

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 2021**

HABITAT FOR HUMANITY NORTHERN IRELAND

LEGAL AND ADMINISTRATIVE INFORMATION

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

HABITAT FOR HUMANITY NORTHERN IRELAND

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HABITAT FOR HUMANITY NORTHERN IRELAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

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 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

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

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

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

The COVID pandemic had a significant, negative impact on the organisation during FY21. The continued suspension of Global Village, the charities international volunteering programme was especially challenging given the loss of fundraised income for global partner programmes, and support for the operations here, as well as the loss of opportunity to engage people of all ages directly with our work.

The need to manage costs remained a priority, which meant office staff were furloughed for periods; either fully or part time, and COVID restrictions meant that all ReStores were closed for 18 weeks. The government's furlough scheme provided important support and the organisation was also able to secure vital supports from COVID funds made available by the Department for Communities.

While the year was challenging, the organisation was flexible and creative in responding within the restrictions; supporting thousands of people through ReStore, delivering practical support for the most vulnerable in our community through the 'House to Home' programme and in partnership with other charities providing direct emergency support for individuals. Habitat NI also engaged thousands of local people through online activity and raised broader awareness of Habitat's work through the 'Build Solid Ground' advocacy campaign.

COVID highlighted for all of us the need to stay safe by staying at home, Habitat's mission to build a world where everyone has a safe place to live has never been more important. Housing is critical in breaking the cycle of poverty; safe homes with access to water and sanitation protect families and communities from COVID and other diseases.

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.

HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2021

Build Community Impact - Improve Housing Conditions

Support Strategic International Partnerships

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

During the year ended 30 June 2021, Habitat NI transferred £30,184 in support of International Partnership programmes which directly impacts the lives of vulnerable people.

Malawi

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

During the year, funds raised in Northern Ireland supported Habitat Malawi's emergency COVID response. Funds have also been committed for FY22, including an allocation of £5,000 from The Bishop's Appeal, to support Habitat Malawi's WASH programme which is providing water and sanitation in schools; critical to keeping families and the wider community safe.

Cambodia

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

Romania

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

Funds raised in Northern Ireland supported Habitat Romania's COVID response; which included building an emergency centre in Moinesti. The centre was completed in 2021, improve the working conditions of doctors, nurses and ambulance crews in the area, giving them a space to rest and recuperate, as well as serving more than 65,000 local people.

Ethiopia

Since 2005, Habitat NI's partnership with Habitat Ethiopia has delivered significant impacts for vulnerable communities. In FY21 support from Northern Ireland focused on a vulnerable group housing and WASH project in Kombolcha which will transform the future for 8 families through new homes, access to water and sanitation, together with training and other supports.

Disaster Response and Risk Reduction

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

During the year, Habitat NI continued to support global efforts raising funds to support emergency COVID responses in Zambia, Malawi, Ethiopia, India and Romania. In addition, the organisation launched an appeal in support of Habitat's recovery effort following the port explosion in Beirut.

HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2021

Enable local families to improve their homes at low-cost

Habitat ReStore

Habitat ReStores in Lisburn, Ballymena, Newry and Newtownards are a hub for Habitat NI's work, delivering real impacts for local people and the wider community. The negative impact of the further closure of ReStores in December 2020, was devastating for the community and the charity. Reduced access to low cost materials; often urgent needs like a washing machine, added to the burden of lockdown for many families. Vulnerable individuals; many already struggling with mental health challenges were further isolated and the loss of income was immediate.

However during the year, demonstrating the growing need for low cost materials, ReStore income was 91% of the annual target despite the 18 week closure. ReStore reached more than 53,000 people, at least 40 percent from deprived communities who are least able to afford commercial prices to improve or maintain their home.

During the period more than 630,000 tons of reusable materials were diverted from landfill, helping protect the environment and 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 2021, more than 220 volunteers of all ages, backgrounds and abilities invested over 2,500 hours each month when ReStore was open.

In FY21, more than 40% of volunteers were on supported placements; getting employability support and other training at ReStore through partnerships with Action Mental Health, Stepping Stones, and Cedar Foundation. Volunteers and partner organisations testify to the impact of the supported volunteer programme, made possible through the dedication of many retired volunteers who provide 'buddy support' for those who need extra help. Over the year, 25 individuals secured employment with support from Habitat.

