

**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 2018**

# HABITAT FOR HUMANITY NORTHERN IRELAND

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr S McKeague, Chairman Mr M Emerson, Vice Chairman Mr G McCammon Mrs H Morrow
<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 (Belfast) 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 2018

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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 2018.

#### **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 organisation'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.

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 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 2018, Habitat NI transferred £112,102 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 1.4 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 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 2018

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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 through building safe homes and healthy toilets.

Funds raised in Northern Ireland continued to support the project, serving four further vulnerable families with new simple 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

More than five 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, in October 2017 together with hundreds of Romanian volunteers the team from Northern Ireland helped build 36 homes in one week in Bacau.

##### 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 continued to support global efforts.

# HABITAT FOR HUMANITY NORTHERN IRELAND

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

### FOR THE YEAR ENDED 30 JUNE 2018

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

##### Habitat ReStore

Habitat ReStores in Lisburn and Ballymena are a hub for Habitat NI's work, delivering real impacts for the local community, as well as raising vital funds to support the Charity's work.

During the year, against a target of reaching 12,000 customers, ReStore served more than 40,000 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 building strong communities. In ReStore, that is demonstrated through the strength of its diverse volunteer programme. During the year ended 30 June 2018, 160 volunteers from all backgrounds and abilities gave nearly 1,500 hours every month to ReStore.

During the year, 36% 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 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 as volunteers 'lovingly restore' donated furniture which is sold in ReStore.

#### ***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 partnership with The Welcome Organisation continued when it mobilised 268 volunteers from across the community supporting vulnerable people at Welcome's Drop In Centre. Habitat mobilised more than 70 volunteers in its pilot 'House to Home' programme which helped six people who have challenges in sustaining tenancies to make their house a home.

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

Work began on the partnership project with Ballymena Methodist Church which seeks to bring a former manse back to life as multi-purpose community space and apartments for vulnerable young people. From April to June 2018, 160 volunteers including from Ulster Bank, Fitplus, as well as the local community invested almost 1,200 hours in the project.

The Charity also continues to support 32 families whose self-build partnership with Habitat NI provides a route to affordable home ownership.

# HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2018

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

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

Habitat NI continues to strongly advocate towards local government for increasing access to funding to bring empty homes back to life. The lack of functioning Assembly remains a 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). Jenny Williams, the Charity's Chief Executive, is CADA's Vice-Chair.

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 around the need for land for shelter. Focusing on the SDG's, and given the importance of housing in breaking the cycle of poverty, priority is given to SDG11. The campaign was launched publically in May 2018 and, with support from Mathabo Makuta National Director Habitat Lesotho, urges leaders to prioritise land for shelter.

During the year the Build Solid Ground campaign was integrated into existing schools and volunteer programmes. Plans to deepen engagement in existing supporter journeys and to invest capacity in public campaigning will continue to be a priority in the coming months.

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

The Charity's partnership with The Wellcome Organisation, already mentioned on page 3, 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 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 238 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 20 primary schools in the year.

# HABITAT FOR HUMANITY NORTHERN IRELAND

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

### FOR THE YEAR ENDED 30 JUNE 2018

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

Global Village connects volunteers with Habitat NI's longterm international partnership programmes. Volunteers travel for up to two weeks, seeing first-hand the shocking reality of poverty housing and serving communities in need. 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, 293 volunteers travelled in 18 teams in support of Habitat NI's longterm partner programmes, raising £555,623 in donations. The programme remains a strategic priority and numbers are strong for 2019.

This year's teams included a renewed partnership with Belfast Bus Drivers. Teams also travelled from Friends School Lisburn, Ulster University, Sperrin Integrated College, St Joseph's Donaghmore, Living Youth (the Down and Connor Youth Commission), and a number of See, Serve, Speak teams made up of individuals from across Northern Ireland.

Building on the success of the Youth Build programme, 120 young people and their leaders travelled on six 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 almost 16,000 hours volunteers contributed to ReStore in Lisburn and Ballymena as well as 600 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.

