

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

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Directors' Report	2 - 8
Independent Auditors' Report	9 - 10
Statement of Financial Activities	11
Income and Expenditure Account	12
Balance Sheet	13
Notes to the Financial Statements	14 - 25

HABITAT FOR HUMANITY NORTHERN IRELAND

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2014

Directors Mr Steven Creighton, Chairman (acting)
Ms Heather Hanna (resigned 30 January 2014)
Mr Thomas Kirk (resigned 30 October 2014)
Mr Seamus McKeague
Mr Mark Emerson (appointed 24 October 2013)
Mr Graeme McCammon (appointed 28 November 2013)

**Company registered
number** NI028376

**Recognised by HMRC as
a Charity under Number** XR18070

Registered office Riverside Centre
Young Street
Lisburn
BT27 5EA

Company secretary Mr Steven Creighton

Chief executive officer Ms Jenny Williams

Independent auditors Goldblatt McGuigan
Chartered Accountants
Statutory Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

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

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

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

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014

The directors, who are also the trustees of the charity, present their Annual Report and the audited financial statements for the year ended 30 June 2014.

Reference and Administration Details

The reference and administrative details of the Charity are as shown on page 1.

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 directors have registered the company as a charity with HM Revenue & Customs, registration number XR18070. The Charity is controlled by its trustees who are directors of the company for the purposes of the Companies Act 2006.

Governance

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

Director Induction and Training

The Board Induction and Training, as outlined in the Induction pack, includes background and history of Habitat NI, roles and responsibilities of Board members, Code of Conduct, Charitable legislation and Habitat policies and procedures.

We are pleased that a number of new members joined the Board during the year, strengthening the Board skills base and capacity.

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.

Seeking to put God's love into action Habitat for Humanity brings people together to build homes, communities and hope in Northern Ireland and around the world.

By delivering intentional volunteer programmes with measurable community building outcomes Habitat continues to be a catalyst in breaking down social and religious barriers, building social cohesion and new relationships across communities.

As a key partner in the global mission Habitat NI is committed to extending support for Global programmes which alleviate poverty through housing, improving health, increasing educational opportunities and providing livelihood support.

We are committed to helping Habitat respond when disaster strikes providing support when families are most vulnerable.

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

Achievements and Performance in the Financial Period

Habitat ReStore – The low cost DIY store that builds hope and homes around the world

Opening the first Habitat ReStore in Europe provided new opportunities for Habitat NI and with a full year of trading we can celebrate sustained growth in sales and a steady increase in partnerships and public donations which provide the stock for ReStore. We have invested additional capacity in securing Corporate partnerships; there are real benefits for companies in helping meet their sustainability targets and deliver on Corporate Social Responsibility and Community Reinvestment.

We have been able to help local people improve their living conditions at affordable prices, we have diverted tons of reusable material from landfill and we are raising funds to help build hope and homes around the world.

During the year we developed an innovative Kitchen Rescue project which provided a new opportunity to connect with donors of reusable material and gave families an affordable kitchen upgrade opportunity.

More than 40 people commit to working every week in ReStore, investing over 19,000 volunteer hours since the store opened as a base to reach out into the community. Intentional volunteer programmes are targeting vulnerable people, increasing employability, developing skills and providing opportunities for people of all ages to work together, building community capacity and confidence.

Volunteer Programmes

Habitat NI's commitment to bring volunteers together to build a shared future for Northern Ireland is a key objective of our work, delivering local and global impacts. Volunteers play an important part in our vision of a world where everyone has a decent place to live. We have invested in developing innovative programmes which deliver real impact for the individuals and the community through practical engagement, skills training and leadership development.

Cross-Community Engagement

Habitat NI continues to provide a platform for people, of all faiths and none, to work together at home and around the world. With a strategic objective to develop more cross community partnerships we grew the number of cross community international volunteer teams, giving a hand up to vulnerable families globally and building stronger relationships which will help change the future here at home.

'It has reinforced the importance of the work Habitat NI does. By working together, barriers can be broken down between ourselves and between people who have the greatest challenges in life. I have new hope for the future.'
Ballymena inter-church team member 2014

Young People

- 200 young people took part in our cross community schools programme helping to refurbish a community building in Lisburn and a hostel for vulnerable people in Belfast. The young people gained a better understanding of our community, and the negative impact of sectarianism and racism. They learned more about social justice locally & globally – and looked at the connections between poverty housing, health and education.

