

every one

deserves a decent
place to live.



HABITAT FOR HUMANITY NEW ZEALAND

ANNUAL REPORT

1 JULY 2023 - 30 JUNE 2024

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Message from the Board Chair and Group CEO

This year, Habitat for Humanity has grown our partnerships and influence in New Zealand and the Pacific, helping us on our journey to create a world where everyone has a decent place to live. Included in this are our generous donors, partners, and supporters who make our work possible – we are so grateful for your support.

Strategy

With the implementation of our 'Build + Influence' strategy, we have continued to advocate for a systemic approach to housing change in New Zealand and the Pacific. Our partnerships make this possible; it is no longer sufficient that we build alone, we must influence the systems that affect housing if we are to have meaningful impact.

State of housing in New Zealand

For the past four years, the Progressive Home Ownership (PHO) programme in New Zealand has enabled Community Housing Providers (CHPs) like Habitat to deliver affordable home ownership pathways. In the past financial year, our affiliates across the country have welcomed 12 families into homes they will one day own. Since 2021 Habitat has contracted a total of NZD \$44 million, from the Government's interest-free PHO loan facility. This has financed 50% of the capital cost of building 141 homes. Without access to low-cost capital, as the PHO loan facility enables, Habitat will not be able to continue our rent-to-own programme. However, we continue to advocate for its continuation or similar funding to allow CHPs to continue this pathway to home ownership for many more Kiwi families.

We also provide housing through community rental programmes. Our strength is being a ready and able partner with government, funders, the private sector and others to help address housing need for the cohort we work with. By addressing integral levers, such as infrastructure and financing systems along with policy settings, our aim is to deliver more housing outcomes that deliver fair and decent housing.

Increasing work in the Pacific

Habitat's work in the Pacific has expanded with new partnerships in Tonga with **Live and Learn Tonga** and **Talitha Project**. With these new relationships, our ongoing Negotiated Partnership programme in Tonga, has the additional focus of diversity, equity inclusion and youth empowerment. Read more about this on page 24.

Habitat was also successful in securing NZD \$1.94m of the Ministry of Foreign Affairs and Trade's (MFAT) climate finance funding for an initial two-year programme in Fiji and Samoa. Our in-country partners are facilitating workshops to support communities to adapt their homes and infrastructure for growing climate risks. Read more about this on page 23.

Our gratitude is extended to the Habitat New Zealand Board and all of our Affiliate Board directors for their consistent support throughout the year. We are also grateful to all employees and volunteers across the country for their unwavering commitment and contributions to our achievements this year.

With collaboration, innovation, and our Build + Influence strategy, we can move closer to our vision of a world where everyone has a decent place to live.

Ngā manaakitanga,



Alan Thorp
Group Chief Executive
Habitat for Humanity New Zealand



Glen Cornelius
Chair of the Board
Habitat for Humanity New Zealand



Our Mission, Vision and Values

MISSION



**Seeking to
put God's love
into action**



**Bringing
people
together**



**To build homes,
communities
and hope**

VISION

Our vision is a world where everyone has a decent place to live.

We believe in giving Whānau a hand-up, not a handout. Our work with families is a partnership to address their need for decent and affordable housing to make a positive and lasting change.

VALUES

Demonstrate the love of Jesus Christ
Kua pūmau ki te aroha o te Karaiti

Focus on Shelter
Ka hanga he whakaruruhau

Advocacy for affordable housing
Ka mahitahi kia whai kāinga

Promote dignity and hope
Mana ake

Support sustainable and transformational development
Kia tautoko i te whanaketanga

Habitat for Humanity New Zealand is part of Habitat for Humanity, an international not-for-profit which began in the United States in 1976. Guided by our Mission, Values and Theory of Change principles, Habitat globally has helped more than 62 million people build or improve the place they call home.



We provide
homes.



We make
homes
habitable.

We **promote**
fair and decent
housing.





Our impact in New Zealand

An exciting future with PHO

Rangiiria and her husband Nathaniel both grew up living in Housing New Zealand homes, often moving from place to place. For Rangiiria, homeownership means stability and having something that is theirs, something that can one day be passed on to their children.

“We were excited for the future.”

Habitat's Progressive Home Ownership (PHO) programme is a rent-to-buy model which offers a hand-up to families who have a clear housing need as they work to become mortgage-ready over a period of around 10 years. This programme is made possible by the government's \$400 million interest-free loan facility managed by Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development.

In the past financial year, 12 families have entered Habitat's PHO programme in new housing while 106

existing PHO families continue to work toward homeownership while living in stable, healthy homes.

In the past financial year, Rangiiria and Nathaniel passed the one-year milestone of living in their new PHO home in Wallaceville Estate, Upper Hutt, and shared some of their highlights with Habitat.

“There's a real sense of community, especially within our little block,” Rangiiria says.

“When we were able to actually, finally, open the door and come in, it was just exciting. We were excited for the future.”

Having security of tenure, a healthy home, and stable housing costs allows focus to be shifted to thriving in the other crucial aspects of life and creates positive inter-generational change through a hand-up.

12

New homes added to our PHO programme



Rachel's whānau home

For Rachel, her home on whenua Māori (Māori land) has been the hub of her whānau since 1992. When parts of the home began to deteriorate and Rachel's family found it difficult to secure private funding for repairs, she partnered with Habitat's Home Repair Programme.

“This is a whānau home, and we need it to be here for the next generation.”

During the past financial year, Habitat has assisted 164 families through the Home Repair Programme. Many repairs in this programme are made possible by the support of BNZ, which has provided Habitat with a \$1 million interest-free line of credit.

Homeowners repay the cost of the completed repairs interest-free over a five-year period. This

offers an affordable solution for low- to moderate-income homeowners who may otherwise go without essential maintenance and repair work needed to make their homes safer, drier, and healthier.

A lot of repairs were needed on Rachel's home to make it adequate for three generations of her family that lived on the whenua; wood had to be removed due to rot, new cladding and gip had to be installed, gaps around windows and doors needed to be repaired, and a shower that had not worked for thirty years was replaced.

