

**HABITAT FOR HUMANITY (IRELAND)**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**FINANCIAL STATEMENTS**

*YEAR ENDED 30 JUNE 2012*

**HABITAT FOR HUMANITY (IRELAND)  
FINANCIAL STATEMENTS**

***YEAR ENDED 30 JUNE 2012***

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***MANAGEMENT INFORMATION***

DETAILED INCOME AND EXPENDITURE ACCOUNT

**HABITAT FOR HUMANITY (IRELAND)  
FINANCIAL STATEMENTS**

**DIRECTORS AND OTHER INFORMATION**

<b>CHAIRPERSON</b>	Claire McCormack
<b>EXECUTIVE DIRECTOR</b>	Karen Kennedy
<b>DIRECTORS</b>	Patrick Linders (Resigned 31 December 2011) Paul Linders James Byrne Peter Johnston Claire McCormack Don Haszczyn (Appointed 23/09/2011) Kim Nolan (Appointed 04/02/2012) Vinnie Cunningham (Appointed 04/02/2012) Michael McKiernan (Appointed 04/02/2012) Alf Desire (Appointed 04/02/2012, Resigned 25/06/2012)
<b>SECRETARY</b>	Peter Johnston
<b>TREASURER</b>	Vinnie Cunningham
<b>CHARITY NUMBER</b>	CHY15187
<b>AUDITORS</b>	Ormsby & Rhodes Chartered Accountants Registered Auditors 9 Clare Street Dublin 2
<b>BANKERS</b>	Allied Irish Bank plc 24 Arran Quay Dublin 7
<b>BUSINESS AND REGISTERED OFFICE ADDRESS</b>	The Liffey Trust Centre Unit F : 117-126 Upper Sheriff Street Dublin 1
<b>SOLICITORS</b>	CCK Law Firm 66 Fitzwilliam Square Dublin 2
<b>COMPANY NUMBER</b>	362823

# **HABITAT FOR HUMANITY (IRELAND)**

## **DIRECTORS REPORT**

*FOR THE YEAR ENDED 30 JUNE 2012*

The directors present their report and the audited financial statements for the year ended 30 June 2012.

### **DIRECTORS RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2012. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **CONSTITUTION**

Habitat for Humanity Ireland ("Habitat Ireland") is a company limited by guarantee and not having a share capital (company registration number 362823). Habitat Ireland is registered in the Republic of Ireland as a charity (charity number CHY 15187). All directors are members of the company.

### **OUR VISION**

A world where everyone has a decent place to live.

### **OUR MISSION**

To eliminate poverty housing in Ireland and around the world and to make decent housing a matter of conscience and action.

### **OUR PRINCIPLES AND VALUES**

1. Focus on Shelter  
We believe in creating opportunities for all people to live in decent, durable shelter by helping to build, renovate or preserve homes, and by partnering with others to accelerate and broaden access to affordable housing as a foundation for breaking the cycle of poverty.
2. Advocate for Affordable Housing  
We believe in promoting decent, affordable housing for all, and supporting the global community's commitment to housing as a basic human right. We advocate for just and fair housing policy to eliminate the constraints that contribute to poverty housing.
3. Promote Dignity and Hope  
We believe that no one lives in dignity until everyone can live in dignity. We believe that every person has something to contribute and something to gain from creating communities in which all people have decent affordable places to live. We believe that dignity and hope are best achieved through equitable, accountable partnerships.

# **HABITAT FOR HUMANITY (IRELAND)**

## **DIRECTORS REPORT**

*FOR THE YEAR ENDED 30 JUNE 2012*

### 4. Support Sustainable and Transformational Development

We view our work as successful when it transforms lives, and promotes positive and lasting social and economic growth within a community, when it is based on mutual trust and fully shared accomplishment, and when it demonstrates responsible stewardship of all resources entrusted to us.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### BOARD OF DIRECTORS

Habitat Ireland is governed by a board of directors which provides leadership, strategic direction and controls the organisation. The responsibility of the board includes setting the organisations strategic aims, identifying risks affecting the organisation, ensuring procedures are in place to manage the risks identified, approving policies and procedures, agreeing a reporting framework and reporting to stakeholders. The board's actions are subject to relevant legislation, regulations and the members in general meetings. The board has several sub-committees that focus on particular areas of importance and development within the organisation, namely; Strategy, Finance, HR, Events/Fundraising and Risk. The board meets regularly and delegates the day to day operation of the organisation to the Executive Director, management and staff.

### **RISK MANAGEMENT AND INTERNAL CONTROL**

The directors are responsible for and aware of the major risks to which the charity is exposed, in particular those related to the operations and finances of the organisation. The directors are satisfied that systems are in place to mitigate the organisations' exposure to all such risks.

The directors regularly review Habitat Ireland's policies and procedures and ensure all internal controls are being followed. These include: procurement, cash management, bank accounts management, disbursements, fraud management, delegation of authority and segregation of duties.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors regard the principal risks and uncertainties affecting the company to be as follows:

- the ability to generate sufficient incoming resources, particularly during an economic downturn;
- the timing of receipt of incoming resources; and
- the effect of these risks and uncertainties on the company's capacity to continue and expand its charitable activities.

The board continually strives to minimise the adverse effects of these risks and uncertainties in a number of ways, including:

- regular Board meetings;
- enlarging the composition of the Board with particular emphasis on income generation;
- review of monthly management accounts and cash flow information;
- taking appropriate decisions and action in relation to income and costs on foot of these reviews.