Habitat NI's impact is significant and life changing, however securing support remains challenging. The Charity's overall income increased and sustained growth in ReStore should be noted. Grant income was on target with support from the EU through its Development Education and Awareness Raising programme. The Help Build Impact Campaign has shown positive growth and will continue to underpin the fundraising strategy. It is important to acknowledge the significant funds donated from the Lisburn and Castlereagh Councils Mayoral Charity Appeal during the year. Councillor Tim Morrow, Habitat volunteer and Mayor during the period chose Habitat NI as one of his two Mayoral Charities reflecting his commitment to building a shared future for Northern Ireland.

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 and Ballymena continued to grow demonstrating the increased impact for local families. Both stores are meeting targets for sales, donations and volunteering impact. Meeting the Charity's objective to scale ReStore to other communities, a Newry store opened in September 2018. Habitat NI is actively reviewing the potential for other locations. Overall ReStore sales of £402,904 represented an increase of 15% on the previous year.

Habitat NI's unrestricted donations for the year were £234,087 (2017 - £258,828) and funds raised for international programmes were £467,623 (2017 - £298,168). 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 2018

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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 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 Newry opened in September 2018 and the Charity will continue to look for opportunities to scale ReStore across Northern Ireland. It will also focus capacity to grow support from companies for ReStore.
- Habitat for Humanity has had a presence in Ireland since in 1993, when Habitat NI began its operation and then in the Republic since 2002 – engaging thousands of volunteers in mission both at home and around the world. As a Global NGO, and an organisation focused on breaking down barriers, it makes sense to unify operations in Ireland. It will be a priority to define how Habitat NI and Habitat Ireland can best work together.
- Support from Oak Foundation underpins the Charity's local programme impact. The Oak funded Community Project Development Manager will continue to develop partnerships with like-minded organisations to serve the vulnerable by tackling empty homes and other local projects which tackle community-felt need.
- 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 is on warm supporters and cost-effective digital opportunities.
- The uncertainty which the UK's vote to leave the EU has created continues to have a negative impact which needs to be managed. Currency fluctuations have created 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 2018

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#### Financial review

The net movement in funds was a deficit of £69,428 (2017 - £161,610).

The Charity's assets are held to further its charitable objectives. At 30 June 2018 the Charity held net assets totalling £738,914 (2017 - £808,342).

The level of free reserves at the year-end was £247,044 (2017 - £237,020), 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 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.

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, Chairman  
Mr M Emerson, Vice Chairman  
Mr G McCammon  
Mrs H Morrow

# HABITAT FOR HUMANITY NORTHERN IRELAND

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

### FOR THE YEAR ENDED 30 JUNE 2018

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#### 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 2018

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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.

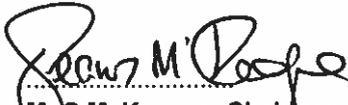
### Disclosure of information to auditor

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.

  
.....  
Mr S McKeague, Chairman  
Trustee

Dated: 28/03/19 .....

## 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 2018 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 2018 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 accounts 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**

28 March 2019

**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 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
<b><u>Income from:</u></b>					
Donations and legacies	3	234,087	64,385	298,472	266,191
Charitable activities	4	496,525	467,623	964,148	663,698
Investments	5	30,651	-	30,651	34,681
<b>Total income</b>		<b>761,263</b>	<b>532,008</b>	<b>1,293,271</b>	<b>964,570</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	56,427	-	56,427	56,975
Charitable activities	7	787,582	518,690	1,306,272	1,069,205
<b>Total resources expended</b>		<b>844,009</b>	<b>518,690</b>	<b>1,362,699</b>	<b>1,126,180</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(82,746)</b>	<b>13,318</b>	<b>(69,428)</b>	<b>(161,610)</b>
Fund balances at 1 July 2017		711,818	96,524	808,342	969,952
<b>Fund balances at 30 June 2018</b>		<b>629,072</b>	<b>109,842</b>	<b>738,914</b>	<b>808,342</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

