influence local government

CADA NI

Habitat NI's work to influence the Northern Assembly 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, is CADA's Vice-Chair, having been elected to its Management Committee in May 2016. A staff member also sits on CADA's Public Engagement Working Group.

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.

Solid Ground

In the latter part of the year ended 30 June 2016, Habitat NI enrolled in Habitat International first global advocacy campaign Solid Ground. The campaign identified access to land as being the main obstacle to delivering decent and affordable housing globally. It urges leaders to prioritise land for shelter at all levels of government.

In the coming months, Habitat NI plans to support global efforts through public campaigning, awareness raising and integrating calls to action into its existing supporter journeys.

Develop partnerships that unlock finance or provide leverage

Habitat NI continues to strongly advocate towards local government for increasing access to funding to bring empty homes back to life.

The Charity's partnership with Welcome Organisation, already mentioned, continues to 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 engage 3,750 people, during the period more than 4,000 people engaged with Habitat NI's work both locally and globally.

Habitat NI engaged 16 schools on 10 shared education and citizen programmes between September – December 2016. 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 day on a local Habitat site 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 8 primary schools in the period. A Habitat representative spoke at an additional 4 assemblies and 36 church and community engagements.

The Charity continues to adhere to the Dóchas Code of Conduct on Images and Messages.

HABITAT FOR HUMANITY NORTHERN IRELAND
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Intentional and meaningful volunteer opportunities local and global

Global Village continues to be an amazing opportunity to build beside communities in need and support Habitat NI's international partnership programmes. Volunteers travel for up to 2 weeks, seeing first-hand the shocking reality of poverty housing, serving communities in need and speaking out for safe shelter when they return home.

The organisation's hope is that the experience inspires volunteers to be life-long supporters of Habitat's work in whatever way they can.

During the year, 254 volunteers travelled in 18 teams to Habitat NI's partner programmes, raising £91,594 in donations. This was lower than the 340 volunteers the Charity had targeted, largely due to timing, and numbers remain strong looking ahead. New partners this year included St. Joseph's Donaghmore and a renewed partnership with Business in the Community. Teams also travelled from Ulster University, Living Youth (the Down and Connor Youth Commission), Sperrin Integrated College, Dominican College Portstewart, Neueda, Victoria College, Slemish College and a number of teams made up of individuals from across Northern Ireland.

Building on the success of the Youth Build programme over the past three years, 120 young people and their leaders travelled in 5 teams to Romania. The 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.

The impact of local volunteering has already been mentioned, including the 15,589 hours volunteers contributed to ReStore in Lisburn and Ballymena and 50 volunteers who supported Habitat NI's work locally.

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.

The fundraising context remains challenging, and given the challenges the Charity has adjusted its strategy and not invested further in a fundraising team. Habitat NI's impacts remain significant, however the Charity's overall income was negatively impacted by lower than expected grant income and a lack of growth in support from companies. Following the year end support from the EU for a Development Education and Awareness Raising grant was confirmed and the Charity has launched a fundraising campaign targeting warm companies and individuals.

Despite the challenges, Habitat NI continues to focus on the growth of Habitat ReStore which underpins its effort to build a sustainable organisation and nomination as Charity of the Year for Lisburn and Castlereagh Council provides a platform for broader support from the public.

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. ReStore in Lisburn continued to grow demonstrating the increased impact for local families. Meeting the Charity's objective to scale ReStore to other communities, the Ballymena store, opened in September 2016, is already positively impacting the lives of local people and is meeting targets for sales, donations and volunteering opportunities. Overall ReStore sales of £348,864 represented an increase of 42% on the previous year.

HABITAT FOR HUMANITY NORTHERN IRELAND

(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2017

Build a sustainable organisation (continued)

Habitat NI's unrestricted donations for the year were £258,827 (2016 - £316,904) and funds raised for international programmes were £298,168 (2016 - £489,779). The Charity was 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 both the Youth Build Programme and for deepening engagement with church, schools and community groups.