“Since the repairs have been completed, we've noticed big changes. My mokopuna's aren't sick anymore, they're back at kindy and school and the stress has lifted from all of us. It brings us joy to see our mokopuna thriving again,” shares Rachel. [Read more.](#)

164
Homes repaired

Cyclone Gabrielle: One year on

February 2024 marked one year since thousands of families and homes were severely impacted by Cyclone Gabrielle in Northland, Auckland, the Coromandel, Gisborne and Hawke's Bay. With properties badly damaged from the wild winds and floods, Habitat knew at the time that families would need long-term support from community organisations in affected areas.

Habitat partnered with **Manawa Ora Trust** in Hawke's Bay to repair damaged homes in the most flood-affected areas of the region. Habitat's disaster appeal for Cyclone Gabrielle in February 2023 raised \$233,358 and this has been allocated to the Manawa Ora Trust and our regional Affiliate offices for on-going repairs.

With these funds, Habitat has contributed to the Manawa Ora Trust's Adopt & Care Project. Nine families have been assisted in Hawke's

Bay through this project, including four homes completed with new insulation, wall linings, kitchens, and bathrooms.

Kim is one of those affected by the events of February 2023. When Kim noticed water creeping across his land his first thought was to get his farm animals to higher ground. Within half an hour his entire property was under water, including his home and business.

Kim's home now has new insulation, gip, doors, kitchen and bathroom with all plastering and painting also complete.

Habitat thanks all supporters of the Cyclone Gabrielle appeal that has allowed this on-going impact to be delivered.

Finding stability with community rentals

Habitat is a proud Community Housing Provider (CHP) who works with the Ministry of Housing and Urban Development to provide affordable rental options to people both on the housing waitlist and other modest income earners in housing need struggling to find suitable rental homes.

In the past financial year, 156 families were living in community rental homes across the Northland, Auckland, and Central North Island regions.

“Once I had moved into my unit I felt safe.”

While living in a Habitat rental property, families can enjoy security of tenure and stability that allows them to keep their children in the same school long-

term, secure consistent employment and ultimately focus on planning for their future.

April 2024 marked one year since 10 families moved into Te Arapū, Habitat Northern's community rental development in Kerikeri. For many families, these homes are the foundations for new goals.

“I am able to set goals and pursue them step by step. I've been able to save money to reach towards my goals. I am happy and safe in my home with my children and I am grateful,” says one community rental family.

“Once I had moved into my unit I felt safe. My next goal after securing my unit was to get back into work, I have been able to do this as well,” shares another family.

156
Families in
community
rentals



Boyce is ready to rent

Moving into his Habitat community rental home in December 2023 was the best Christmas gift for sole parent, Boyce (Ngāti Maniapoto, Waikato-Tainui). Boyce was motivated to move away from unstable living arrangements like emergency housing and boarding houses but was struggling to find a rental home within his budget despite applying for 20 houses a week at times.

The two-bedroom community rental is now home to him, his five-year-old son and his three-year-old son who comes and stays. After moving in, Boyce up-skilled himself through Habitat's Ready to Rent course, which equips people with the knowledge and skills to secure a rental property and be a great tenant.

Delivered in partnership with the Ministry of Social Development, the two-day course covers topics including the rights and responsibilities of tenants, managing money, basic home maintenance,

communicating with landlords, and avenues for support.

A highlight for Boyce was hearing from property manager Kerry, who cleared up some misconceptions people may have about property managers and gave an insight into how they accept new tenants.

In the past financial year, there have been 727 participants in Habitat's housing-based education workshops like Ready to Rent and financial literacy sessions.

By equipping people with the right tools for success, it ensures a hand-up that lasts long term. Inspired by the stability his new home offers, Boyce says he already has his eye on the next step: buying a home of his own one day.

727
Housing Based
Training
Participants



“They say that with Alzheimer’s, what will get me is pneumonia. Now, with all that you have done to warm our home, I have a better chance to live longer, to be around my moko and my family.”

ANNETTE, HOME REPAIR HOMEOWNER, AOTEA GREAT BARRIER.

[Read Annette and Kiri’s story.](#)



Getting the warm fuzzies with AMI insurance

The past financial year has seen Habitat's nationwide partnership with AMI celebrate its three-year milestone. AMI team members across the country continued to volunteer their time in various ways; AMI team members can take one paid volunteer day per year to volunteer at an initiative of their choice in the community and we're so grateful to those that choose Habitat.

During the past financial year, 118 AMI team members volunteered with Habitat with a total of 564.5 volunteer hours dedicated to supporting Habitat's housing initiatives in New Zealand.

This year, AMI supported Habitat by helping to create and implement our first-ever nationwide fundraising campaign. With the ultimate purpose to help more families access warm, dry, and healthy homes, the **Warm Fuzzies campaign** encouraged supporters to get the warm fuzzies by knowing

that their donation would help Kiwis year-round through Habitat's programmes. We're excited to report on the performance of this campaign in the next financial year's statements, as the official campaign launched on 1st July 2024.

We're looking forward to making homes warmer, drier, and safer in partnership with AMI as the partnership continues.





Lending a hand wherever its needed

Habitat volunteers are the heart and faces of our organisation. Thanks to their generous contribution of time and energy, our 23 ReStores (non-profit op shops) continue to run smoothly across New Zealand. Because of the income these ReStores provide, we can continue to provide housing and educational opportunities for Kiwi families.

In the past financial year, volunteers in New Zealand have donated 77,676 hours to creating a world where everyone has a decent place to live.

From early 2024, Kiwi volunteers have also been lending a hand abroad with the reinvigoration of the Global Village Programme post-COVID. Global Village

is a transformative weeklong international volunteer experience. Volunteer groups support Habitat's long-term work around the world building or improving homes by partnering with local communities as part of Habitat's vision.