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

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

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

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

During the year, despite COVID restrictions Habitat was able to mobilise a core volunteer team to continue to deliver its 'House to Home' programme. The programme, with funding from Northern Ireland Housing Executive's 'Homeless Prevention Fund', supported 17 people who had been homeless, or at risk of becoming homeless to make their house a home.

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

Build Sector Impact - Partner to increase shelter access

Influence local government

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

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

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

HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2021

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 raised awareness and engaged people of all ages in development issues. Focusing on the Sustainable Development Goals (SDG's), and given the importance of housing in breaking the cycle of poverty, priority is given to SDG11 and specifically the need for land for shelter.

Project delivery, including a 6 month extension agreed with EU to mitigate the impact of COVID, concluded at the end of January 2021. Face to face activities were not possible during the period but Habitat was able to develop innovative online events, new resources and workshops which provide a solid foundation for future work. This included 'It's a Disaster' an online advocacy event with global Habitat DR specialists and Queens University Belfast. Habitat invested in resources such as a Global Education Toolkit which directly links to the NI curriculum and will support the charities engagement with schools into the future. The Charity also developed an 'Escape Room'; a virtual journey which attracted participation from companies, schools and the informal youth sector, as well as families and individuals.

Some of the numbers from the last 3 years of the project; more than 2,148,321 people from across Ireland engaged with the DEAR campaign, more than 220,000 people attended 92 creative events, nearly 9,000 young people attended education workshops and Habitat was able to share information about the vital importance of housing with 772 politicians and policymakers.

Develop partnerships that unlock finance or provide leverage

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

Build Societal Impact - Inspire action to end poverty housing

Engage and motivate more people to action

COVID impacted all of the Charity's face to face engagement. Key schools programmes like 'Change Makers', the shared education and citizen programme for Year 13 and 14 students and 'Our Waste Our World', which explores waste and sustainability issues for key stage two pupils were not delivered due to the pandemic.

The organisation focused on developing new ways to engage including developing an online 'Our Waste Our World' programme which was presented to 140 teachers at local council Eco-Cluster meetings. The 'Global Education Toolkit', developed with EU DEAR funding, was shared with all primary and secondary schools in Northern Ireland. 339 students from local universities engaged through virtual fresher's fairs including an opportunity to speak on 'Homelessness and Health' to a group of medical students at QUB. 12 young people took part in the pilot sessions of 'Ground Breakers' (Habitat's youth advocacy programme) with very positive feedback.

The organisation is delighted to be chosen as the 'Anchor Boys Project' for 2020/2021 - strengthening existing links with Boys Brigade – an organisation with approximately 14,000 members in NI. Habitat was able to present partnership opportunities to 88 leaders at the Anchor Boys conference.

35 people also joined online to pray for Habitat's mission through a new 'Pray at Home' initiative.

HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2021

Intentional and meaningful volunteer opportunities local and global

COVID travel restrictions have a continued, significant impact on the Global Village programme, given its strategic importance, on the whole organisation.

Global Village connects volunteers with Habitat NI's international partnership programmes. Trips provide a unique, grassroots experience in which volunteers serve and learn alongside local Habitat staff and future homeowners. The experience is an investment in our supporters, our objective is to engage volunteers over the long-term as advocates for housing; who continue to support and speak out about the issues they have seen when they return home.

The commitment of volunteers, team leaders and their sending organisations at a time of uncertainty and disappointment must be acknowledged. Many teams committed donated funds in support of Habitat's global COVID response which made an enormous difference in communities who were not able to stay safe at home.

The impact of local volunteering has already been mentioned, whilst COVID restrictions meant a number of event and office volunteers were not able to engage, more than 2,500 hours were contributed by volunteers in the 4 ReStores every month and a core team of volunteers supported other local volunteer programmes including 'House to Home'.

During the year, Habitat NI is also grateful for the support of a number of European volunteers in Habitat ReStore, and are grateful that the EU funded 'European Solidarity Corp' programme which makes it possible.

Build a sustainable organisation

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

Habitat NI's impact is significant and life-changing, however securing support remains challenging. Whilst the Charity's overall income reduced in a challenging year, the outcome was positive. The strong result from ReStore should be noted, especially in the context of 18 weeks closure due to COVID restrictions. Grant income was on target with support from the EU through its 'Development Education and Awareness Raising' programme. The 'Help Build Impact' campaign has shown positive growth and will continue to underpin the fundraising strategy as the charity seeks to secure long-term support.