Risk Management

The directors and management review the major risks facing the Charity at regular Board and sub-committee meetings. The 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 ended 30 June 2018, the Charity's focus will be on:

- As the Charity seeks to serve more local communities, it will continue to look for opportunities to scale ReStore across Northern Ireland.
- Building on the success of Youth Build, it will continue to be a priority, providing young people from across Northern Ireland with the opportunity to serve and learn beside communities in Romania.
- Support from Oak Foundation is underpinning the Charity's capacity to grow local impact. Funds will support the recruitment of a Community Project Development Manager who will further develop partnerships with like-minded organisations to serve the vulnerable by tackling empty homes and other local projects which tackle community-felt need.
- Habitat NI will continue to prioritise fundraising so that it can scale up its support for the most vulnerable in the face of the growing, global need for shelter, including further telemarketing, launching a new campaign amongst warm supporters and developing digital opportunities.
- The uncertainty which the UK's vote to leave the EU has created is already having a negative impact which needs to be managed. The immediate currency fluctuations have reduced the value of commitments already made to support vulnerable people in partner programmes and in increasing the logistic costs within the Charity's GV programme.

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
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Financial Review and Reserves Policy

The net movement in funds was a deficit of £161,234 (2016 - £90,078).

The Group's assets are held to further its charitable objectives. At 30 June 2017 the Group held net assets totalling £807,075 (2016 - £968,309).

The level of free reserves at the year end was £235,752 (2016 - £299,466), which equates to almost three months' expenditure.

The directors have reviewed the Group's need for reserves in line with the Charity Commission (UK) guidelines and believe the Group 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 Group's overall financial position and its need to maintain and develop its charitable activities.

Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Observe the methods and principles in the Charities SORP;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HABITAT FOR HUMANITY NORTHERN IRELAND
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

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.

Statement of Disclosure of Information to Auditor

In so far as the directors who held office at the date of approval of the financial statements are aware:

- there is no relevant audit information of which the group and charitable company's auditor is unaware; and
- the directors have taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office:
Riverside Centre
Young Street
Lisburn
BT27 5EA

By order of the Board:


Mr Seamus McKeague, Chairman

Charity No: NIC103240

Approved by the directors on 29.03.18.

Registered in Northern Ireland
No: NI028376

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HABITAT FOR HUMANITY NORTHERN IRELAND

OPINION

We have audited the financial statements of Habitat for Humanity Northern Ireland (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 June 2017 set out on pages 15 to 38. 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).

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, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 June 2017 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act (Northern Ireland) 2008.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HABITAT FOR HUMANITY NORTHERN IRELAND

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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' Report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HABITAT FOR HUMANITY NORTHERN IRELAND

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our 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.

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

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors 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 Directors' Report and from the requirement to prepare a Group Strategic Report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the trustees of the charity for the purposes of charity 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 Directors 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 Directors are responsible for assessing the group's and the parent 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 Directors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HABITAT FOR HUMANITY NORTHERN IRELAND

AUDITORS' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Mr Jackie Smith FCA (Senior Statutory Auditor)

for and on behalf of

GMcG BELFAST

Chartered Accountants
Statutory Auditor

Alfred House
19 Alfred Street
Belfast
BT2 8EQ
29 March 2018

GMcG BELFAST are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations and legacies	3	258,827	7,363	266,190	352,989
Charitable activities	4	365,905	298,168	664,073	760,216
Investments	5	34,681	-	34,681	34,708
TOTAL INCOME		<u>659,413</u>	<u>305,531</u>	<u>964,944</u>	<u>1,147,913</u>
EXPENDITURE ON:					
Raising funds	6	56,974	-	56,974	122,118
Charitable activities	7,9	718,401	350,803	1,069,204	1,115,873
TOTAL EXPENDITURE	10	<u>775,375</u>	<u>350,803</u>	<u>1,126,178</u>	<u>1,237,991</u>
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(115,962)	(45,272)	(161,234)	(90,078)
NET MOVEMENT IN FUNDS		(115,962)	(45,272)	(161,234)	(90,078)
RECONCILIATION OF FUNDS:					
Total funds brought forward		826,513	141,796	968,309	1,058,387
TOTAL FUNDS CARRIED FORWARD		<u><u>710,551</u></u>	<u><u>96,524</u></u>	<u><u>807,075</u></u>	<u><u>968,309</u></u>