In the reporting period, two teams totaling 22 Habitat volunteers from New Zealand have travelled to Nepal to build family homes alongside local communities, volunteers, and the Habitat Nepal team.

77,676

Volunteer hours



The two Global Village teams who traveled to Nepal were made up of a group of Kiwi tradespeople from the Home Foundation who volunteered in April 2024 and one public team of 11 who volunteered in May 2024. Both teams were working with locally available bamboo technology as a building material to help Habitat Nepal, the local community and the rural municipality build raised houses with concrete floors. This helps protect from the monsoon waters, treated bamboo resistant to insects, iron roofing, and weather resistant plaster that lasts.

Like all Habitat programmes, Global Village aims to provide a hand-up to create sustainable, long-term change and this was witnessed first-hand by the Home Foundation group.

Five years ago, another team from Home volunteered in Nepal and began the construction of

homes, including some of the same members of the 2024 build. During the 2024 build, Home returned to the same community to find 30 completed homes, developed agriculture and a thriving community. As they arrived, a financial literacy workshop was taking place.

“This is another great example of an approach which prioritises housing first and should be a tremendous encouragement to everyone on that trip in 2019,” says David Monk, General Manager of Home Foundation and Global Village volunteer.

To Habitat, volunteers are much more than the time they spend on construction or retail duties; they are an important force for societal change and key to Habitat’s vision of a world where everyone has a decent place to live.



Our impact overseas

Building resilience in the Pacific

Habitat's Negotiated Partnership (NP) programme in the Pacific supported by the Ministry of Foreign Affairs and Trade has now completed its third year at the end of the financial year 2023/24. The NP programme facilitates community-led shelter trainings through partner organisations in Fiji, Samoa, and Tonga. The workshops create a partnership with local participants and teach how to cyclone strap shelters for durability, strengthen their own homes, assess potential risks in their community, and learn skills in project management and finance for both individual and community projects.

Through these activities, communities can reduce risk to their shelter and surroundings in the face of destructive weather events, including the effects of climate change, and recover from damage in more effective and self-sufficient ways long-term.

In the past financial year, seven communities have completed Build Back Safer (BBS) training and seven have completed Participatory Approach to Safe Shelter Awareness (PASSA) and Water, Sanitation, and Hygiene (WASH) training with 289 participants across the Pacific.

To address self-identified risks in the PASSA and WASH trainings, communities are given a grant to support a community action plan project. In the past financial year, 12 community action plan projects were completed through Habitat's programming in Fiji and Samoa.

The community of Solotavui village, Fiji, knew that their children were often forced to wait for their boat to and from school in the heat, wind and rain without a shelter. Without a formed footpath, surface water flooding from heavy rain or high tides would add another challenge for commuting students.

During shelter training with Habitat, the community was able to create a plan and take action. They designed and built a sheltered waiting area, a raised pathway, and a safe boat landing using the PASSA project grant from Habitat to access materials. Today, the students of Solotavui village enjoy a safer and more comfortable commute to school, contributing to their positive health, safety, wellbeing, and school attendance.

7

PASSA communities trained

Vocational training is also a vital part of locally led capacity building and one of the ways that Habitat promotes access to fair and decent housing in the Pacific. In the past financial year, 40 vocational trainees across the Pacific Islands have developed their skills through Habitat to repair or build structures in their communities.

“The skills they’ve gained will play a crucial role in the village’s development.”

By partnering with Habitat Fiji, a vocational carpentry training programme was successfully conducted in Northern Vanualevu, Fiji, benefitting 20 participants from four different communities: Cawaro, Qaraniwai Village, Nabubu Village, and Naua Village.

“Cawaro Village feels immensely fortunate to have hosted the vocational training, with the majority of students attending from our community. The skills they’ve gained will play a crucial role in the village’s development, as well as benefiting the broader Tikina,” says Mr Iowane, the Turaga Ni Koro (Village Head) of Cawaro Village.

By building skills and capacity, Pacific communities can improve their infrastructure and housing in the short and long term, creating a decent place to call home for more families.

40
**Vocational
trainees**



The Pacific Housing Forum 2023

Bringing people together to discuss and promote fair and decent housing in the Pacific has been an important outcome of the reporting period, with Habitat hosting the one-day **Pacific Housing Forum 2023** in Suva, Fiji.

Jointly hosted by Habitat Fiji and Habitat New Zealand and funded by the New Zealand Ministry of Foreign Affairs and Trade (MFAT), the forum focused on both practical and long-term initiatives which will improve housing across the Pacific.

The forum saw more than 100 attendees from Fiji, Samoa, Tonga, New Zealand and the wider Habitat network in Asia-Pacific. Habitat New Zealand's International Programmes team and Alan Thorp also traveled to Fiji to attend the forum.

Under the theme “Progressing Access to Safe and Resilient Affordable Housing”, attendees engaged with speakers and group exercises covering a range of topics including informal settlements, climate change, urbanisation, governing laws and regulations, and more. The forum also

served as a lead-in event to Habitat's Asia-Pacific Housing Forum in Seoul, South Korea, in October 2023.

Click [here](#) to hear from Susan Naidu, National Director of Habitat Fiji, about the forum.

By joining forces and sharing expertise, the aim of these events is to collectively drive positive change and create access to resilient housing solutions that will have a lasting impact on the lives of Pacific communities.



IMAGE 1: Michael Hill, Habitat Fiji Programme Manager, introduces Mr. Maciu Katamoto, Minister for Housing and Community Development, to give the keynote address at the Pacific Housing Forum. September 2023.

IMAGE 2: Alan Thorp greets attendees and Habitat Fiji staff. September 2023.

Disaster Response

In November 2023, the Karnali Province of Nepal was struck by a 6.4 magnitude Earthquake now considered the most devastating earthquake to impact the country since the 7.3 Magnitude earthquake in 2015.

According to the National Emergency Operation Centre (NEOC), approximately 62,039 homes were affected across 13 districts.