### STAFF AND MANAGEMENT

There are 6 full-time staff members at Habitat Ireland, 2 part time employees and 2 voluntary interns. The Finance Manager, Local Programme Manager, International Programme Manager, Communications Manager and Development Officer report directly to the Executive Director. The Site Supervisor reports to the Local Programme Manager. The International Programme Coordinator and Marketing intern report to the International Programme Manager. The Communications Intern reports to the Communications Manager.

# HABITAT FOR HUMANITY (IRELAND)

## DIRECTORS REPORT

*FOR THE YEAR ENDED 30 JUNE 2012*

### OBJECTIVES AND ACTIVITIES

During FY12 Habitat Ireland worked toward the second year of its 3 year strategic plan (FY11-13), the main objectives of which being:

- 1) Raise €387,950 for overseas partner projects and send 300 volunteers overseas to support and raise awareness of same
- 2) Initiate partnerships in Dublin to showcase Habitat Ireland's work and engage community, corporate and youth groups to work on projects
- 3) Continue to raise awareness of Habitat Ireland's work in Ireland and around the world
- 4) Fund the mission and continue to bring all programmes into self sustainability
- 5) Continue to build a learning organisation: evaluate programmes, activities and staff on annual basis and invest in development of the staff and leadership team

In pursuing these objectives we undertook the following activities:

### IRISH BASED CONSTRUCTION PROGRAMMES

#### *Local Renovation Programme*

Our local renovation programme seeks to advance our mission in Ireland by providing opportunities for low income families to become first-time homeowners while engaging the Irish public as witnesses and ambassadors for simple, decent housing in their own community.

This year our partnership with Dublin City Council continued with the renovation of four homes on Emmet Road, Inchicore. Along with enabling low-income families to become first-time homeowners, this initiative keeps access to affordable housing on the agenda of Dublin City Council and the Department of the Environment.

The programme gives a 'hand up, not a hand out'. Families are selected from the Dublin City Council housing lists according to their level of need, their ability to repay a small mortgage and their willingness to work onsite. The family selection process took longer than originally anticipated due to the challenges faced by families in securing mortgages in the current economic climate.

There has also been a challenge in finding families that meet the criteria for the one bed apartments. By June 2012 there were several interested individuals in the process of applying for a mortgage to purchase one of these apartments. The possibility of selling one of the apartments to another non-profit that provides shelter for vulnerable people is also being explored.

President Higgins visited the renovation programme in April 2012 and the associated media coverage generated significant interest in the programme from potential partner families and volunteers alike. In FY12 more than 150 volunteers worked onsite in Dublin. The work of these volunteers reduces the cost of the renovation and in the process they learn about the challenges faced by the partner families. Through engaging volunteers active, inclusive citizenship is encouraged and understanding among and between different sections of society is promoted.

#### ***Habitat Ireland Homeowners: Keith Greene and Jennifer Clail***

*Jennifer and Keith lived in a one-bedroom flat in the city centre with their two young children. The flat had mould in the kitchen and condensation in the bedrooms, which led to their two young children frequently getting coughs. It also aggravated their son's eczema. They struggled with getting their clothes dry as they can't hang them outside due to the dust from the trains that go by. Thanks to their partnership with Habitat Ireland's Local Programme and Dublin City Council, they are moving into a newly renovated 3-bedroom Habitat home, where each child has room to play and grow.*

# HABITAT FOR HUMANITY (IRELAND)

## DIRECTORS REPORT

*FOR THE YEAR ENDED 30 JUNE 2012*

### *A Brush With Kindness*

The 'A Brush With Kindness' programme partners with like-minded organisations to renovate or refurbish their housing facilities for vulnerable groups such as the elderly. In the current economic climate, charities are being squeezed more than ever. As resources diminish, the need for the services they provide are at an all-time high. This initiative enables our partners to increase their capacity to deliver their services while we work towards our vision of creating a world where everyone has a decent place to live.

In FY13 similar partnerships are planned including with ALONE, an organisation that provides housing and support services to vulnerable people over 60.

### *St Michael's House*

*In FY12, Habitat Ireland partnered with St. Michael's House under the A Brush with Kindness programme to renovate a home which allowed people with an intellectual disability to live independently. This project was generously supported by Bank of America Merrill Lynch who provided volunteer labour and financial capital for the project. St. Michael's House is a charity which provides support for people with intellectual disability and their families. Once renovated, the property became home to three St. Michael's House service users; Joe, Dermot and Laurence.*

### *Elmdale*

In FY12, the organisation renewed planning permission to build 16 homes in the Elmdale area of Ballyfermot. The organisation will assess whether to advance with this project before the end of 2013. Factors for consideration will be project viability, availability of funding, demand within the community and provision of mortgages for families.

### *Global Village*

The Global Village programme is Habitat Ireland's international volunteer programme that engages members of the Irish public to travel overseas to volunteer on Habitat projects. Each year the Global Village team invests considerable time recruiting, training and preparing volunteers to travel for between 1-4 weeks. The trip is a unique, grassroots experience in which volunteers work alongside the future homeowners and local trade professionals and are immersed in the local culture. Habitat Ireland views this experience as an investment in our supporters who return home as advocates for simple, decent housing and who continue to fundraise and create awareness of the poverty issues they have witnessed.