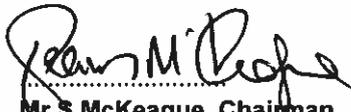
## BALANCE SHEET

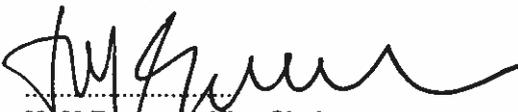
AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	12		82,427		101,748
Investments	13		299,601		373,051
			<u>382,028</u>		<u>474,799</u>
<b>Current assets</b>					
Stocks	14	3,318		1,096	
Debtors	15	298,614		284,555	
Cash at bank and in hand		428,277		259,932	
		<u>730,209</u>		<u>545,583</u>	
<b>Creditors: amounts falling due within one year</b>	16	(373,323)		(212,040)	
Net current assets			<u>356,886</u>		<u>333,543</u>
<b>Total assets less current liabilities</b>			<u>738,914</u>		<u>808,342</u>
<b>Income funds</b>					
Restricted funds	18		109,842		96,524
Unrestricted funds			629,072		711,818
			<u>738,914</u>		<u>808,342</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 28/03/19.

  
Mr. S. McKeague, Chairman

  
Mr. M. Emerson, Vice Chairman

Company Registration No. NI028376

# HABITAT FOR HUMANITY NORTHERN IRELAND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

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	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	23		76,665		(162,712)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(12,421)		(35,367)	
Movement in investments		73,450		56,538	
Rents from investments		30,651		34,681	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>			91,680		55,852
<b>Financing activities</b>					
Repayment of borrowings		-		(7,500)	
		<u>          </u>		<u>          </u>	
<b>Net cash used in financing activities</b>			-		(7,500)
			<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			168,345		(114,360)
Cash and cash equivalents at beginning of year			259,932		374,292
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			428,277		259,932
			<u>          </u>		<u>          </u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

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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 2018

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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.

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.

Donated services or facilities are recognised when the company 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 company 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 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 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.

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 2018

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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.

The basis for the allocation of costs between direct costs and support costs was reviewed and revised during the year. The trustees consider that this revised basis demonstrates a more fair presentation of expenditure.

##### 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.

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

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#### 1 Accounting policies (Continued)

##### 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).

##### 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 to income 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 2018

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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 (1) 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.

##### 1.19 Interest receivable

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.

#### 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 2018

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#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Individuals	184,151	-	184,151	210,744
Habitat affiliate tithes and undesignated donations	6,636	-	6,636	1,979
Corporate	41,105	-	41,105	46,105
Other grants	2,195	64,385	66,580	7,363
	<u>234,087</u>	<u>64,385</u>	<u>298,472</u>	<u>266,191</u>
<b>For the year ended 30 June 2017</b>	<u>258,828</u>	<u>7,363</u>		<u>266,191</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

#### 4 Charitable activities

	Local volunteer programme	International programme	ReStore	Sales of investments	Other income from charitable activities	Total 2018	Total 2017
	£	£	£	£	£	£	£
Income from charitable activities	23,359	703,311	402,904	65,000	5,262	1,199,836	799,311
Less: deferred income	-	(235,688)	-	-	-	(235,688)	(135,613)
	<u>23,359</u>	<u>467,623</u>	<u>402,904</u>	<u>65,000</u>	<u>5,262</u>	<u>964,148</u>	<u>663,698</u>
Analysis by fund							
Unrestricted funds	23,359	-	402,904	65,000	5,262	496,525	
Restricted funds	-	467,623	-	-	-	467,623	
	<u>23,359</u>	<u>467,623</u>	<u>402,904</u>	<u>65,000</u>	<u>5,262</u>	<u>964,148</u>	
<b>For the year ended 30 June 2017</b>							
Unrestricted funds	12,963	-	348,864	-	3,703		365,530
Restricted funds	-	298,168	-	-	-		298,168
	<u>12,963</u>	<u>298,168</u>	<u>348,864</u>	<u>-</u>	<u>3,703</u>		<u>663,698</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