Habitat has been active in the region for 40 years and Habitat Nepal was well-positioned to respond to meet basic and shelter needs of internally displaced

families, with Habitat New Zealand donating NZD \$28,800 to support affected areas.

Support from New Zealand contributed to immediate life-saving efforts through distribution of Emergency Shelter Kits (ESKs) with portable disable-friendly communal toilets, Winterization kits (blankets, mattresses, and shawls to keep warm), and removal of rubble with the help of volunteers.

As a direct result of Habitat New Zealand's donation, 90 families were supported with shelter and winterization kits.

In addition to the disaster response in Nepal, Habitat New Zealand has also entered a programme of response for the Rohingya refugees in Bangladesh living in informal settlements. NZD\$312,5000 has been pledged to support repairs of damaged shelters, sanitation facilities and distribution of over 200 Water, Sanitation, and Hygiene (WASH) kits.

The Memorandum of Understanding (MOU) was signed in the Financial Year 2023/24 and implementation will begin in the coming year. We look forward to updating on our response in the next reporting period.



IMAGE 1: Emergency shelter supplies distributed to affected communities by Habitat Nepal. December 2023.

IMAGE 2: Damage to homes in Nepal following the earthquake. November 2023.

A dramatic seascape with a wooden breakwater in the foreground and a stormy sky. The breakwater is made of vertical wooden posts and a slanted wooden wall, partially submerged in the churning sea. Waves are breaking against the breakwater, creating white foam. The sky is dark and cloudy, with a hint of light on the horizon. The overall mood is one of resilience and the power of nature.

Changing tack for a changing environment

Habitat is excited to launch a climate readiness programme after have securing funding from the **Ministry of Foreign Affairs and Trade's newly announced climate finance funding** in the past financial year.

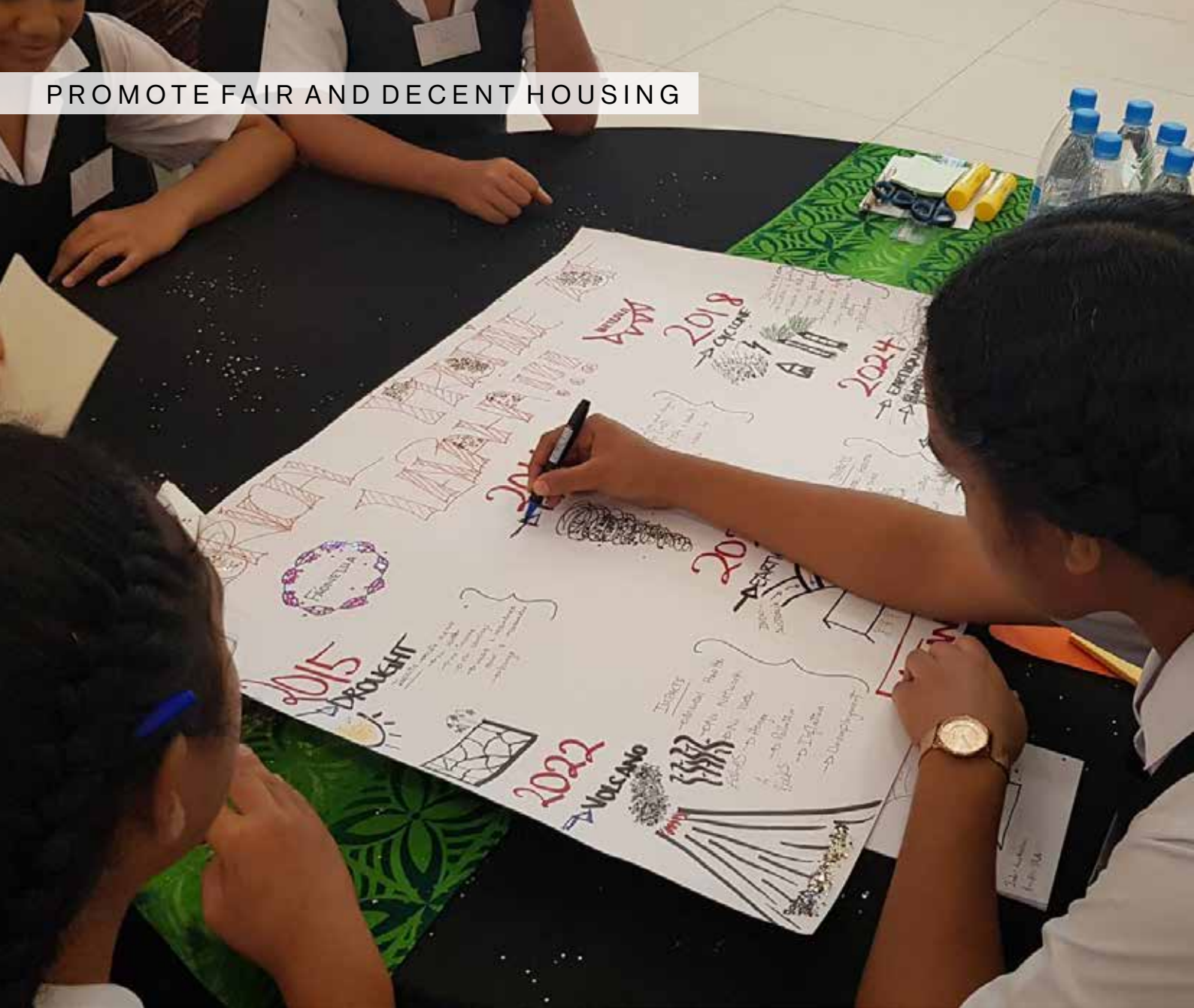
The programme is designed to work alongside in-country partners, Habitat Fiji and ADRA Samoa as well as Pacific communities. With locally led workshops, community members learn to adapt their homes and community infrastructure in the face of growing climate risks.

The workshops will follow a participatory approach enabling communities to prepare for climate risks. In parallel, the programme will deliver Build Back Safer (BBS) training to equip the community members with the carpentry and plumbing skills to make housing

improvements themselves. The programme seeks to tackle threats each community faces, such as sea level rise, worsening cyclones and their subsequent affects, flooding, and other extreme weather events.