The Global Village programme faced a number of challenges in FY12. Staff levels were reduced and the current economic climate also posed challenges due to rising levels of unemployment, increased job insecurity and reduced levels of disposable income which meant individuals were less likely to travel on the programme because of concerns over reaching fundraising targets.

Despite this, 200 volunteers still travelled on the programme in FY12, including 110 from our supporter schools.

Highlights of the year included the first ever Student Volunteer Programme which went to India for one month and the second year of the Brent Pope Rugby Legends trip. Brent returned to Zambia with fellow rugby legends and more than 20 volunteers from the rugby loving public.

# HABITAT FOR HUMANITY (IRELAND)

## DIRECTORS REPORT

**FOR THE YEAR ENDED 30 JUNE 2012**

***Laura Rankin from High School Rathgar reflects on her Global Village trip to Nepal.***

*"Last Easter, I was lucky enough to travel to Nepal as a member of the 2012 Habitat for Humanity team from The High School Rathgar. Having seen how much my own family had learnt from their trips with Habitat, I knew I couldn't let this opportunity pass me by. Our team of sixteen students and five teachers was the sixth group to travel from The High School. Over the course of these trips we have raised a combined total of over €250,000 for Habitat for Humanity Ireland.*

*I had never been to a developing country before. I didn't know what to expect having had very little building experience. Like the rest of the team, I wondered how we could possibly build two houses in ten days, but we did! The team was split to work on two separate sites, which inevitably led to some friendly competition! We were building with bamboo, and along with the families and locals we constructed a basic four-room house, which would serve the entire community. One of the best things about the trip was working with a great team of people. The work was tough. It was tiring, hot and tedious at times but we made sure we kept each other smiling! It was obvious that by the end of our time there, we had made a huge difference to the lives of the family whose home we had built, which is something I am still proud of and will be forever. It was such an incredible experience, and I hope that many more people become involved in projects like this one."*

## FUNDRAISING

Habitat Ireland receives financial support for its programmes from Irish Aid, the Government of Ireland's programme of assistance to developing countries. Grants are also received from companies, foundations and other NGO's to advance our mission. Habitat Ireland also raises funds through the generosity of the Irish public.

Habitat Ireland adopts the principles of the Statement of Guiding Principles for Fundraising issued by the Irish Charities Tax Reform Group. Habitat Ireland also complies with the sub-sections of Part 7 of the Charities Act 2009 on fundraising and the duties of collectors.

In November 2011, a Development Officer joined the Habitat Ireland team to expand the fundraising activities of the organisation.

A series of fundraising events were also held through the year including the inaugural Brent Pope Golf Classic which took place in May 2012 at Seapoint Golf Links in Termonfeckin, Drogheda. The organisation also started to build up its regular donor base and has developed processes to encourage volunteers to become monthly donors.

At the end of the year we learnt that our application for Civil Society Funding from Irish Aid for our orphaned and vulnerable children programme in Zambia was successful. Irish Aid is supporting the programme with €600,000 which will be drawn down in instalments over three years, beginning in the first quarter of FY13.

This project is a continuation of the previous Irish Aid funded OVC project in Zambia (2007-2010). It engages communities to build durable, healthy, sustainable houses, supports and encourages caregivers to write wills, and carries out training on HIV/AIDS prevention, care and treatment.

For each of the families that benefit from this project, decent housing is the first step in reducing their vulnerability and providing a solid foundation on which other critical services, including healthcare, nutrition and education, can be built.

### ***Orphaned and Vulnerable Children in Zambia***

*Dorcas Phiri lives in Zambia. When she was 16, her father died and her mother disappeared. She was forced to leave school to look after her three younger siblings and the family lived in a makeshift tent for over 3 years.*

*As part of Habitat for Humanity Zambia's Orphaned and Vulnerable Children project, Habitat built Dorcas and her siblings a durable, healthy, secure home of their own.*

*Now all of Dorcas' siblings are back in school and hoping for a better life. With Habitat's help, Dorcas has also gone back to school as a teaching assistant.*

*"The day we moved into this house we couldn't believe it, we were very happy. We couldn't believe that we now have our own house to live in, a very safe and nice house."*



# HABITAT FOR HUMANITY (IRELAND)

## DIRECTORS REPORT

*FOR THE YEAR ENDED 30 JUNE 2012*

### COMMUNICATING OUR WORK

The most significant development in our work to engage the Irish public this year was President Higgins agreeing to become our Patron following his visit to our renovation project in Inchicore. We greatly appreciate the President's support in highlighting the needs of the many families who require simple, decent housing. His support will also promote the valuable work of our volunteers who are a practical example of the active, inclusive citizenship he spoke about in his inauguration address.

Our volunteers are vital to increasing awareness about our work, through their many fundraising events and local media coverage about their experience. Each year we invest considerable time and resources in supporting them to do so and keeping them up to date on our activities.

We also work to engage the national media and this year we received substantial media coverage of President Higgins' visit to our project in Inchicore and for the Brent Pope Rugby Legends trip to Zambia in June. The documentary of Brent's previous trip to Zambia in FY11 was broadcast on RTE television.

We have also worked to increase our online presence and during FY12 our website was redesigned to improve usability. Our IT and web developer volunteers continue to be crucial in the design and maintenance of the website. Our social media presence has steadily increased throughout the year.

We developed a number of soft copy materials to explain our programmes to donors and supporters. Our graphic design volunteers were invaluable in producing these.