ReStore is a strategic, mission driven programme which seeks to serve local people. By diverting thousands of tons of reusable material from landfill it helps build a more sustainable Northern Ireland and the model underpins Habitat NI's effort to build a sustainable organisation. ReStores in Lisburn, Ballymena, Newry and Newtownards continued to grow demonstrating growing need and impact for local families.

Overall ReStore sales of £695,941 (2020 - £574,536) were very positive, given that the stores were closed due to lockdown. In the longer term, the strategy is to scale ReStore to other local communities.

Habitat NI's unrestricted donations for the year were £211,099 (2020 - £247,163) and funds raised for international programmes were £11,277 (2020 - £284,126) which reflects the impact of travel restrictions on the Global Village Programme.

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

HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2021

Risk Management

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

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

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

Plans for Future Periods

In the year ahead:

- The Charity seeks to serve more local people and communities. Given ReStore's measurable impact, the strategy is to scale ReStore across Northern Ireland. It will also focus capacity to grow support from companies for ReStore, to ensure consistent supply of quality materials.
- It is impossible to predict when global travel will be possible and this uncertainty means there is no opportunity to plan for the resumption of the Global Village programme. Given that Global Village is at the heart of the Charity's strategy to inspire action to end poverty housing, this will require further review and flexibility.
- We are delighted to have secured £150,000 over the next 3 years from 'The Gallaher Trust' which will fund a 'Building Impact' project in ReStore Ballymena. The project, which includes the recruitment of a volunteer co-ordinator, will deepen the impact and positive outcomes for volunteers in Ballymena.
- The context remains challenging and Habitat NI is very aware of the need to grow support for the most vulnerable in the face of the growing global need for shelter. With limited capacity the Charity's fundraising focus remains on warm supporters and cost-effective digital opportunities.
- Building on the success of the 'Build Solid Ground' campaign and ensure effective advocacy to engage policy makers, funders and supporters with issues of housing and land rights.

Investment Policy

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

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

HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2021

Financial review

The net movement in funds during the year was a surplus of £135,482 (2020 - deficit of £16,115).

The Charity's assets are held to further its charitable objectives. At 30 June 2021 the Charity held net assets totalling £795,020 (2020 - £659,607).

The level of free reserves at the year end was £540,707 (2020 - £356,038), which equates to over five months' expenditure.

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

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

Structure, governance and management

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

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

Governance

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

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

Director Induction and Training

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

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

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 M Emerson, Chairman

Mr G McCammon

Mrs H Morrow

Mr S Creighton

Mrs J Belton

(Resigned 5 November 2020)

HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2021

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.

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.

HABITAT FOR HUMANITY NORTHERN IRELAND

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

FOR THE YEAR ENDED 30 JUNE 2021

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:
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Charity Registration No. NIC103240
Company Registration No. NI028376

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



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Mr M Emerson, Chairman
Trustee

Dated:17/12/21

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

Opinion

We have audited the financial statements of Habitat For Humanity Northern Ireland (the 'charitable company') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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HABITAT FOR HUMANITY NORTHERN IRELAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HABITAT FOR HUMANITY NORTHERN IRELAND

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

HABITAT FOR HUMANITY NORTHERN IRELAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HABITAT FOR HUMANITY NORTHERN IRELAND

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

HABITAT FOR HUMANITY NORTHERN IRELAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HABITAT FOR HUMANITY NORTHERN IRELAND

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance, including the company's remuneration policies for directors, bonus levels and performance targets, if any;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in income recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

HABITAT FOR HUMANITY NORTHERN IRELAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HABITAT FOR HUMANITY NORTHERN IRELAND