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### 5 Investments

	2018	2017
	£	£
Income from investments	30,651	34,681
	<u>30,651</u>	<u>34,681</u>

### 6 Raising funds

	Unrestricted funds	Total
	2018 £	2017 £
<u>Fundraising and publicity</u>		
Publicity and marketing	12,300	21,911
Staff costs	34,596	12,018
	<u>46,896</u>	<u>33,929</u>
Fundraising and publicity		
<u>Programme support</u>		
Other costs	3,908	13,683
Staff costs	5,623	9,363
	<u>9,531</u>	<u>23,046</u>
Programme support costs		
	<u>56,427</u>	<u>56,975</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 7 Charitable activities

	Local volunteer programme	International programme support	International programme	ReStore	Advocacy	Sale of investments	Total 2018	Total 2017
	£	£	£	£	£	£	£	£
Staff costs	52,855	70,380	-	194,015	65,603	-	382,853	-
Depreciation	-	-	-	20,436	-	-	20,436	19,384
Other charitable expenditure	14,657	11,718	467,623	129,264	10,288	55,524	689,074	473,146
	<u>67,512</u>	<u>82,098</u>	<u>467,623</u>	<u>343,715</u>	<u>75,891</u>	<u>55,524</u>	<u>1,092,363</u>	<u>492,530</u>
Share of support costs (see note 8)	13,874	19,658	-	136,515	-	-	170,047	503,166
Share of governance costs (see note 8)	43,862	-	-	-	-	-	43,862	73,509
	<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>	<u>1,069,205</u>
<b>Analysis by fund</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>	
<b>For the year ended 30 June 2017</b>								
Unrestricted funds	95,303	147,143	-	413,569	62,387	-		718,402
Restricted funds	52,635	-	298,168	-	-	-		350,803
	<u>147,938</u>	<u>147,143</u>	<u>298,168</u>	<u>413,569</u>	<u>62,387</u>	<u>-</u>		<u>1,069,205</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 8 Support costs

	Support costs £	Governance costs £	2018 £	2017 £
Staff costs	51,565	31,712	83,277	463,542
Depreciation	11,675	-	11,675	12,068
Other support costs	106,807	-	106,807	94,994
Audit fees	-	6,600	6,600	6,071
Accountancy	-	5,550	5,550	-
	<u>170,047</u>	<u>43,862</u>	<u>213,909</u>	<u>576,675</u>
Analysed between Charitable activities	<u>170,047</u>	<u>43,862</u>	<u>213,909</u>	<u>576,675</u>

Governance costs includes payments to the auditors of £6,600 (2017- £6,071) for audit fees.

### 9 Net movement in funds

	2018 £	2017 £
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	6,600	6,071
Depreciation of owned tangible fixed assets	<u>32,111</u>	<u>31,452</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 2018

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#### 11 Employees

##### Number of employees

The average monthly number of employees during the year was:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Volunteer programme, communications and fundraising	13	13
Administration	4	4
	<u>17</u>	<u>17</u>
	<u><u>17</u></u>	<u><u>17</u></u>

##### Employment costs

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	431,687	416,790
Social security costs	41,715	38,669
Other pension costs	32,947	29,464
	<u>506,349</u>	<u>484,923</u>
	<u><u>506,349</u></u>	<u><u>484,923</u></u>

Total remuneration payable to key management personnel during the year was £65,214 (2017 - £64,969).

There were no employees whose annual remuneration was £60,000 or more.