The organisation engaged the Irish government in its work. We made a submission on the White Paper Review during the public consultation phase of the review and a staff member also sat on the Volunteering Steering Committee which was set up by the Minister for Development and Trade to make recommendations on the future of Irish Aid support for volunteering.

Staff and volunteers receive training to ensure that all communications materials are reflective of the values and ethos of Habitat for Humanity's mission principles and the Dochas Code of Conduct on Images and Message of which we are signatory.

### ***President Higgins, Habitat Ireland Patron***

*In April 2012, The President of Ireland, Michael D. Higgins, celebrated with two families who became Habitat homeowners in Dublin.*

*President Higgins said, "Real engagement and meaningful participation by each and every citizen in building community and strengthening civil society is not just a hollow aspiration. The work undertaken by Habitat for Humanity and its partners on this project is a visible manifestation of the kind of transformational change that can take place when people mobilise around a positive vision and follow through with purposeful action."*

### OPERATIONS

In May 2012, the organisation moved office to The Liffey Trust Centre, 117-126 Sheriff Street Upper, Dublin 1. The organisation also implemented two new systems: SAGE 50 Accounts Package and Salesforce CRM.

### COMPLIANCE

Habitat Ireland complies with the Dochas Code of Conduct on Images and Messages, the Charities Act 2009 and Comhlámh's Volunteer Charter. Habitat Ireland adopts the principles of the Irish Charities Tax Reform Groups Statement of Guiding Principles for Fundraising and the Dochas and Corporate Governance Association of Irelands Irish Development NGO Code of Corporate Governance.

### MONITORING AND EVALUATION

The Executive Director, International Programme Manager and Local Programme Manager regularly visit Habitat Irelands programmes and Partners. Habitat Ireland conducts bi-annual project evaluations alongside partners on all projects with Habitat Ireland interests in Ireland and around the world.

# HABITAT FOR HUMANITY (IRELAND)

## DIRECTORS REPORT

*FOR THE YEAR ENDED 30 JUNE 2012*

### INCOME BREAKDOWN

Total income for FY2012 amounted to €904,988 (including the value of gifts and services in-kind of €33,967), which represents an overall decrease of 9% on the previous year. Of this, €745,580 (82% approx) was restricted.

The Split of income sources (both restricted and unrestricted) for FY12 was as follows:

Individuals and companies:	€554,479 (61%)
HFH International:	€138,241 (15%)
Sale of Refurbished homes:	€105,000 (11%)
Foundations and trusts:	€73,301 (8%)
Gifts and Services in kind:	<u>€33,967 (3%)</u>
Total Income:	<u>€904,988</u>

The above income was designated as follows:

For Global Village projects:	€521,182
For Initiatives worldwide:	€10,617
For Irish Local Programmes:	€213,781
Unrestricted:	<u>€159,408</u>
Total	<u>€904,988</u>

### RESERVES POLICY

Habitat Ireland in conjunction with HFH International maintains sufficient reserves to ensure the continuity of its core activities. Total reserves of HFH Ireland at the year end amounted to €163,081, of which €44,649 was unrestricted.

In the event of a significant or sudden loss of income in the short term, support funding is available from HFH International to ensure immediate continuity of core programmes.

### RESULTS FOR THE YEAR

The overall net surplus for the year amounted to €28,583, as compared with a deficit for the preceding year of €113,975.

### FUTURE PLANS

Habitat Ireland remains committed to advancing its mission in Ireland and to upholding the highest standards of excellence, international best practice, cost effectiveness and efficiency.

Throughout FY13 our work will centre on implementing the third year of our strategic plan and marking the tenth anniversary of our foundation in Ireland. Notable aims include:

- Developing a new strategic plan for FY14-16.
- Organising Wesley College's Big Build in Romania. They are sending 250 volunteers from the school community to build in Romania to celebrate 10 years of travelling on Global Village trips.
- Developing new and existing partnerships with other non-profits and Dublin City Council.  
Further developing our funding streams and coming up with new and innovative ways of engaging donors.
- Organising our first Hope Ball in the Shelbourne Hotel on the 16th November 2012.
- Engaging with the Irish public creatively through existing and new channels.

# **HABITAT FOR HUMANITY (IRELAND)**

## **DIRECTORS REPORT**

*FOR THE YEAR ENDED 30 JUNE 2012*

### **DIRECTORS**

The directors who served during the year are listed under company information on page 2.

On 31 December 2011 Patrick Linders resigned as a Director of the company.

On 25 June 2012 Alf Desire resigned as a Director of the company.

Vinnie Cunningham was appointed Treasurer during the year.

### **POST BALANCE SHEET EVENTS**

There were no post balance sheet events which require disclosure.

### **FUTURE DEVELOPMENTS**

The main activities of the company remain unchanged and the directors anticipate that any future developments would relate to these activities.

### **BOOKS OF ACCOUNT**

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the involvement of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at The Liffey Trust Centre, Unit F : 117-126 Upper Sheriff Street, Dublin 1.

### **AUDITORS**

Ormsby & Rhodes have expressed their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

### **TAXATION STATUS**

The company is exempt from the corporation tax due to its charitable status.

**On behalf of the Board on 7 November 2012**

*Claire McCormack*

*Peter Johnston*

***Directors***

# **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HABITAT FOR HUMANITY (IRELAND)**

We have audited the financial statements on pages 13 to 25 for the year ended 30 June 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 16 & 17.