'Habitat's schools programme is an important opportunity for our young people to work together, pupils really enjoy both the practical day and the opportunity to learn more about local and global citizenship. It has a real impact on their thinking' Teacher evaluation 2014

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

Achievements and Performance in the Financial Period (continued)

Young People (continued)

- Building on the success of the pilot Youth Build programme, more than 50 young people from 15 different schools took part in Youth Build 14, connecting young people with global development but also challenging them to think about our own community and equipping them as informed, active citizens.

'the best thing I've done in my life so far, not only for others but also for myself.' Youth Build participant 2014

Globally

Habitat NI is a key partner in Habitat'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. During the year ended 30 June 2014 Habitat NI transferred £210,312 in support of International Partnership programmes.

International Partnerships

Habitat for Humanity works where it matters most, at the heart of communities in more than 70 countries around the world. We know that home is the most important place on earth, we build and renovate homes, improve water and sanitation, respond when disaster strikes and provide training to ensure that local people have the hand up they need, together with training and the opportunity to build their own way out of poverty.

Habitat NI's strategic focus is to support the everyday work of partner programmes which alleviate poverty through housing; improving health, increasing educational opportunities and providing livelihood support. We choose partnerships which fit with key themes; Peacebuilding, Vulnerable Groups, Impacts of Urbanisation and Disaster Response.

Transformational Impacts in Ethiopia

Our ongoing partnership with Ethiopia is supporting a holistic programme which has now reached more than 1200 families through homes, eco-stoves and clean water, improving the health of entire communities. In the last year we sent £50,000 in support of this work in one of the poorest countries in the world.

We also continue to support partnerships which help change the lives of vulnerable families in Romania and Poland, who are our closest neighbours and yet both struggle with significant housing need.

Our support continues to help transform communities in India, where we have focused on supporting new homes in resettlement colonies and on providing toilets in rural communities. We have delivered significant funding for programmes which deliver holistic support for orphans and vulnerable children in Cambodia.

Disaster Response and Mitigation

In November 2013, one of the strongest and deadliest storms in history smashed into the Philippines. Super Typhoon Haiyan caused widespread destruction, affecting 10 million people and destroying or damaging more than one million homes.

We launched an immediate appeal for support which raised more than £50,000. In addition to support from individuals, companies and schools we had a significant donation from Ulster Garden Villages. Habitat was able to respond quickly, first prioritising families' immediate needs and over time developing our response to support rebuilding efforts.

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

Achievements and Performance in the Financial Period (continued)

Locally

Our commitment to continue to build community locally is defined by developing innovative partnerships which will tackle empty homes, growing housing waiting lists, social exclusion and the legacy of conflict.

We piloted an innovative partnership with Helm Housing Association which aims to bring empty homes back to life. Working with 150 volunteers from across the community, companies, churches and individuals invested their time and effort in helping renovate 6 empty homes in North Belfast. All the properties are now let, helping regenerate the community and reducing housing blight. This model where Habitat adds value through construction skills, and the community building impacts of volunteer engagement, provides a sustainable opportunity to deliver local projects and we have already committed to work together with Windsor Presbyterian Church and to continue to tackle other empty homes during 2015.

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

Support for Our Work

We would like to thank all those partners, donors and volunteers whose commitment and support enables our work locally and globally.

The economic context remains challenging, however, with support from individuals, schools, companies and churches we have been able to deliver significant impacts for people and communities in Northern Ireland and around the world. There is no doubt that the context remains challenging, our voluntary income was down by 11% however, we can celebrate growth in support from individuals which showed a 25% increase in the year and continued growth in support from schools who partner with Habitat NI through the schools programme.

Stabilising support from companies has been particularly challenging and we have refined our strategy and focused capacity on engaging companies with ReStore, which is showing early success with a number of new committed partnerships and the potential for growth moving forward.

Significantly, we secured further support from DOE's Rethink Waste Revenue Fund via Wrap NI which helps underpin our work at ReStore, diverting hundreds of tons of reusable materials and serving local people by providing affordable home improvement materials and upskilling opportunities for vulnerable groups.

Our unrestricted donations for the year were £483,138 (2013 - £377,984) funds raised for international programmes were £619,226 (£549,907- 2013). Our GV team numbers held up well during the year, and we were encouraged by the number of teams and individuals who raised additional funds to support our work. Looking ahead to the year ended 30 June 2015 team numbers remain strong as people from across NI continue to engage directly in global development by partnering with Habitat NI and we see significant potential for growth in our Youth Build Programme.