Use of our report

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



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

21 December 2021

Chartered Accountants
Statutory Auditor

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

HABITAT FOR HUMANITY NORTHERN IRELAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	211,099	175,979	387,078	247,163	73,313	320,476
Charitable activities	4	720,255	44,216	764,471	597,489	304,286	901,775
Investments	5	19,669	-	19,669	22,625	-	22,625
Other income	6	154,519	-	154,519	118,811	-	118,811
Total income		1,105,542	220,195	1,325,737	986,088	377,599	1,363,687
<u>Expenditure on:</u>							
Raising funds	7	69,252	-	69,252	71,305	-	71,305
Charitable activities	8	906,891	214,112	1,121,003	898,215	410,282	1,308,497
Total resources expended		976,143	214,112	1,190,255	969,520	410,282	1,379,802
Net income/(expenditure) for the year/ Net movement in funds							
		129,399	6,083	135,482	16,568	(32,683)	(16,115)
Fund balances at 1 July 2020		654,103	5,505	659,608	637,534	38,188	675,722
Fund balances at 30 June 2021		783,502	11,588	795,090	654,102	5,505	659,607

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		56,534		79,023
Investments	14		186,261		219,041
			<u>242,795</u>		<u>298,064</u>
Current assets					
Stocks	15	245		245	
Debtors	16	373,014		286,329	
Cash at bank and in hand		458,577		309,943	
		<u>831,836</u>		<u>596,517</u>	
Creditors: amounts falling due within one year	17	(279,541)		(234,974)	
Net current assets			<u>552,295</u>		<u>361,543</u>
Total assets less current liabilities			<u>795,090</u>		<u>659,607</u>
Income funds					
Restricted funds	18		11,588		5,505
Unrestricted funds			783,502		654,102
			<u>795,090</u>		<u>659,607</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 21/12/21


.....
Mr M Emerson, Chairman
Trustee


.....
Mr G McCammon
Trustee

Company Registration No. NI028376

HABITAT FOR HUMANITY NORTHERN IRELAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		96,988		(78,308)
Investing activities					
Purchase of tangible fixed assets		(803)		(11,653)	
Movement in investments		32,780		38,030	
Interest received		19,669		22,625	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			51,646		49,002
Net cash used in financing activities			-		-
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			148,634		(29,306)
Cash and cash equivalents at beginning of year			309,943		339,249
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>458,577</u>		<u>309,943</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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.

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 2021

1 Accounting policies (Continued)

1.4 Incoming resources

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

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

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

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

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

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

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

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

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

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.5 Resources expended

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

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

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

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

1.6 Tangible fixed assets

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

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

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

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

1.7 Fixed asset investments

All investments of the charity are programme related investments.

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

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

1.8 Impairment of fixed assets

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

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.9 Stocks

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

1.12 Provisions

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

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

1.13 Employee benefits

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

1.14 Retirement benefits

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

1.15 Leases

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

1.16 Foreign exchange

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

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.17 Consolidation

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

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

1.18 Taxation

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

2 Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions:

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

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

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

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Individuals	59,270	42,355	101,625	181,235
Habitat affiliate tithes and undesignated donations	577	-	577	2,524
Corporate	32,854	-	32,854	36,650
Less: deferred income	-	-	-	1,834
Other grants	118,398	133,624	252,022	98,233
	<u>211,099</u>	<u>175,979</u>	<u>387,078</u>	<u>320,476</u>
For the year ended 30 June 2020	<u>247,163</u>	<u>73,313</u>		<u>320,476</u>

4 Charitable activities

	Local volunteer programme	International programme	ReStore	Other income from charitable activities	Total 2021	Total 2020
	£	£	£	£	£	£
Income from charitable activities	32,939	58,402	695,941	7	787,289	846,487
Programme income	-	-	-	24,307	24,307	22,106
Less: deferred income	-	(47,125)	-	-	(47,125)	33,182
	<u>32,939</u>	<u>11,277</u>	<u>695,941</u>	<u>24,314</u>	<u>764,471</u>	<u>901,775</u>
Analysis by fund						
Unrestricted funds	-	-	695,941	24,314	720,255	
Restricted funds	32,939	11,277	-	-	44,216	
	<u>32,939</u>	<u>11,277</u>	<u>695,941</u>	<u>24,314</u>	<u>764,471</u>	
For the year ended 30 June 2020						
Unrestricted funds	-	-	574,536	22,953		597,489
Restricted funds	20,160	284,126	-	-		304,286
	<u>20,160</u>	<u>284,126</u>	<u>574,536</u>	<u>22,953</u>		<u>901,775</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from investments	19,669	22,625

6 Other income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Habitat for Humanity Ireland	-	32,231
Coronavirus job retention scheme	154,519	86,580
	<u>154,519</u>	<u>118,811</u>