## **Respective responsibilities of directors and auditors**

As described in the statement of directors responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2012. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatement within it.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HABITAT FOR HUMANITY (IRELAND)

## **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 30 June 2012 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 3 to 10 is consistent with the financial statements.

*Geoffrey Lewis*

Geoffrey Lewis  
for and on behalf of Ormsby & Rhodes  
Chartered Accountants and Registered Auditors

9 Clare Street  
Dublin 2

*7 November 2012*

# HABITAT FOR HUMANITY (IRELAND)

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2012

	<u>Notes</u>	<b>Restricted Funds</b> €	<b>Unrestricted Funds</b> €	<b>Total 2012</b> €	<b>Total 2011</b> €
<b>INCOMING RESOURCES</b>					
Government Grants		-	-	-	67,836
Voluntary Donations		<b>640,580</b>	<b>159,408</b>	<b>799,988</b>	935,181
Sales of homes		<b>105,000</b>	-	<b>105,000</b>	-
<b>Total Incoming Resources</b>	<b>3</b>	<b>745,580</b>	<b>159,408</b>	<b>904,988</b>	1,003,017
<b>RESOURCES EXPENDED</b>					
Cost of Charitable Activities	<b>4</b>	<b>762,726</b>	-	<b>762,726</b>	1,001,518
Cost of Generating Funds	<b>5</b>	<b>16,119</b>	<b>54,706</b>	<b>70,825</b>	72,045
Governance Costs	<b>6</b>	-	<b>42,854</b>	<b>42,854</b>	43,429
<b>Total Resources Expended</b>		<b>778,845</b>	<b>97,560</b>	<b>876,405</b>	1,116,992
Net incoming/(outgoing) resources- continuing activities		<b>(33,265)</b>	<b>61,848</b>	<b>28,583</b>	(113,975)
Total Funds At The Beginning Of Year		<b>151,697</b>	<b>(17,199)</b>	<b>134,498</b>	248,473
<b>Total funds at the end of year</b>	<b>15</b>	<b>118,432</b>	<b>44,649</b>	<b>163,081</b>	134,498

There are no recognised gains or losses other than those disclosed above and there have been no discontinued activities or acquisitions in the current or preceding year.

On behalf of the Board

*Peter Johnston*

*Claire McCormack*

**Directors**

# HABITAT FOR HUMANITY (IRELAND)

## BALANCE SHEET

30 JUNE 2012

	<u>Notes</u>	<u>2012</u>		<u>2011</u>	
		€	€	€	€
<b>FIXED ASSETS</b>					
Tangible assets	<i>10</i>		-		3,375
<b>CURRENT ASSETS</b>					
Construction in progress	<i>11</i>	75,337		43,234	
Debtors	<i>12</i>	105,000		-	
Cash at bank and in hand		275,327		221,180	
		<u>455,664</u>		<u>264,414</u>	
<b>CREDITORS: amounts falling due within one year</b>					
	<i>13</i>	<u>(292,583)</u>		<u>(133,291)</u>	
<b>NET CURRENT ASSETS</b>					
			<u>163,081</u>		<u>131,123</u>
<b>TOTAL ASSETS</b>					
			<u><u>163,081</u></u>		<u><u>134,498</u></u>
<b>RESERVES</b>					
Unrestricted reserves	<i>15</i>	44,649		(17,199)	
Restricted reserves	<i>15</i>	118,432		151,697	
		<u>163,081</u>		<u>134,498</u>	
<b>TOTAL COMPANY FUNDS</b>					
			<u><u>163,081</u></u>		<u><u>134,498</u></u>

Approved by the Board on 7 November 2012.

*Peter Johnston*

*Claire McCormack*

**Directors**

# HABITAT FOR HUMANITY (IRELAND)

## FINANCIAL STATEMENTS

### CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2012

Notes	<u>2012</u> €	<u>2011</u> €
<b>RECONCILIATION OF MOVEMENT IN RESTRICTED AND UNRESTRICTED FUNDS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		
Net outgoing resources - Restricted Funds	<b>(33,265)</b>	(165,187)
Net incoming resources - Unrestricted Funds	<b>61,848</b>	51,212
Depreciation	<b>3,375</b>	3,375
(Increase) in construction in progress	<b>(32,103)</b>	(43,234)
(Increase) in debtors	<b>(105,000)</b>	-
(Increase)/Decrease in creditors	<b>(10,724)</b>	18,190
	<hr/>	<hr/>
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(115,869)</b>	(135,644)
	<hr/> <hr/>	<hr/> <hr/>

### CASH FLOW STATEMENT

Net cash outflow from operating activities	<b>(115,869)</b>	(135,644)
Capital expenditure	<b>-</b>	(6,750)
	<hr/>	<hr/>
<b>(Decrease) in cash in the year</b>	<b>(115,869)</b>	(142,394)
	<hr/> <hr/>	<hr/> <hr/>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 16)

<b>OUTFLOW OF CASH IN THE YEAR</b>	<b>(115,869)</b>	(142,394)
<b>NET FUNDS AT 30 JUNE 2011</b>	<b>123,037</b>	265,431
	<hr/>	<hr/>
<b>NET FUNDS AT 30 JUNE 2012</b>	<b>7,168</b>	123,037
	<hr/> <hr/>	<hr/> <hr/>



# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES

*FOR THE YEAR ENDED 30 JUNE 2012*

### 1. ACCOUNTING POLICIES

#### 1.1. Accounting convention

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in Ireland.