The net movement in funds was a loss of £117,257 (2013 – loss of £190,921 before providing for amounts owed by our subsidiary of £690,015).

The company's assets are held to further its charitable objectives. At 30 June 2014 the charity held net assets totalling £1,127,824 (2013 - £1,245,081).

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

Future Activities

Our focus for 2015 will be to consolidate the success of the Habitat ReStore, refining our operations to ensure efficiency and to use the learning to develop opportunities for other stores. We are committed to contributing to building a shared future by bringing volunteers together, delivering community building impacts and aligning our local and global strategies by working with new partners to strengthen communities where everyone has the opportunity to grow.

We are committed to secure more support for partnership programmes around the world. We have confirmed continued support for slum upgrading in Ethiopia, homes and toilets in India, an innovative water and sanitation programme in Cambodia, as well as support for vulnerable groups in Romania and Poland.

Our Fundraising Strategy will continue to seek funds from diverse income streams and we will focus on growing income from direct marketing and on investing in relationships to underpin our plans.

In the next financial year our objectives include:

- Maximise the potential which our 21st Anniversary will provide to raise more funds and connect and engage more people around the critical impact of housing in breaking the cycle of poverty.
- Build on the success of Habitat ReStore by going for growth in Lisburn and reviewing potential to scale up and open other ReStores.
- Work in partnership with others to use Habitat's construction skills and the community building impacts of volunteering to build strong community locally and serve local people in need.
- Continue to develop innovative volunteering programmes which will break down barriers within our community and provide opportunities for skills and leadership development, increasing active local and global citizenship.
- Maximise opportunities to work collaboratively with colleagues across the EMEA region to achieve our shared goals.

Investment Policy

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

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

Reserves Policy

At 30 June 2014, the Charity has reserves of £1,127,824 (2013 - £1,245,081), with free reserves amounting to £797,103.

The directors have reviewed the Charity's need for reserves in line with the Charity Commission (UK) 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.

HABITAT FOR HUMANITY NORTHERN IRELAND

(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2014

Risk Management

The directors and management review the major risks facing the charity at regular Board and sub-committee meetings. The Board review financial reports quarterly and the finance sub-committee receive monthly updates. Systems and internal financial controls have been established to mitigate significant financial risks. Our 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.

Responsibilities of the Directors

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company transactions and 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
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

Statement of Disclosure of Information to Auditor

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

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

Registered office:
Riverside Centre
Young Street
Lisburn
BT27 5EA

By order of the Board:

MR SEAMUS MCKEAGUE
DIRECTOR

Accepted as a charity by HM Revenue & Customs
under Reference No: XR 18070

Approved by the directors on 31 March 2015

Registered in Northern Ireland
No: NI028376

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

We have audited the financial statements of Habitat for Humanity Northern Ireland for the year ended 30 June 2014 set out on pages 11 to 25. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity'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 charity'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 charity and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires 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 Directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Mr Jackie Smith FCA (Senior Statutory Auditor)

for and on behalf of

Goldblatt McGuigan

Chartered Accountants
Statutory Auditor

Alfred House
19 Alfred Street
Belfast
BT2 8EQ
31 March 2015

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

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	290,135	39,620	329,755	370,012
Investment income	3	33,350	-	33,350	29,442
Incoming resources from charitable activities	4	513,987	619,226	1,133,213	659,733
Other incoming resources	5	42,070	-	42,070	675
TOTAL INCOMING RESOURCES		879,542	658,846	1,538,388	1,059,862
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	160,688	-	160,688	131,719
Charitable activities	8	722,516	693,235	1,415,751	1,759,720
Governance costs	10	79,206	-	79,206	49,359
TOTAL RESOURCES EXPENDED		962,410	693,235	1,655,645	1,940,798
NET RESOURCES EXPENDED BEFORE TRANSFERS		(82,868)	(34,389)	(117,257)	(880,936)
Transfers between Funds	19	(18,539)	18,539	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(101,407)	(15,850)	(117,257)	(880,936)
Total funds at 1 July 2013		984,816	260,265	1,245,081	2,126,017
TOTAL FUNDS AT 30 JUNE 2014		883,409	244,415	1,127,824	1,245,081

The notes on pages 14 to 25 form part of these financial statements.