The notes on pages 20 to 38 form part of these financial statements.

HABITAT FOR HUMANITY NORTHERN IRELAND**(A Company Limited by Guarantee)****REGISTERED NUMBER: NI028376****CONSOLIDATED BALANCE SHEET****AS AT 30 JUNE 2017**

	Note	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		101,748		97,458
Investments	14		373,051		429,589
			<u>474,799</u>		<u>527,047</u>
CURRENT ASSETS					
Stocks	15	1,096		117	
Debtors	16	283,288		316,075	
Cash at bank and in hand		259,931		374,292	
		<u>544,315</u>		<u>690,484</u>	
CREDITORS: amounts falling due within one year	17	<u>(212,039)</u>		<u>(246,972)</u>	
NET CURRENT ASSETS			<u>332,276</u>		<u>443,512</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>807,075</u>		<u>970,559</u>
CREDITORS: amounts falling due after more than one year	18		<u>-</u>		<u>(2,250)</u>
NET ASSETS			<u><u>807,075</u></u>		<u><u>968,309</u></u>
CHARITY FUNDS					
Restricted funds	19		96,524		141,796
Unrestricted funds	19		710,551		826,513
TOTAL FUNDS			<u><u>807,075</u></u>		<u><u>968,309</u></u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Directors on 29 March 2018 and signed on their behalf, by:



Mr Seamus McKeague, Chairman



Mr Mark Emerson, Vice Chairman

The notes on pages 20 to 38 form part of these financial statements.

HABITAT FOR HUMANITY NORTHERN IRELAND**(A Company Limited by Guarantee)****REGISTERED NUMBER: NI028376****CHARITY BALANCE SHEET****AS AT 30 JUNE 2017**

	Note	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		101,748		97,458
Investments	14		373,051		429,589
			<u>474,799</u>		<u>527,047</u>
CURRENT ASSETS					
Stocks	15	1,096		117	
Debtors	16	284,555		317,717	
Cash at bank and in hand		259,931		374,292	
		<u>545,582</u>		<u>692,126</u>	
CREDITORS: amounts falling due within one year	17	(212,039)		(246,972)	
			<u>333,543</u>		<u>445,154</u>
NET CURRENT ASSETS					
			<u>808,342</u>		<u>972,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: amounts falling due after more than one year	18		-		(2,250)
			<u>808,342</u>		<u>969,951</u>
NET ASSETS					
			<u><u>808,342</u></u>		<u><u>969,951</u></u>

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)


CHARITY BALANCE SHEET (continued)
AS AT 30 JUNE 2017

	Note	£	2017 £	£	2016 £
CHARITY FUNDS					
Restricted funds	19		96,524		141,796
Unrestricted funds	19		711,818		828,155
TOTAL FUNDS			<u>808,342</u>		<u>969,951</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Directors on 29 March 2018 and signed on their behalf, by:


.....
Mr Seamus McKeague, Chairman


.....
Mr Mark Emerson, Vice Chairman

The notes on pages 20 to 38 form part of these financial statements.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	22	(162,713)	(191,023)
Cash flows from investing activities:			
Dividends, interest and rents from investments		34,681	34,708
Purchase of tangible fixed assets		(35,367)	(25,594)
Proceeds from sale of investments		56,538	59,667
Net cash provided by investing activities		<u>55,852</u>	<u>68,781</u>
Cash flows from financing activities:			
Repayments of borrowings		(7,500)	(5,250)
Net cash used in financing activities		<u>(7,500)</u>	<u>(5,250)</u>
Change in cash and cash equivalents in the year		(114,361)	(127,492)
Cash and cash equivalents brought forward		374,292	501,784
Cash and cash equivalents carried forward	23	<u><u>259,931</u></u>	<u><u>374,292</u></u>