The financial statements have also been prepared to comply with "Accounting and Reporting by Charities - Statement of Recommended Practice" (Charities SORP) and revised statement of recommended practice issued by the Accounting Standards Board in 2005.

#### 1.2. Tangible Fixed Assets and Depreciation

Depreciation is calculated on a straight-line basis at the following rate:

Motor Vehicles	-	50% Straight line per annum
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#### 1.3. Incoming Resources

All categories of income are included in the financial statements in the year in which they are receivable. Income is treated as being general unless otherwise specified by the donor, in which case it will be restricted income. The directors review the restricted funds on an annual basis.

Restricted funds represent grants and donations which can only be used for a particular purpose specified by the donors. Funds raised by the participants on Global Village Projects are restricted by designated country. Each participant raises sufficient money to cover flights, accommodation, building supplies towards each project and a small allowance to cover general administration expenses.

#### 1.4. Construction in progress

Where the company is building "simple decent affordable housing" in Ireland on donated land from the local authorities, the cost of the building is taken to the balance sheet in so far as these costs are known to be recoverable under the Irish building model. The costs include building materials, labour and on site & administration costs less any monies recovered by way of donations or directly from the families. No costs are incurred for the donated land or the labour from the rehoused families.

#### 1.5. Wages and Salaries

Wages and salaries are consistently allocated to Cost of Charitable Activities, Cost of Generating Funds and Governance Costs on the basis of management's estimate of the proportion of time spent by individual staff members on those activities.

#### 1.6. Pensions

The company operates a defined contribution scheme for certain employees. The annual contributions to these schemes are dealt with in the profit and loss account in the year to which they relate.

# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2012

### 1.7. Government and other grants

Capital grants received are credited to the Statement of Financial Activities over the expected useful life of the assets. Revenue grants are credited to the Statement of Financial Activities for expenditure incurred in the period of receipt, unless particular conditions contained in grant agreements otherwise require.

### 2. NATURE OF THE COMPANY

The company is limited by guarantee and does not have a share capital. The liability of members is limited as defined in the company's Memorandum of Association and shall not exceed €1.27 in the event of a winding up or dissolution of the company.

### 3. INCOMING RESOURCES

	<u>2012</u>		<u>2011</u>	
	€	€	€	€
General donations from corporate and public		<b>159,408</b>		134,185
Restricted funds				
- Global Village Projects	<b>531,799</b>		704,989	
- Irish Projects	<b>213,781</b>		99,207	
- OVC Programme - Irish Aid Grant	-		64,636	
		<u><b>745,580</b></u>		<u>868,832</u>
		<u><b>904,988</b></u>		<u>1,003,017</u>

### 4. COST OF CHARITABLE ACTIVITIES

	<u>2012</u>	<u>2011</u>
	€	€
Funds sent overseas	<b>195,871</b>	541,237
Volunteer travel overseas	<b>174,342</b>	244,060
Wages and salaries	<b>219,846</b>	164,492
Office costs	<b>57,613</b>	37,187
Staff travel and training	<b>6,988</b>	11,167
Cost of homes	<b>104,691</b>	-
Depreciation of motor vehicles	<b>3,375</b>	3,375
	<u><b>762,726</b></u>	<u>1,001,518</u>

# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2012

<b>5. COST OF GENERATING FUNDS</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b>€</b>	<b>€</b>
Fundraising, advertising and promotion	<b>27,382</b>	42,394
Wages and salaries	<b>32,301</b>	16,229
Office costs	<b>8,836</b>	11,442
Staff travel and training	<b>2,306</b>	1,980
	<b><u>70,825</u></b>	<u>72,045</u>

<b>6. GOVERNANCE COSTS</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b>€</b>	<b>€</b>
Wages and salaries	<b>31,866</b>	32,404
Office costs	<b>1,763</b>	2,345
Staff travel and training	<b>1,642</b>	1,364
Audit	<b>4,840</b>	4,870
Bank charges	<b>2,743</b>	2,446
	<b><u>42,854</u></b>	<u>43,429</u>

### 7. TAXATION

No tax arises as Habitat for Humanity (Ireland) is a registered charity.

# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2012

### 8. STAFF COSTS

#### Number of employees

The average monthly numbers of employees (including the directors) during the year were:

	<u>2012</u> Number	<u>2011</u> Number
Programme Development	7	6

#### Employment costs

	<u>2012</u> €	<u>2011</u> €
Wages and salaries	254,101	192,103
Social welfare costs	27,953	19,648
Other pension costs	1,959	1,374
	<u>284,013</u>	<u>213,125</u>

### 9. PENSION COSTS

The company operates a defined contribution scheme for the benefit of certain employees. The assets of the scheme are separately held from those of the company in independently administered pension funds. Pension costs amounted to €1,959 (2011 - €1,374). The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2012

### 10. TANGIBLE ASSETS

	<u>Plant and machinery</u> €	<u>Motor vehicles</u> €	<u>Total</u> €
<b>Cost</b>			
At 1 July 2011	4,947	6,750	11,697
	<hr/>	<hr/>	<hr/>
At 30 June 2012	<b>4,947</b>	<b>6,750</b>	<b>11,697</b>
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 July 2011	4,947	3,375	8,322
Charge for the year	-	3,375	3,375
	<hr/>	<hr/>	<hr/>
At 30 June 2012	<b>4,947</b>	<b>6,750</b>	<b>11,697</b>
	<hr/>	<hr/>	<hr/>
<b>Net book values</b>			
At 30 June 2012	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2011	-	3,375	3,375
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 11. CONSTRUCTION IN PROGRESS