To prepare for these climate risks, Habitat's programme upsills community participants in identifying hazards in their environment, basic maintenance skills and supports improvements in water, sanitation, and hygiene facilities. [Read more.](#)

The Ministry of Foreign Affairs and Trade has committed NZD\$1.3 billion in climate finance for 2022–2025, of which Habitat New Zealand has been awarded NZD\$1.94 million for an initial two-year programme.



New partnerships in Tonga

Habitat for Humanity New Zealand has formed new pilot partnerships with two local organisations in the Kingdom of Tonga to continue shelter trainings that will build resilience for diverse communities and empower young women to become leaders in their communities.

The partnerships with **Live and Learn Tonga** and the **Talitha Project** is an expansion of the shelter programming Habitat has been delivering in Tonga for the past eight years.

Habitat will support the existing programmes of both organisations to increase capacity with a

focus on youth, as well as implementing Habitat's existing shelter programmes under the Negotiated Partnership (NP) programme. In June 2024, 15 youth mentors completed a PASSA training course and the group will now be responsible for a Youth Hub that is being established on Tongatapu, supporting young people to take on leadership roles and be actively involved in improving housing and shelter in their communities. [Read more here.](#)

\$1.82m
Total allocated overseas

Thank you to our national supporters

It is only through the generosity of our supporters that the work detailed in this report was possible. Thank you to all our supporters, donors and corporate partners for your dedication to our mission and vision of a world where everyone has a decent place to live.





HABITAT FOR HUMANITY NEW ZEALAND LIMITED (AND AFFILIATES)

GROUP CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

IMAGE: Global Village team members volunteering on-site in Nepal. May 2024.

Company directory

Charities Registration Number	CC28026
Company Registration	575747
Formation Date	23 December 1992
Registered Office	Stanway House, 644 Great South Road, Penrose
Share Capital	1,500 ordinary shares
Paid Up Capital	\$ nil
Auditors	Grant Thornton New Zealand Audit Limited

Shareholders of Habitat for Humanity New Zealand Limited

Habitat for Humanity New Zealand Trust (Trustees Glen Cornelius, Malcolm Pearce and Luis Noda)	750
Habitat For Humanity Northern Region Limited	125
Habitat For Humanity Central Region Limited	125
Habitat For Humanity (Nelson) Limited	125
Habitat For Humanity (Christchurch) Limited	125
Habitat For Humanity (Dunedin) Limited	125
Habitat For Humanity (Invercargill) Limited	125

1500

Director's report

The Directors are pleased to submit to shareholders their Report and Financial Statements for the Group for the year ended 30 June 2024.

Principal Activities

Habitat for Humanity New Zealand Limited and Affiliates (the Group) are providers of low-cost housing for partner families selected based on need. The parent company and all subsidiary companies are incorporated and domiciled in New Zealand.

Dividends

The Directors recommend that no dividend be declared.

Auditors

The current auditors are Grant Thornton New Zealand Audit Limited, and the directors will go through a tender process to appoint the auditors every three years.

Remuneration of Directors

No remuneration or other benefits were paid or due and payable to directors for services as a director or in any other capacity during the year other than those disclosed.

Directors of Habitat for Humanity New Zealand Limited

Glen Cornelius (Chair)

Michael McLean

Rachel Afeaki

Brenda Heather-Latu

Michelle Frances Mielnik

Khoa Truong Nguyen

Claire Bosworth Fisher

Teressa Jane Eggleton (Appointed 25/06/2024)

Chris Ennor (Resigned 05/03/2024)

Iliafi Tofinuu Tusa (Resigned 25/06/2024)

Tracey Stevenson (Resigned 5/03/2024)

These financial statements were authorised for issue on the 16 November 2024.



Glen Cornelius

On behalf of the Board
Director



Rachel Afeaki

On behalf of the Board
Director

Consolidated statement of service performance

FOR THE YEAR ENDED 30 JUNE 2024

WHO WE ARE

Habitat for Humanity New Zealand is a not-for-profit that is working towards a world where everyone has a decent place to live.

We have programmes to achieve this vision through our six Affiliates in New Zealand and our partners in the Pacific.

MISSION



Seeking to put God's love into action



Bringing people together



To build homes, communities and hope

VISION

Our vision is a world where everyone has a decent place to live.

We believe in giving Whānau a hand-up, not a handout. Our work with families is a partnership to address their need for decent and affordable housing to make a positive and lasting change.

VALUES

Demonstrate the love of Jesus Christ
Kua pūmau ki te aroha o te Karaiti

Focus on Shelter
Ka hanga he whakaruruhau

Advocacy for affordable housing
Ka mahitahi kia whai kāinga

Promote dignity and hope
Mana ake

Support sustainable and transformational development
Kia tautoko i te whanaketanga