The notes on pages 20 to 38 form part of these financial statements.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Habitat for Humanity Northern Ireland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

These financial statements are the first financial statements of Habitat for Humanity Northern Ireland prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Habitat for Humanity Northern Ireland for the year ended 30 June 2016 were prepared in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Having considered the accounting policies it was determined that the prior year figures were not materially impacted. As such, no restatement of comparative figures was required.

1.3 Company status

The Charity is a company limited by guarantee and not having a share capital. The liability of guarantors is limited to £10 per member in the event of the company being wound up.

The Charity's principal place of business is its registered office at Riverside Centre, Young Street, Lisburn, BT27 5EA.

1.4 Basis of consolidation

The financial statements consolidate the accounts of Habitat for Humanity Northern Ireland and all of its subsidiary undertakings ('subsidiaries').

The charity has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. ACCOUNTING POLICIES (continued)

1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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 charity 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.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Directors' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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 donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure

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 charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity 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 charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.7 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	15% straight line per annum
Motor vehicles	-	25% straight line per annum
Fixtures and fittings	-	15-25% straight line per annum

1.8 Investments

All investments of the group 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.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. ACCOUNTING POLICIES (continued)

1.10 Interest receivable

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

1.11 Stocks

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

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The charity 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.

1.16 Taxation

The charity is considered to pass the conditions set out in Part 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 charity 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.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. ACCOUNTING POLICIES (continued)

1.17 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.18 Pensions

The group 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.

1.19 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.20 Critical accounting estimates and areas of judgment

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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. FIRST TIME ADOPTION OF FRS 102

It is the first year that the charity has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 30 June 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 July 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charity's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

An amount due to a related party totalling £1,642 at 1 July 2015 and 1 July 2016 was previously classified as amounts due for repayment after more than one year. On transition to FRS 102 this amount is considered to be repayable on demand and has been reclassified as amounts due for repayment within one year.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Individuals	210,743	-	210,743	296,943
Corporate	46,105	-	46,105	20,165
Other grants	-	7,363	7,363	28,331
Habitat affiliate tithes and undesignated donations	1,979	-	1,979	7,550
	<u>258,827</u>	<u>7,363</u>	<u>266,190</u>	<u>352,989</u>
<i>Total 2016</i>	<u>316,904</u>	<u>36,085</u>	<u>352,989</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Local volunteer programme	12,963	-	12,963	21,611
International (Global Village) funds raised	-	298,168	298,168	489,779
ReStore	348,864	-	348,864	245,379
Other income from charitable activities	3,703	-	3,703	3,447
Sale of assets	375	-	375	-
	<u>365,905</u>	<u>298,168</u>	<u>664,073</u>	<u>760,216</u>
<i>Total 2016</i>	<u>270,437</u>	<u>489,779</u>	<u>760,216</u>	

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from investments	34,681	-	34,681	34,708
<i>Total 2016</i>	34,708	-	34,708	

6. COSTS OF RAISING FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Publicity and marketing	21,911	-	21,911	24,947
Programme support - other costs	13,683	-	13,683	50,904
Fundraising and publicity staff costs	12,017	-	12,017	32,595
Programme support - staff costs	9,363	-	9,363	13,672
	56,974	-	56,974	122,118
<i>Total 2016</i>	122,118	-	122,118	

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Local volunteer programme	58,482	15,946	74,428	49,164
International programme support	147,143	-	147,143	160,231
International programme	-	298,168	298,168	489,779
ReStore	413,569	-	413,569	288,988
Advocacy	62,387	-	62,387	60,805
	681,581	314,114	995,695	1,048,967
<i>Total 2016</i>	439,357	609,610	1,048,967	