	<u>2012</u> €	<u>2011</u> €
Construction in progress	75,337	43,234
	<hr/> <hr/>	<hr/> <hr/>

### 12. DEBTORS

	<u>2012</u> €	<u>2011</u> €
Prepayments and accrued income	105,000	-
	<hr/> <hr/>	<hr/> <hr/>

# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES (continued)

*FOR THE YEAR ENDED 30 JUNE 2012*

<b>13. CREDITORS: amounts falling due within one year</b>	<b><u>2012</u></b> €	<b><u>2011</u></b> €
Bank overdraft	<b>268,159</b>	98,143
Trade creditors	<b>7,300</b>	26,282
PAYE	<b>5,645</b>	2,715
Other taxes and social security costs	<b>3,230</b>	-
Other creditors	<b>725</b>	458
Accruals	<b>7,524</b>	5,693
	<hr/> <b>292,583</b> <hr/>	<hr/> 133,291 <hr/>

# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2012

### 14. RECONCILIATION OF MOVEMENTS IN FUNDS

	Balance at	Income	Expenditure				Transfers	Balance at
	30 June 2011	Fundraising	Cost of Programmes	Salary and other operating costs	Team Travel	Sent to Overseas Projects		30 June 2012
	€	€	€	€	€	€	€	€
<b>Restricted funds</b>								
<b>Global Village</b>								
Bangladesh	16,481	-	-	-	-	-	-	<b>16,481</b>
Botswana	5,453	-	-	-	-	-	-	<b>5,453</b>
Chile	180	-	-	-	-	-	-	<b>180</b>
Costa Rica	1,067	-	-	-	-	-	-	<b>1,067</b>
El Salvador	8,693	16,574	(2,547)	(4,953)	(6,720)	(4,607)	(250)	<b>6,190</b>
Ethiopia	12,828	22,089	(3,265)	(6,601)	(7,697)	(4,366)	(300)	<b>12,688</b>
Ghana (Note 1)	(6,332)	-	-	-	-	-	-	<b>(6,332)</b>
Haiti	-	100	-	-	-	-	(100)	-
Honduras	1,160	-	-	-	-	-	-	<b>1,160</b>
Hungary	1,190	-	-	-	-	-	-	<b>1,190</b>
India	(3,770)	82,065	(14,860)	(9,346)	(31,330)	(21,318)	(1,250)	<b>192</b>
Japan	461	-	-	-	-	-	(461)	-
Madagascar	792	-	-	-	-	-	-	<b>792</b>
Malawi (Note 1)	(4,309)	-	-	-	-	-	-	<b>(4,309)</b>
Mozambique	(2,006)	10,304	-	(3,079)	-	-	-	<b>5,219</b>
Nepal	-	54,182	(9,697)	(7,788)	(22,008)	(11,973)	(1,050)	<b>1,666</b>
Paraguay (Note 1)	(1,102)	-	-	-	-	-	-	<b>(1,102)</b>
Romania	121	72,074	(14,504)	(35,825)	(2,585)	(4,893)	(1,000)	<b>13,388</b>
South Africa (Note 1)	(3,966)	-	-	-	-	-	-	<b>(3,966)</b>
Thailand	969	-	-	-	-	-	-	<b>969</b>
Zambia	132,475	260,829	(50,320)	(88,168)	(95,582)	(65,605)	2,920	<b>96,548</b>
Bursary Fund/awaiting country allocation	15,240	2,965	(4,056)	-	-	-	1,491	<b>15,640</b>
	<u>175,625</u>	<u>521,182</u>	<u>(99,249)</u>	<u>(155,760)</u>	<u>(165,922)</u>	<u>(112,762)</u>	<u>-</u>	<b><u>163,114</u></b>

# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2012

### 14. RECONCILIATION OF MOVEMENTS IN FUNDS (CONTINUED)

	Balance at 30 June 2011	Income Fundraising	Expenditure				Transfers	Balance at 30 June 2012
			Training and Programme Development	Salary and other operating costs	Team Travel	Sent to Overseas Projects		
<u>Restricted funds (continued)</u>	€	€	€	€	€	€	€	€
Irish Building Projects	9,849	213,781	(229,322)	-	-	-	-	(5,692)
OVC Programme	(33,777)	10,617	-	-	-	(15,830)	-	(38,990)
<b>Total restricted funds</b>	<u>151,697</u>	<u>745,580</u>	<u>(328,571)</u>	<u>(155,760)</u>	<u>(165,922)</u>	<u>(128,592)</u>	<u>-</u>	<u>118,432</u>
<u>Unrestricted funds</u>								
General	(17,199)	159,408	(97,560)	-	-	-	-	44,649
<b>Total unrestricted funds</b>	<u>(17,199)</u>	<u>159,408</u>	<u>(97,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,649</u>
<b>Total funds</b>	<u>134,498</u>	<u>904,988</u>	<u>(426,131)</u>	<u>(155,760)</u>	<u>(165,922)</u>	<u>(128,592)</u>	<u>-</u>	<u>163,081</u>

Note 1 - Negative balances on Global Village teams arise as a result of historical salary and other operating cost appointments to individual teams. These negative balances will be dealt with in FY13 by way of a transfer from the General Fund.