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 12 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and Motor vehicles fittings £	£	Total £
<b>Cost</b>				
At 1 July 2017	113,480	86,215	31,479	231,174
Additions	1,378	4,643	7,900	13,921
Disposals	(1,350)	-	(4,200)	(5,550)
At 30 June 2018	113,508	90,858	35,179	239,545
<b>Depreciation and impairment</b>				
At 1 July 2017	52,252	61,710	15,464	129,426
Depreciation charged in the year	16,343	11,674	4,094	32,111
Eliminated in respect of disposals	(219)	-	(4,200)	(4,419)
At 30 June 2018	68,376	73,384	15,358	157,118
<b>Carrying amount</b>				
At 30 June 2018	45,132	17,474	19,821	82,427
At 30 June 2017	61,228	24,505	16,015	101,748

### 13 Fixed asset investments

	Rental purchase agreements £
<b>Cost or valuation</b>	
At 1 July 2017	373,051
Repaid in the year	(47,600)
Disposals	(25,850)
At 30 June 2018	299,601
<b>Carrying amount</b>	
At 30 June 2018	299,601
At 30 June 2017	373,051

## HABITAT FOR HUMANITY NORTHERN IRELAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2018

---

#### 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 (2017 – £375) and the net liabilities were £691,282 (2017 – £691,282) at 30 June 2018.

#### 14 Stocks

	2018	2017
	£	£
Habitat merchandise	3,318	1,096
	<u>3,318</u>	<u>1,096</u>

#### 15 Debtors

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Rental purchase agreements	47,601	56,538
Amounts owed by group undertakings	1,267	1,267
Other debtors	249,746	226,750
	<u>298,614</u>	<u>284,555</u>

## HABITAT FOR HUMANITY NORTHERN IRELAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2018

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

	2018 £	2017 £
Other taxation and social security	21,442	19,639
Trade creditors	90,453	44,623
Accruals and deferred income	261,428	147,778
	<u>373,323</u>	<u>212,040</u>
<b>Deferred income</b>	<b>£</b>	
Deferred income at 1 July 2017	135,613	
Resources deferred during the year	235,688	
Amounts released from previous years	(135,613)	
	<u>235,688</u>	
Deferred income at 30 June 2018	<u>235,688</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 £32,947 (2017 - £29,464).

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

#### 18 Restricted funds

	Movement in funds			Movement in funds			Balance at 30 June 2018 £
	Balance at 1 July 2016 £	Incoming resources £	Resources expended £	Balance at 1 July 2017 £	Incoming resources £	Resources expended £	
International Funds	-	298,168	(298,168)	-	467,623	(467,623)	-
Oak Development Grant	141,796	-	(45,272)	96,524	-	(39,171)	57,353
Probation Board NI	-	2,220	(2,220)	-	2,160	(2,160)	-
Erasmus	-	5,143	(5,143)	-	-	-	-
DEAR EU Grant	-	-	-	-	62,225	(9,736)	52,489
	<u>141,796</u>	<u>305,531</u>	<u>(350,803)</u>	<u>96,524</u>	<u>532,008</u>	<u>(518,690)</u>	<u>109,842</u>

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

#### 19 Analysis of net assets between funds

	2018	2018	Total	Total
	£	£	2018	2017
			£	£
Fund balances at 30 June 2018 are represented by:				
Tangible assets	82,427	-	82,427	101,748
Investments	299,601	-	299,601	373,051
Current assets/(liabilities)	247,044	109,842	356,886	333,543
	<u>629,072</u>	<u>109,842</u>	<u>738,914</u>	<u>808,342</u>

#### 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.

##### 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.

# HABITAT FOR HUMANITY NORTHERN IRELAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

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#### 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:

	2018 £	2017 £
Within one year	93,625	83,125
Between two and five years	301,583	332,208
In over five years	152,250	215,250
	<u>547,458</u>	<u>630,583</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

	2018 £	2017 £
Deficit for the year	(69,428)	(161,610)
Adjustments for:		
Investment income recognised in statement of financial activities	(30,651)	(34,681)
Gain on disposal of tangible fixed assets	(369)	-
Depreciation and impairment of tangible fixed assets	32,111	31,452
Movements in working capital:		
(Increase) in stocks	(2,222)	(979)
(Increase)/decrease in debtors	(14,059)	32,791
Increase/(decrease) in creditors	161,283	(29,685)
<b>Cash generated from/(absorbed by) operations</b>	<u>76,665</u>	<u>(162,712)</u>