Our national impact

WE PROVIDE HOMES

13 106 12 156

**PHO* FAMILIES
SETTLED ON THE
PURCHASE OF
THEIR HOME**

21 IN 2022/23

**FAMILIES IN
OUR PHO*
PROGRAMME**

108 IN 2022/23

**NEW HOMES
ADDED TO OUR
PHO* PROGRAMME**

21 IN 2022/23

**FAMILIES IN
COMMUNITY
RENTALS**

157 IN 2022/23

WE MAKE HOMES HABITABLE

164 758 1,694

**HOMES
REPAIRED**

91 IN 2022/23

**FAMILIES SUPPORTED
THROUGH HEALTHY
HOMES PROGRAMME.**

1,239 IN 2022/23

TOTAL IMPACT

**TOTAL FAMILIES
SUPPORTED
ACROSS NEW
ZEALAND**

1,607 IN 2022/23

FAIR & DECENT HOUSING

727

**HOUSING-BASED
TRAINING PARTICIPANTS**

630 IN 2022/23

VOLUNTEERING

77,676

VOLUNTEER HOURS

94,329 IN 2022/23

Our impact overseas

SHELTER

10

**NEW HOMES
BUILT***

17 IN 2022/23

30

**HOMES AND
HABITABILITY
IMPROVED****

163 IN 2022/23

1

**COMMUNITY EVACUATION
CENTRE PROJECTS
SUPPORTED WITH 132
COMMUNITY MEMBERS
BENEFITING**

2 IN 2022/23

12

**COMMUNITY ACTION
PLAN PROJECTS
COMPLETED**

24 IN 2022/23

FAIR & DECENT HOUSING

7

**COMMUNITIES TRAINED
IN SAFE SHELTER
AWARENESS AND WASH***
FOR 146 PARTICIPANTS**

15 COMMUNITIES AND
303 PARTICIPANTS IN 2022/23

7

**COMMUNITIES TRAINED IN
BUILD BACK SAFER (BBS)
TECHNIQUES TO IMPROVE
SHELTER RESILIENCE FOR
143 PARTICIPANTS**

16 COMMUNITIES AND
234 PARTICIPANTS IN 2022/23

40

**VOCATIONAL
TRAINEES**

20 IN 2022/23

FUNDING

\$1.82m

**ALLOCATED TO
OVERSEAS PROJECTS**

\$2.4M IN 2022/23

*10 Negotiated Partnership homes

**Drop in repairs due to no disaster response repairs carried out in FY23/24

***WASH: Water, Sanitation, and Hygiene

Statement of comprehensive revenue and expense

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		NZ\$	NZ\$
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Donations & Grants	1	1,782,882	1,423,292
Grants – Other	2	3,158,369	3,061,284
Gifts in kind	4	163,499	441,585
Total revenue from non-exchange transactions		5,104,750	4,926,161
REVENUE FROM EXCHANGE TRANSACTIONS			
MFAT overseas relief		2,165,665	2,765,545
Global Village	22	67,112	-
Rent from partner families		4,368,171	3,065,804
ReStore sales	3	14,377,862	13,122,198
Gain on sale of assets		1,873,591	680,585
Other income	6	7,285,892	4,949,171
Total revenue from exchange transactions		30,138,293	24,583,303
EXPENSES			
Audit fee		116,293	131,270
Global Village	22	54,039	-
ReStore expenses	3	10,236,309	9,362,149
ReStore depreciation	3/9	6,716	14,973
Depreciation	9	1,214,131	973,302
Specific initiative expenses	7	5,977,938	5,260,673
Office expenses		588,786	673,240
Professional services and insurance		836,660	571,840
Salaries and wages		6,892,302	6,168,415
Property related expenses	8	1,822,346	1,903,743
Property subsidy provision	17	394,007	418,338
General expenses		752,549	869,410
TOTAL EXPENSES		28,892,076	26,347,353
FINANCE ACTIVITIES			
Finance income	5	4,321,910	3,377,420
Finance expenses	5	(410,299)	(296,135)
NET SURPLUS FROM FINANCE ACTIVITIES		3,911,611	3,081,285
OTHER GAINS/(LOSSES)			
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		10,262,578	6,243,396

The accompanying notes form an integral part of these financial statements and should be read in conjunction with these financial statements.

Statement of changes in net assets

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Retained Surplus
Balance 30 June 2022		51,347,579
Total comprehensive revenue and expense		6,243,396
Balance 30 June 2023		57,590,975
Total comprehensive revenue and expense		10,262,578
Habitat for Humanity Nelson prior year adjustment		18,490
Disaffiliation of Habitat for Humanity EBOP	22b	(299,347)
Merger of Habitat for Humanity Taranaki	22b	(1,925,012)
Balance 30 June 2024		65,647,684

The accompanying notes form an integral part of these financial statements and should be read in conjunction with these financial statements.

Statement of financial position

AS AT 30 JUNE 2024

	Note	2024 NZ\$	2023 NZ\$
CURRENT ASSETS			
Cash and cash equivalents	10	12,159,356	11,082,075
Investments	11	5,224,759	4,138,967
Inventory		1,169,126	1,463,832
Trade receivables	19	835,363	1,226,091
Current portion of mortgage receivables	16	346,770	1,421,017
Total current assets		19,735,374	19,331,982
NON-CURRENT ASSETS			
Property, plant and equipment	12	25,137,156	27,342,510
Properties held to provide social service	13	43,904,425	33,602,963
Goodwill	15	130,000	130,000
Construction in progress	14	18,135,680	8,010,912
Investments	11	-	16,373
Other non-current assets	21	114,894	136,841
Mortgage receivables	16	6,091,731	7,426,638
Total non-current assets		93,513,886	76,666,237
Total assets		113,249,260	95,998,219
CURRENT LIABILITIES			
Trade and other payables		5,010,656	1,762,639
Bank overdraft	10	9,596	28,906
GST payable		(162,743)	268,368
Grants unspent year end		2,954,627	3,823,037
Employee benefits		267,893	399,546
Tithes payable		647,210	641,954
Borrowings	18	3,337,140	4,685,880
Funds held on behalf of partner families		56,519	189,358
Total current liabilities		12,120,898	11,799,688
NON-CURRENT LIABILITIES			
Property GST liability		472,356	797,758
Property subsidy provision	17	1,069,865	693,142
Funds due partner families and other payables		190,133	171,891
Borrowings	18	33,748,324	24,944,765
Total non-current liabilities		35,480,678	26,607,556
Total liabilities		47,601,576	38,407,244
NET ASSETS		65,647,684	57,590,975
Equity			
Retained earnings		57,590,975	51,347,579
Adjustments/disaffiliations	22b	(2,205,869)	-
Current year Surplus		10,262,578	6,243,396
TOTAL EQUITY		65,647,684	57,590,975