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

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
TOTAL INCOME		879,542	658,846	1,538,388	1,059,862
LESS: TOTAL EXPENDITURE		962,410	693,235	1,655,645	1,252,259
Net expenditure for the year before transfers		(82,868)	(34,389)	(117,257)	(192,397)
Transfers between funds	19	(18,539)	18,539	-	-
Income less expenditure for the year		(101,407)	(15,850)	(117,257)	(192,397)
NET EXPENDITURE FOR THE YEAR	19	(101,407)	(15,850)	(117,257)	(192,397)

The notes on pages 14 to 25 form part of these financial statements.

HABITAT FOR HUMANITY NORTHERN IRELAND**(A Company Limited by Guarantee)****REGISTERED NUMBER: NI028376****BALANCE SHEET
AS AT 30 JUNE 2014**

	Note	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		86,306		86,802
Investments	14		554,805		759,349
			<u>641,111</u>		<u>846,151</u>
CURRENT ASSETS					
Stocks	15	624		2,100	
Debtors	16	257,820		301,063	
Cash at bank and in hand		698,625		416,683	
		<u>957,069</u>		<u>719,846</u>	
CREDITORS: amounts falling due within one year	17	<u>(458,356)</u>		<u>(299,166)</u>	
NET CURRENT ASSETS			<u>498,713</u>		<u>420,680</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,139,824</u>		<u>1,266,831</u>
CREDITORS: amounts falling due after more than one year	18		<u>(12,000)</u>		<u>(21,750)</u>
NET ASSETS			<u><u>1,127,824</u></u>		<u><u>1,245,081</u></u>
CHARITY FUNDS					
Restricted funds	19		244,415		260,265
Unrestricted funds	19		883,409		984,816
TOTAL FUNDS			<u><u>1,127,824</u></u>		<u><u>1,245,081</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Directors on 31 March 2015 and signed on their behalf, by:

Mr Seamus McKeague**Mr Graeme McCammon**

The notes on pages 14 to 25 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES

1.1 Company status

The organisation is an incorporated company limited by guarantee with charitable status.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.3 Cash flow

As permitted for small companies under the provisions of Financial Reporting Standard 1 (revised), Statement of Cash Flows, the Company has prepared financial statements which exclude a statement of cash flows.

1.4 Tangible fixed assets and depreciation

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

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

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Stocks of donated goods are not valued for accounting purposes.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES (continued)

1.6 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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.

1.7 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.8 Operating leases

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES (continued)

1.9 Fund accounting

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

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

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

1.10 Taxation

The charity is considered to pass the conditions 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 charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Foreign currencies

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

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

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

1.12 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.

1.13 Pensions

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Individuals	252,624	-	252,624	201,115
Corporate	8,254	-	8,254	65,110
Other grants	25,317	39,620	64,937	86,931
Habitat affiliate tithes and undesignated donations	3,940	-	3,940	16,856
	<u>290,135</u>	<u>39,620</u>	<u>329,755</u>	<u>370,012</u>
Voluntary income	<u>290,135</u>	<u>39,620</u>	<u>329,755</u>	<u>370,012</u>

3. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Income from investments	33,350	-	33,350	29,442
	<u>33,350</u>	<u>-</u>	<u>33,350</u>	<u>29,442</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Local volunteer programme	3,525	-	3,525	-
Sale of investments	225,291	-	225,291	19,520
International (Global Village) funds raised	90,414	619,226	709,640	580,215
ReStore	193,003	-	193,003	51,289
Other income from charitable activities	1,754	-	1,754	875
Sale of assets	-	-	-	7,834
	<u>513,987</u>	<u>619,226</u>	<u>1,133,213</u>	<u>659,733</u>

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Exchange variance	-	-	-	675
Other incoming resources	42,070	-	42,070	-
	<u>42,070</u>	<u>-</u>	<u>42,070</u>	<u>675</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

6. COSTS OF GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Publicity and marketing	11,032	-	11,032	16,880
Programme support - other costs	49,752	-	49,752	17,177
Fundraising and publicity staff costs	73,133	-	73,133	58,392
Programme support - staff costs	26,771	-	26,771	39,270
	<u>160,688</u>	<u>-</u>	<u>160,688</u>	<u>131,719</u>