7 Raising funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Fundraising and publicity</u>		
Publicity and marketing	1,303	2,617
Staff costs	46,133	40,393
Fundraising and publicity	<u>47,436</u>	<u>43,010</u>
<u>Programme support</u>		
Other costs	1,872	15,372
Staff costs	5,716	5,623
Support costs	14,228	7,300
Programme support costs	<u>21,816</u>	<u>28,295</u>
	<u>69,252</u>	<u>71,305</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Charitable activities

	Local volunteer programme	International programme support	International programme	ReStore	Advocacy	Total 2021	Total 2020
	£	£	£	£	£	£	£
Staff costs	19,721	49,217	-	348,523	64,711	482,172	475,013
Depreciation	-	-	-	18,091	-	18,091	21,783
Other charitable expenditure	2,377	1,412	47,549	257,218	113,987	422,543	589,413
	<u>22,098</u>	<u>50,629</u>	<u>47,549</u>	<u>623,832</u>	<u>178,698</u>	<u>922,806</u>	<u>1,086,209</u>
Share of support costs (see note 9)	3,330	6,624	-	145,870	-	155,824	181,027
Share of governance costs (see note 9)	42,373	-	-	-	-	42,373	41,261
	<u>67,801</u>	<u>57,253</u>	<u>47,549</u>	<u>769,702</u>	<u>178,698</u>	<u>1,121,003</u>	<u>1,308,497</u>
Analysis by fund							
Unrestricted funds	34,862	57,253	-	764,902	49,874	906,891	
Restricted funds	32,939	-	47,549	4,800	128,824	214,112	
	<u>67,801</u>	<u>57,253</u>	<u>47,549</u>	<u>769,702</u>	<u>178,698</u>	<u>1,121,003</u>	
For the year ended 30 June 2020							
Unrestricted funds	49,370	68,499	-	722,209	58,137		898,215
Restricted funds	18,182	-	284,126	23,761	84,213		410,282
	<u>67,552</u>	<u>68,499</u>	<u>284,126</u>	<u>745,970</u>	<u>142,350</u>		<u>1,308,497</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Staff costs	57,440	33,943	91,383	92,174
Depreciation	5,201	-	5,201	3,585
Other support costs	113,127	-	113,127	130,955
Audit fees	-	6,900	6,900	6,900
Accountancy	-	1,530	1,530	1,597
	<u>175,768</u>	<u>42,373</u>	<u>218,141</u>	<u>235,211</u>
Analysed between				
Fundraising	19,944	-	19,944	12,923
Charitable activities	155,824	42,373	198,197	222,288
	<u>175,768</u>	<u>42,373</u>	<u>218,141</u>	<u>235,211</u>

Governance costs includes payments to the auditors of £6,900 (2020- £6,900) for audit fees.

10 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	6,900	6,900
Depreciation of owned tangible fixed assets	<u>23,292</u>	<u>25,368</u>

11 Trustees

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

12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Volunteer programme, communications and fundraising	17	18
Administration	4	4
Total	<u>21</u>	<u>22</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Employees (Continued)

Employment costs	2021 £	2020 £
Wages and salaries	534,494	526,964
Social security costs	43,352	43,416
Other pension costs	41,842	37,200
	<u>619,688</u>	<u>607,580</u>

Total remuneration payable to key management personnel during the year was £111,608 (2020 - £111,081).

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

	2021 Number	2020 Number
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

13 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and Motor vehicles fittings £	£	Total £
Cost				
At 1 July 2020	134,455	87,599	54,981	277,035
Additions	-	803	-	803
At 30 June 2021	<u>134,455</u>	<u>88,402</u>	<u>54,981</u>	<u>277,838</u>
Depreciation and impairment				
At 1 July 2020	100,776	70,599	26,637	198,012
Depreciation charged in the year	9,472	5,201	8,619	23,292
At 30 June 2021	<u>110,248</u>	<u>75,800</u>	<u>35,256</u>	<u>221,304</u>
Carrying amount				
At 30 June 2021	<u>24,207</u>	<u>12,602</u>	<u>19,725</u>	<u>56,534</u>
At 30 June 2020	<u>33,679</u>	<u>17,000</u>	<u>28,344</u>	<u>79,023</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