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Local volunteer programme	36,403	38,025	74,428	49,164
International programme support	9,357	137,786	147,143	160,231
International programme	298,168	-	298,168	489,779
ReStore	136,225	277,344	413,569	288,988
Advocacy	12,377	50,010	62,387	60,805
	<u>492,530</u>	<u>503,165</u>	<u>995,695</u>	<u>1,048,967</u>
<i>Total 2016</i>	<u>630,423</u>	<u>418,544</u>	<u>1,048,967</u>	

9. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Governance Auditors' remuneration	6,071	-	6,071	5,701
Governance expense - wages and salaries	30,749	36,689	67,438	61,205
	<u>36,820</u>	<u>36,689</u>	<u>73,509</u>	<u>66,906</u>

In 2016, of the expenditure on governance costs, £48,033 was expenditure from unrestricted funds and £18,873 was expenditure from restricted funds.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

10. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	21,381	35,593	56,974	122,118
Costs of generating funds	<u>21,381</u>	<u>35,593</u>	<u>56,974</u>	<u>122,118</u>
Local volunteer programme	28,816	45,612	74,428	49,164
International programme support	112,244	34,899	147,143	160,231
International programme	-	298,168	298,168	489,779
ReStore	205,034	208,535	413,569	288,988
Advocacy	50,010	12,377	62,387	60,805
Charitable activities	<u>396,104</u>	<u>599,591</u>	<u>995,695</u>	<u>1,048,967</u>
Expenditure on governance	<u>67,438</u>	<u>6,071</u>	<u>73,509</u>	<u>66,906</u>
	<u>484,923</u>	<u>641,255</u>	<u>1,126,178</u>	<u>1,237,991</u>
<i>Total 2016</i>	<u><u>455,450</u></u>	<u><u>782,541</u></u>	<u><u>1,237,991</u></u>	

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charitable group	31,452	30,818
Auditors' remuneration - audit	6,071	5,701
Pension costs	29,464	28,758
	<u><u>67,087</u></u>	<u><u>65,277</u></u>

During the current and prior year, no Directors received any remuneration, benefits in kind or reimbursement of expenses.

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

12. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	416,790	393,417
Social security costs	38,669	33,275
Other pension costs	29,464	28,758
	<u>484,923</u>	<u>455,450</u>

The average number of persons employed by the charity during the year was as follows:

	2017	2016
	No.	No.
Volunteer programme, communications and fundraising	13	12
Administration	4	4
	<u>17</u>	<u>16</u>

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration payable to key management personnel during the year was £59,243 (2016 - £58,934).

13. TANGIBLE FIXED ASSETS

Group	Long-term leasehold property	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£
At 1 July 2016	91,352	30,404	79,376	201,132
Additions	22,128	6,775	6,839	35,742
Disposals	-	(5,700)	-	(5,700)
At 30 June 2017	<u>113,480</u>	<u>31,479</u>	<u>86,215</u>	<u>231,174</u>
Depreciation				
At 1 July 2016	36,115	17,917	49,642	103,674
Charge for the year	16,137	3,247	12,068	31,452
On disposals	-	(5,700)	-	(5,700)
At 30 June 2017	<u>52,252</u>	<u>15,464</u>	<u>61,710</u>	<u>129,426</u>
Net book value				
At 30 June 2017	<u>61,228</u>	<u>16,015</u>	<u>24,505</u>	<u>101,748</u>
At 30 June 2016	<u>55,237</u>	<u>12,487</u>	<u>29,734</u>	<u>97,458</u>

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. TANGIBLE FIXED ASSETS (continued)