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Local volunteer programme	45,798	15,850	61,648	83,862
International programme support	119,354	-	119,354	147,236
Housing programme including partnership grant	218,038	-	218,038	10,304
International programme	71,875	637,765	709,640	580,215
ReStore	163,544	8,532	172,076	138,577
Advocacy	103,907	-	103,907	66,194
Wrap	-	31,088	31,088	43,317
Provision against amounts owed	-	-	-	690,015
	<u>722,516</u>	<u>693,235</u>	<u>1,415,751</u>	<u>1,759,720</u>

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Direct costs 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Local volunteer programme	5,243	56,405	61,648	83,862
International programme support	14,072	105,282	119,354	147,236
Housing programme including partnership grant	218,038	-	218,038	10,304
International programme	709,640	-	709,640	580,215
ReStore	31,554	140,522	172,076	138,577
Advocacy	12,041	91,866	103,907	66,194
Wrap	31,088	-	31,088	43,317
Provision against amounts owed	-	-	-	690,015
	<u>1,021,676</u>	<u>394,075</u>	<u>1,415,751</u>	<u>1,759,720</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Costs of generating voluntary income	99,904	60,784	160,688	131,719
Costs of generating funds	<u>99,904</u>	<u>60,784</u>	<u>160,688</u>	<u>131,719</u>
Local volunteer programme	45,854	15,794	61,648	83,862
International programme support	87,697	31,657	119,354	147,236
Housing programme including partnership grant	-	218,038	218,038	10,304
International programme	-	709,640	709,640	580,215
ReStore	110,921	61,155	172,076	138,577
Advocacy	91,866	12,041	103,907	66,194
Wrap	-	31,088	31,088	43,317
Provision against amounts owed	-	-	-	690,015
Charitable activities	<u>336,338</u>	<u>1,079,413</u>	<u>1,415,751</u>	<u>1,759,720</u>
Governance	<u>72,693</u>	<u>6,513</u>	<u>79,206</u>	<u>49,359</u>
	<u><u>508,935</u></u>	<u><u>1,146,710</u></u>	<u><u>1,655,645</u></u>	<u><u>1,940,798</u></u>

10. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Support costs - Governance	6,513	-	6,513	10,932
Wages and salaries	72,693	-	72,693	38,427
	<u>79,206</u>	<u>-</u>	<u>79,206</u>	<u>49,359</u>
	<u><u>79,206</u></u>	<u><u>-</u></u>	<u><u>79,206</u></u>	<u><u>49,359</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

11. NET RESOURCES EXPENDED

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	23,105	15,260
Auditors' remuneration	5,880	11,200
Pension costs	29,093	23,965
	<u>58,078</u>	<u>50,425</u>

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

12. STAFF COSTS

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	441,228	397,956
Social security costs	38,614	36,828
Other pension costs	29,093	23,965
	<u>508,935</u>	<u>458,749</u>

The average monthly number of employees during the year was as follows:

	2014	2013
	No.	No.
Volunteer programme, communications and fundraising	16	14
Administration	4	4
	<u>20</u>	<u>18</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 July 2013	52,136	15,104	176,109	243,349
Additions	19,472	-	3,137	22,609
At 30 June 2014	<u>71,608</u>	<u>15,104</u>	<u>179,246</u>	<u>265,958</u>
Depreciation				
At 1 July 2013	3,405	1,628	151,514	156,547
Charge for the year	9,778	2,526	10,801	23,105
At 30 June 2014	<u>13,183</u>	<u>4,154</u>	<u>162,315</u>	<u>179,652</u>
Net book value				
At 30 June 2014	<u>58,425</u>	<u>10,950</u>	<u>16,931</u>	<u>86,306</u>
At 30 June 2013	<u>48,731</u>	<u>13,476</u>	<u>24,595</u>	<u>86,802</u>

14. FIXED ASSET INVESTMENTS

	Rental purchase agreements £
At 1 July 2013	759,349
Disposals	(138,995)
Repaid in the year	(65,549)
At 30 June 2014	<u>554,805</u>

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

Investment in Subsidiary

The Charity is the sole member of Habitat Homes Limited (a company limited by guarantee and not having a share capital). Habitat Homes Limited is incorporated in Northern Ireland and its principal activity is to develop affordable home ownership opportunities in Northern Ireland. The profit for the year for Habitat Homes Limited was £89 (2013 – loss of £3,761) and the net liabilities were £689,926 (2013 – £690,015) at 30 June 2014.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