The accompanying notes form an integral part of these financial statements and should be read in conjunction with these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 NZ\$	2023 NZ\$
CASHFLOW FROM OPERATING ACTIVITIES			
Inflows			
Grants, Donations and ReStore		17,785,444	17,733,079
Finance income		625,685	366,053
Sale of homes		546,425	67,573
Global Village		67,112	-
Contract management fees		7,617,321	4,851,743
Partner family rental income		4,129,565	3,473,885
Mortgage repayments		2,382,829	3,860,643
Other income		328,080	384,397
		33,482,461	30,737,373
Outflows			
Overseas projects/relief donations and expenses		495,313	3,383,786
Global Village		54,039	-
Transfers to Habitat for Humanity International		21,317	29,957
Payment to employees		10,388,135	9,293,984
Payment to suppliers		11,776,434	14,200,210
Finance expense		1,833,647	1,765,435
Tithes		405,874	283,244
GST		461,654	543,631
		25,436,413	29,500,247
Net Cash inflow from operating activities		8,046,048	1,237,126
Cashflow (to) investing activities			
Property, Plant and Equipment		(20,480,612)	(14,380,699)
Net cash outflow (to) investing activities		(20,480,612)	(14,380,699)
Cashflow from/(to) financing activities			
Borrowings received		9,565,804	9,791,079
MHUD Loans		6,642,488	4,616,097
Borrowings repayments		(2,307,436)	(4,161,257)
Merger/Disaffiliation of Affiliates	22b	(369,701)	-
Net cash inflow from financing activities		13,531,155	10,245,919
NET MOVEMENT IN CASH		1,096,591	(2,897,654)
Cash & cash equivalents/bank overdraft at the beginning of year		11,053,169	13,950,823
Cash & cash equivalents/bank overdraft at the end of year		12,149,760	11,053,169

The accompanying notes form an integral part of these financial statements and should be read in conjunction with these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

General Information

The Company is a limited liability company incorporated and domiciled in New Zealand. The financial statements have been prepared in accordance with the Financial Reporting Act 2013 and Companies Act 1993.

Habitat for Humanity New Zealand Limited ("Company") and affiliates ("Group") are providers of housing solutions to partner families in need. The Group is affiliated to Habitat for Humanity International whose vision is "a world where everyone has a decent place to live".

The Group is designated as a Public Benefit Entity for financial reporting purposes.

These financial statements are for the Group for the year ended 30 June 2024. A financial statement for the parent company has been prepared separately.

Summary of significant accounting policies

Statement of compliance

These consolidated general-purpose financial statements for the year ended 30 June 2024 have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand Equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate for Public Benefit Entities.

The Group is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability, and annual expenditure does not exceed \$30 million.

The Group is deemed a Public Benefit Entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

Basis of preparation of financial statements

The principal accounting policies adopted in the preparation of the financial statements are set out below.

The financial statements have been prepared on a historical costs basis, except for assets and liabilities that have been measured at fair value, as noted in the respective policy notes.

The accrual basis of accounting has been used and the financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated general-purpose financial statements incorporate the assets and liabilities of all affiliates controlled by the Company and the results of those affiliates. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Control is in the form of a controlling share with rights to dissolve and reappoint the governing body.

In preparing the consolidated financial statements, all intra-group balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. The consolidation of the parent and subsidiary entities involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of Group financial position and performance.

In addition to these consolidated group financial statements, the Directors have elected to prepare separate financial statements for the Company and each of the affiliates in order to provide more relevant information to users of each affiliate's financial report on the basis of each entity having a differing local impact.

All subsidiaries have a 30 June balance date and consistent accounting policies are applied.

Functional and presentation currency

The Financial Statements are presented in New Zealand Dollars (\$), which is the Group's functional and presentation currency.

Entities reporting

The financial statements are the financial statements of the parent entity and its affiliates. The affiliates are:

Habitat For Humanity Northern Region Limited
Habitat For Humanity Central Region Limited
Habitat For Humanity (Nelson) Limited
Habitat For Humanity (Christchurch) Limited
Habitat For Humanity (Dunedin) Limited
Habitat For Humanity (Invercargill) Limited

A. USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with NZ IPSAS with RDR requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Fair Value of loans and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, low or zero interest loans) is determined by using valuation techniques. The Group uses its judgement to select the interest rate based on market conditions when the loan is established.

Estimating the value of ReStores' inventories

The realisable value of inventories held at ReStores at year end is estimated using realisable value of these items based on historical sales value of similar items.

B. FINANCIAL ASSETS

Classification and subsequent measurement

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets are classified using the following categories which also determines their subsequent measurement:

- Financial assets at amortised cost
- Fair value through other comprehensive revenue and expense (FVTOCRE); or
- Fair value through surplus or deficit (FVTSD).

Financial assets are classified to the above categories on the basis of both:

- (a) The entity's management model for financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

Financial asset shall be measured at amortised cost if both the following conditions are met and is not designated as FVTSD:

- The financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flow and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit. The Group cash and cash equivalents, trade and other receivables and Mortgage receivables are classified and measured at amortised cost.

These assets were previously classified as "loans and receivables".

The Group does not have any financial assets at FVTOCRE or FVTSD.

Financial liabilities are subsequently measured either at amortised cost or at FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

The Company's trade and other payables and Borrowings are classified and measured at amortised cost.

Impairment

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL). Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

C. LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. These are included in current assets, except for maturities greater than 12 months after the balance date. These are classified as non-current assets. The Group's loans and receivables comprise receivables, cash, cash equivalents, bank deposits and mortgage receivables.

In order to simplify the calculation of fair values of loans and receivables the calculation is based on yearly payments rather than on the actual frequency of monthly payments.

D. RECOGNITION AND MEASUREMENT

Loans and receivables are initially recognised at fair value plus transaction cost and are subsequently carried at amortised cost using the effective interest method. The Group assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

E. TRADE RECEIVABLES AND MORTGAGES

Trade receivables and mortgages are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of trade receivables and mortgages are reviewed on an on-going basis. Individual debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables or mortgages. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered objective evidence of impairment.