14 Fixed asset investments

	Rental purchase agreements £
Cost or valuation	
At 1 July 2020	219,041
Repaid in the year	(32,780)
	<u>186,261</u>
At 30 June 2021	186,261
	<u>186,261</u>
Carrying amount	
At 30 June 2021	186,261
	<u>186,261</u>
At 30 June 2020	219,041
	<u>219,041</u>

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

Investment in Subsidiary

The Charity is the sole member of Habitat Homes Limited (a company limited by guarantee and not having a share capital). Habitat Homes Limited is incorporated in Northern Ireland. The profit for the year for Habitat Homes Limited was £nil (2020 – £nil) and the net liabilities were £691,282 (2020 – £691,282) at 30 June 2021.

15 Stocks

	2021 £	2020 £
Habitat merchandise	245	245
	<u>245</u>	<u>245</u>

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	32,780	38,030
Amounts owed by subsidiary undertakings	1,267	1,267
Other debtors	338,967	247,032
	<u>373,014</u>	<u>286,329</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

17 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	14,271	12,231
Trade creditors	49,318	69,996
Other creditors	-	3,912
Accruals and deferred income	215,952	148,835
	<u>279,541</u>	<u>234,974</u>
	<u><u>279,541</u></u>	<u><u>234,974</u></u>
Deferred income	£	
Deferred income at 1 July 2020	132,724	
Resources deferred during the year	179,849	
Amounts released from previous years	(132,724)	
	<u>179,849</u>	
Deferred income at 30 June 2021	<u><u>179,849</u></u>	

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

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Restricted funds

	Movement in funds			Movement in funds			Balance at 30 June 2021 £
	Balance at 1 July 2019 £	Incoming resources £	Resources expended £	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	
International Funds	-	284,126	(284,126)	-	11,277	(11,277)	-
Oak Development Grant	18,182	-	(18,182)	-	-	-	-
Probation Board NI	-	3,600	(3,600)	-	4,800	(4,800)	-
DEAR EU Grant	14,581	69,633	(84,214)	-	128,824	(128,824)	-
Kerela Floods Appeal	1,650	-	-	1,650	-	-	1,650
Malawi Appeal	3,775	25	-	3,800	-	-	3,800
Nepal Appeal	-	55	-	55	4,577	(4,506)	126
Kombolcha Fund	-	-	-	-	36,104	(30,566)	5,538
Northern Ireland Housing Executive	-	20,160	(20,160)	-	32,939	(32,939)	-
Covid Appeal	-	-	-	-	1,674	(1,200)	474
	<u>38,188</u>	<u>377,599</u>	<u>(410,282)</u>	<u>5,505</u>	<u>220,195</u>	<u>(214,112)</u>	<u>11,588</u>

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

19 Explanatory note to the funds

Unrestricted

This fund is expendable at the discretion of the directors.

Restricted

International/Global Village Funds

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

Oak Development Grant

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

Probation Board NI

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

DEAR EU Grant

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

Kerala Floods Appeal, Malawi Appeal and Nepal Appeal

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

Kombolcha Fund

Funds raised to support a partnership project in Kombolcha, Ethiopia.

Northern Ireland Housing Executive

Funding to support the 'House to Home' project.

HABITAT FOR HUMANITY NORTHERN IRELAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 30 June 2021 are represented by:				
Tangible assets	56,534	-	56,534	79,023
Investments	186,261	-	186,261	219,041
Current assets/(liabilities)	540,707	11,588	552,295	361,543
	<u>783,502</u>	<u>11,588</u>	<u>795,090</u>	<u>659,607</u>

21 Operating lease commitments

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

	2021 £	2020 £
Within one year	148,500	135,625
Between two and five years	554,792	517,292
In over five years	181,750	275,000
	<u>885,042</u>	<u>927,917</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

	2021 £	2020 £
Surplus/(deficit) for the year	135,482	(16,115)
Adjustments for:		
Investment income recognised in statement of financial activities	(19,669)	(22,625)
Depreciation and impairment of tangible fixed assets	23,292	25,368
Movements in working capital:		
Decrease in stocks	-	115
Increase in debtors	(86,685)	(45,641)
Increase/(decrease) in creditors	44,568	(19,410)
Cash generated from/(absorbed by) operations	<u>96,988</u>	<u>(78,308)</u>

24 Analysis of changes in net funds

The charitable company had no debt during the year.