Charity	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 July 2016	91,352	24,704	79,376	195,432
Additions	22,128	6,775	6,839	35,742
At 30 June 2017	<u>113,480</u>	<u>31,479</u>	<u>86,215</u>	<u>231,174</u>
Depreciation				
At 1 July 2016	36,115	12,217	49,642	97,974
Charge for the year	16,137	3,247	12,068	31,452
At 30 June 2017	<u>52,252</u>	<u>15,464</u>	<u>61,710</u>	<u>129,426</u>
Net book value				
At 30 June 2017	<u>61,228</u>	<u>16,015</u>	<u>24,505</u>	<u>101,748</u>
At 30 June 2016	<u>55,237</u>	<u>12,487</u>	<u>29,734</u>	<u>97,458</u>

14. FIXED ASSET INVESTMENTS

Group	Rental purchase agreements £
At 1 July 2016	429,589
Repaid in the year	(56,538)
At 30 June 2017	<u>373,051</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.

Charity	Rental purchase agreements £
At 1 July 2016	429,589
Repaid in the year	(56,538)
At 30 June 2017	<u>373,051</u>

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

14. 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.

15. STOCKS

	<u>Group</u>		<u>Charity</u>	
	2017 £	2016 £	2017 £	2016 £
Habitat merchandise	1,096	117	1,096	117

16. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	56,538	59,667	56,538	59,667
Amounts owed by group undertakings	-	-	1,267	1,642
Other debtors	226,750	256,408	226,750	256,408
	<u>283,288</u>	<u>316,075</u>	<u>284,555</u>	<u>317,717</u>

HABITAT FOR HUMANITY NORTHERN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

17. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Other loans	-	5,250	-	5,250
Trade creditors	44,623	56,150	44,623	56,150
Other taxation and social security	19,638	13,725	19,638	13,725
Accruals and deferred income	147,778	171,847	147,778	171,847
	<u>212,039</u>	<u>246,972</u>	<u>212,039</u>	<u>246,972</u>

Deferred income

	Group	Charity
	£	£
Deferred income at 1 July 2016	134,506	134,506
Resources deferred during the year	135,613	135,613
Amounts released from previous years	(134,506)	(134,506)
	<u>135,613</u>	<u>135,613</u>
Deferred income at 30 June 2017	<u>135,613</u>	<u>135,613</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.

Other loans are secured by the Group.

18. CREDITORS: Amounts falling due after more than one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Other loans	-	2,250	-	2,250
	<u>-</u>	<u>2,250</u>	<u>-</u>	<u>2,250</u>

Other loans are secured by the Group.

HABITAT FOR HUMANITY NORTHERN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 July 2016 £	Income £	Expenditure £	Balance at 30 June 2017 £
Unrestricted funds				
General Funds	826,513	659,413	(775,375)	710,551
Restricted funds				
International Funds	-	298,168	(298,168)	-
Oak Development Grant	141,796	-	(45,272)	96,524
Probation Board NI	-	2,220	(2,220)	-
Erasmus	-	5,143	(5,143)	-
	<u>141,796</u>	<u>305,531</u>	<u>(350,803)</u>	<u>96,524</u>
Total of funds	<u><u>968,309</u></u>	<u><u>964,944</u></u>	<u><u>(1,126,178)</u></u>	<u><u>807,075</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 July 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2016 £
Unrestricted funds					
General Funds	813,972	622,049	(609,508)	-	826,513
	<u>813,972</u>	<u>622,049</u>	<u>(609,508)</u>	<u>-</u>	<u>826,513</u>
Restricted funds					
International Funds	-	489,779	(489,779)	-	-
Oak Development Grant	244,415	-	(102,619)	-	141,796
Ulster Garden Villages	-	10,000	(10,000)	-	-
Nepal Disaster Appeal	-	12,055	(12,055)	-	-
Erasmus	-	14,030	(14,030)	-	-
	<u>244,415</u>	<u>525,864</u>	<u>(628,483)</u>	<u>-</u>	<u>141,796</u>
Total of funds	<u><u>1,058,387</u></u>	<u><u>1,147,913</u></u>	<u><u>(1,237,991)</u></u>	<u><u>-</u></u>	<u><u>968,309</u></u>