15. STOCKS

	2014	2013
	£	£
Habitat merchandise	624	2,100
	<u>624</u>	<u>2,100</u>

16. DEBTORS

	2014	2013
	£	£
Due after more than one year		
Amounts owed by group undertakings	1,642	96,171
Due within one year		
Rental purchase agreements	65,549	71,869
Other debtors	190,629	133,023
	<u>257,820</u>	<u>301,063</u>
	<u>257,820</u>	<u>301,063</u>

17. CREDITORS:
Amounts falling due within one year

	2014	2013
	£	£
Other loans	6,000	6,000
Trade creditors	82,991	40,191
Other taxation and social security	19,231	12,816
Accruals and deferred income	350,134	240,159
	<u>458,356</u>	<u>299,166</u>
	<u>458,356</u>	<u>299,166</u>

Details of the security given in relation to other loans is as disclosed in note 18.

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

	2014	2013
	£	£
Other loans	12,000	21,750
	<u>12,000</u>	<u>21,750</u>

The Charity has given security in respect of the above by way of seven of its properties in Iris Mews which are held in fixed asset investments.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfer of funds £	Carried Forward £
Unrestricted funds					
General Funds	984,816	879,542	(962,410)	(18,539)	883,409
Restricted funds					
Wrap	-	31,088	(31,088)	-	-
International Funds	-	619,226	(637,765)	18,539	-
Oak Development Grant	260,265	-	(15,850)	-	244,415
Awards for All Northern Ireland	-	8,532	(8,532)	-	-
	<u>260,265</u>	<u>658,846</u>	<u>(693,235)</u>	<u>18,539</u>	<u>244,415</u>
Total of funds	<u><u>1,245,081</u></u>	<u><u>1,538,388</u></u>	<u><u>(1,655,645)</u></u>	<u><u>-</u></u>	<u><u>1,127,824</u></u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfer of funds £	Carried Forward £
General funds	984,816	879,542	(962,410)	(18,539)	883,409
Restricted funds	260,265	658,846	(693,235)	18,539	244,415
	<u><u>1,245,081</u></u>	<u><u>1,538,388</u></u>	<u><u>(1,655,645)</u></u>	<u><u>-</u></u>	<u><u>1,127,824</u></u>

Note 20 provides explanatory notes to the funds.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

20. EXPLANATORY NOTE TO THE FUNDS

Unrestricted

This fund is expendable at the discretion of the directors.

Restricted

Wrap

This is funding received under the Rethink Waste Revenue fund from Wrap in order to support Habitat NI in the operation of the ReStore outlet, with the aim of diverting construction and building products from landfill and promoting waste prevention.

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.

The transfer from Unrestricted funds to Restricted funds during the year represents a drawing down of funds raised in a previous financial year.

Oak Development Grant

This balance represents a surplus on a grant previously received to scale up local house building.

Awards for All Northern Ireland

This funding was awarded by the Big Lottery Fund under their Awards for All Northern Ireland project with the aim of supporting Habitat NI's ReStore volunteer programme.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	86,304	-	86,304	86,802
Fixed asset investments	554,805	-	554,805	759,349
Debtors due after more than 1 year	1,642	-	1,642	96,171
Current assets	421,206	534,223	955,429	623,675
Creditors due within one year	(168,548)	(289,808)	(458,356)	(299,166)
Creditors due in more than one year	(12,000)	-	(12,000)	(21,750)
	<u>883,409</u>	<u>244,415</u>	<u>1,127,824</u>	<u>1,245,081</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

22. RELATED PARTY TRANSACTIONS

Habitat Homes Limited, a company incorporated in Northern Ireland, is a wholly owned subsidiary of Habitat for Humanity Northern Ireland.

At the year end, the balance due from Habitat Homes Limited was £1,642 (2013 - £96,171).

23. PENSION COMMITMENTS

The Charity contributes to a defined contribution pension scheme where the assets of the scheme are held separately from those of the group in an independently administered fund. There were no unpaid contributions outstanding at the year end (2013 - £nil).

24. OPERATING LEASE COMMITMENTS

At 30 June 2014 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Between 2 and 5 years	19,333	14,333

25. CONTINGENT LIABILITIES

A contingent liability exists to repay grants received should certain conditions not be fulfilled by the Charity. The future use of the Oak Development Grant, which was provided to scale up local house building, is being considered in partnership with Oak and the directors consider that repayment of the grant is a remote possibility.

26. GUARANTORS

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