# HABITAT FOR HUMANITY (IRELAND)

## NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2012

### 15. RESERVES

	<u>Note</u>	<b>Opening Balance</b> €	<b>Charge in Year</b> €	<b>Closing balance</b> €
<b><u>Restricted Reserves</u></b>				
Global Village		175,625	(12,511)	<b>163,114</b>
OVC Programme		(33,777)	(5,213)	<b>(38,990)</b>
		<hr/>	<hr/>	<hr/>
		141,848	(17,724)	<b>124,124</b>
Local Programme		9,849	(15,541)	<b>(5,692)</b>
		<hr/>	<hr/>	<hr/>
<b>Total Restricted Reserves</b>	<b>14</b>	151,697	(33,265)	<b>118,432</b>
<b><u>Unrestricted Reserves</u></b>				
General Funds	<b>14</b>	(17,199)	61,848	<b>44,649</b>
		<hr/>	<hr/>	<hr/>
<b>Total restricted and unrestricted reserves</b>	<b>14</b>	<u>134,498</u>	<u>28,583</u>	<u><b>163,081</b></u>

### 16. ANALYSIS OF CHANGES IN NET FUNDS

	<b><u>Opening balance</u></b> €	<b><u>Cash flows</u></b> €	<b><u>Closing balance</u></b> €
Cash at bank and in hand	221,180	54,147	<b>275,327</b>
Overdrafts	(98,143)	(170,016)	<b>(268,159)</b>
	<hr/>	<hr/>	<hr/>
Net funds	123,037	(115,869)	<b>7,168</b>
	<hr/>	<hr/>	<hr/>

# **HABITAT FOR HUMANITY (IRELAND)**

## **NOTES AND ACCOUNTING POLICIES (continued)**

*FOR THE YEAR ENDED 30 JUNE 2012*

### **17. RELATED PARTY DISCLOSURES**

#### **17.1. Ultimate control**

Habitat for Humanity is a charity which is under the control of its directors and Habitat for Humanity International.

#### **17.2. Related party transactions**

The following related party transactions occurred during the year:

A Gift in Kind of €21,667 was received from Patrick Linders a former Director of the company who resigned on 31 December 2011.

A Gift in Kind of €12,300 was received from Claire McCormack, a Director of the company.

### **18. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board on 7 November 2012.

# HABITAT FOR HUMANITY (IRELAND)

## DETAILED INCOME & EXPENDITURE ACCOUNT

YEAR ENDED 30 JUNE 2012

	GLOBAL VILLAGE	INITIATIVES WORLDWIDE	INVESTMENTS IN IRELAND	OTHER UNRESTRICTED	2012	2011
	€	€	€	€	€	€
<b>INCOME</b>						
From individuals	521,182	-	2,879	13,784	537,845	676,973
From companies	-	-	14,884	1,750	16,634	97,709
From government agencies	-	-	-	-	-	67,836
From foundations	-	-	73,301	-	73,301	-
Re Development Education	-	-	-	-	-	1,500
Gifts in kind	-	10,617	17,717	5,633	33,967	28,400
Through HFH International	-	-	-	138,241	138,241	130,044
Exchange rate gain/loss	-	-	-	-	-	555
Sale of Houses- Mortgages	-	-	105,000	-	105,000	-
	<u>521,182</u>	<u>10,617</u>	<u>213,781</u>	<u>159,408</u>	<u>904,988</u>	<u>1,003,017</u>
<b>EXPENDITURE</b>						
Wages & salaries						
- Costs from Charitable Activities	122,207	11,277	86,362	-	219,846	164,492
- Cost of Generating Funds	-	-	-	32,301	32,301	16,229
- Governance Costs	-	-	-	31,866	31,866	32,404
Cost of homes	-	-	104,691	-	104,691	-
Funds sent overseas - expenses	106,918	-	-	-	106,918	539,037
Funds sent overseas - donations	88,953	-	-	-	88,953	-
Volunteer travel	174,342	-	-	-	174,342	244,060
Promotions	7,720	1,966	6,433	11,263	27,382	42,394
Office costs						
- Costs from Charitable Activities	28,944	2,247	26,422	-	57,613	37,187
- Cost of Generating Funds	-	-	-	8,836	8,836	11,442
- Governance Costs	-	-	-	1,763	1,763	2,345
Staff travel & training						
- Costs from Charitable Activities	4,609	340	2,039	-	6,988	11,167
- Cost of Generating Funds	-	-	-	2,306	2,306	1,980
- Governance Costs	-	-	-	1,642	1,642	1,364
Re Development Education	-	-	-	-	-	2,200
Audit	-	-	-	4,840	4,840	4,870
Bank charges	-	-	-	2,743	2,743	2,446
Depreciation	-	-	3,375	-	3,375	3,375
	<u>533,693</u>	<u>15,830</u>	<u>229,322</u>	<u>97,560</u>	<u>876,405</u>	<u>1,116,992</u>
Net Surplus/(Deficit)	(12,511)	(5,213)	(15,541)	61,848	28,583	(113,975)
<b>Closing Surplus/(Deficit)</b>	<u>(12,511)</u>	<u>(5,213)</u>	<u>(15,541)</u>	<u>61,848</u>	<u>28,583</u>	<u>(113,975)</u>