HABITAT FOR HUMANITY NORTHERN IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 July 2016 £	Income £	Expenditure £	Balance at 30 June 2017 £
General funds	826,513	659,413	(775,375)	710,551
Restricted funds	141,796	305,531	(350,803)	96,524
	<u>968,309</u>	<u>964,944</u>	<u>(1,126,178)</u>	<u>807,075</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 July 2015 £	Income £	Expenditure £	Balance at 30 June 2016 £
General funds	813,972	622,049	(609,508)	826,513
Restricted funds	244,415	525,864	(628,483)	141,796
	<u>1,058,387</u>	<u>1,147,913</u>	<u>(1,237,991)</u>	<u>968,309</u>

Note 20 provides explanatory notes to the funds.

HABITAT FOR HUMANITY NORTHERN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

20. 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.

Erasmus

The Erasmus grant supported the 'Building for Change' experience, motivating 30 young people from across Northern Ireland and Poland to become life-long active citizens promoting understanding and diversity in their own community.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	101,748	-	101,748
Fixed asset investments	373,051	-	373,051
Current assets	312,178	232,137	544,315
Creditors due within one year	(76,426)	(135,613)	(212,039)
	<u>710,551</u>	<u>96,524</u>	<u>807,075</u>

HABITAT FOR HUMANITY NORTHERN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	97,458	-	97,458
Fixed asset investments	429,589	-	429,589
Current assets	414,182	276,302	690,484
Creditors due within one year	(112,466)	(134,506)	(246,972)
Creditors due in more than one year	(2,250)	-	(2,250)
	<u>826,513</u>	<u>141,796</u>	<u>968,309</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(161,234)	(90,078)
Adjustment for:		
Depreciation charges	31,452	30,818
Dividends, interest and rents from investments	(34,681)	(34,708)
Profit on the sale of fixed assets	(375)	-
(Increase)/decrease in stocks	(979)	1,086
Decrease/(increase) in debtors	32,787	(19,243)
Decrease in creditors	(29,683)	(78,898)
Net cash used in operating activities	<u>(162,713)</u>	<u>(191,023)</u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2017 £	2016 £
Cash in hand	259,931	374,292
Total	<u>259,931</u>	<u>374,292</u>

HABITAT FOR HUMANITY NORTHERN IRELAND
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24. PENSION COMMITMENTS

The Group contributes to a defined contribution pension scheme where the assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £29,464 (2016 - £28,758). There were no unpaid contributions outstanding at the year end (2016 - £nil).

25. OPERATING LEASE COMMITMENTS

At 30 June 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2017	2016
	£	£
Amounts payable:		
Within 1 year	83,125	72,625
Between 1 and 5 years	332,208	352,333
After more than 5 years	215,250	278,250
Total	<u>630,583</u>	<u>703,208</u>

At 30 June 2017 the charity had annual commitments under non-cancellable operating leases as follows:

Charity		
Amounts payable:		
Within 1 year	83,125	72,625
Between 1 and 5 years	332,208	352,333
After more than 5 years	215,250	278,250
Total	<u>630,583</u>	<u>703,208</u>

26. 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.

HABITAT FOR HUMANITY NORTHERN IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

27. PRINCIPAL SUBSIDIARIES

Habitat Homes Limited

Subsidiary name	Habitat Homes Limited
Basis of control	
Equity shareholding %	100%
Total assets as at 30 June 2017	£ -
Total liabilities as at 30 June 2017	£ (691,282)
Total equity as at 30 June 2017	£ (691,282)
Turnover for the year ended 30 June 2017	£ -
Expenditure for the year ended 30 June 2017	£ 375
Profit for the year ended 30 June 2017	£ 375

The Company registration number is NI059563.