An impairment loss is calculated as the difference between the carrying amount of the mortgage or receivable and the value of the future cash flows discounted at the original effective interest rate of the mortgage or receivable. Impairment losses are recognised in the Statement of Comprehensive Revenue and Expense.

F. CASH, CASH EQUIVALENTS AND BANK DEPOSITS

Cash and cash equivalents include cash balances and call deposits and bank deposits for periods of less than 90 days. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

G. INVESTMENTS

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

H. TRADE AND OTHER PAYABLES

These amounts represent unsecured liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are recognised initially at fair value. As the amounts are usually paid within 30 days of recognition, trade and other payables are carried at face value.

I. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Revenue and Expense over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

J. INTEREST-FREE BORROWINGS

Interest-free loans received from others are recorded at fair value on initial recognition. The fair value is estimated as the present value of all future cash payments discounted using the prevailing market rate of interest for similar liabilities at the time of initial recognition. Any fair value adjustment is recognised as finance income. They are subsequently measured at amortised cost using the effective interest method.

K. EMPLOYEE BENEFIT ENTITLEMENTS

A provision for employee entitlements is recognised for benefits earned by employees but not paid at reporting date. Employee benefits include salaries, wages and annual leave.

Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable after more than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

L. INVENTORIES

Inventory held for sale is measured at the lower of cost and net realisable value. Inventory held for distribution at no or nominal consideration is measured at the lower of cost or net realisable value. If inventories are acquired at no cost, or for nominal consideration, cost is the current realisable value at the date of acquisition, with corresponding adjustment to revenue. Cost is determined on a first in first out basis.

M. PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised in the Statement of Comprehensive Revenue and Expense as an expense as incurred.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation on assets is calculated using the diminishing value method, except for properties held to provide a social service, which are depreciated on a straight line basis, to allocate their cost to their residual values over their estimated useful lives. Depreciation is charged to the Statement of Comprehensive Revenue and Expense.

The following depreciation rates have been used. with a mixture of both DV and SL:

Buildings	2-4%
Office Furniture and Equipment	12-60%
Shop Furniture and Equipment	20-60%
Motor Vehicles	20-26%
Plant and Equipment	5-67%

The residual value and useful lives of all assets are reviewed and adjusted if appropriate at each Statement of Financial Position date.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits or service potential are expected from its use or disposal.

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

N. PROPERTIES HELD TO PROVIDE A SOCIAL SERVICE

The properties held to provide a social service held by the Group are accounted for as property, plant and equipment rather than investment property as the property is held to meet service delivery objectives rather than to earn rental or for capital appreciation.

All properties held to provide a social service are stated at cost less accumulated depreciation. The depreciation rate is 2%. When the building of a house is finished, it is valued to market by a registered valuer. This value becomes the future sale price of the property, as agreed between Habitat for Humanity and the partner family. It is the intention of both Habitat and the partner family that the property is initially rented until such time as the partner family has fulfilled its obligations under the Umbrella Agreement. When the partner family obligations have been fulfilled the partner family can purchase the property at the market sale price by signing a Long-Term Sale and Purchase Agreement. At this stage the property is effectively sold, and a mortgage receivable is created. The Group retains security over the property until full settlement has been received.

Properties which are under construction at balance date are classified as “Construction in Progress” at balance date. Construction in Progress represents the cost price of land plus the construction costs incurred to date in houses under construction. The cost of the houses comprises the cash cost of materials and labour plus the cost of donated materials and labour where this can be reliably estimated. Upon completion, the properties are transferred to Properties held to provide a social service.

O. NON-CURRENT ASSETS HELD FOR SALE

Properties held to provide a social service are classified as non-current assets held for sale following the Board of Directors’ decision to offer a Long-Term Sale and Purchase Agreement to a partner family. A non-current asset held for sale is stated at the lower of its carrying values and the fair value less costs to sell the asset.

P. PROPERTY SUBSIDY PROVISION

Tenancy arrangements with partner families incorporate an agreement to allow tenants to purchase properties on special terms. The arrangements provide for the amounts paid as rent (less a deduction for rates, maintenance and insurance) by each partner family prior to the purchase of their property to be treated as part-payment towards the agreed purchase price (subject to satisfactory completion of the tenancy trial period). These rentals are shown as income but a corresponding “property subsidy” expense is also recognised, creating a provision. The expense is based on managements’ estimate of the likelihood that the partner family will sign the Long-Term Sale and Purchase Agreement. If management estimate that all current partner family tenants will sign a Long-Term Sale and Purchase Agreement, then the property subsidy expense will equal total recognised rentals.

Q. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset’s recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

Where the future economic benefits of an asset are not primarily dependent on the asset’s ability to generate net cash inflows and the Group would, if deprived of the asset, replace its future economic benefits, value in use is the depreciated replacement cost of the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive revenue and expense.

Non-financial assets that previously suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

R. PROVISIONS

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability. Provisions are not reflected for future operating losses except for liquidation expenses.

S. GOODS AND SERVICES TAX (GST)

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables, which are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, Inland Revenue, is included as part of receivables or payables in the Statement of Financial Position.

The Group Affiliates are registered for GST on a payments basis and with the approval from the Commissioner of Inland Revenue pays GST on rental received from partner families in lieu of a change of use adjustment on the sale of property.

GST balances are classified as noncurrent in the financial statements where the related payments or receipts are expected to be made or received after 30 June 2024.

T. TAXATION

The Group is wholly exempt from New Zealand income tax and gift duty under section CW 41 and CW 42 of the Income Tax Act 2007 having fully complied with all statutory conditions for these exemptions. However, under CW42 tax legislation any business income sent overseas for charitable purpose is taxable. The Group has obtained a Short Process ruling from Inland Revenue and accordingly any business income generated from ReStores activities and sent overseas through Habitat for Humanity New Zealand as match funds for New Zealand Government funded projects will be declared through IR 4 and IR 10 Income tax returns annually. As per the short Process ruling these donations from the Affiliates to Habitat for Humanity New Zealand are entitled to donation tax rebates under DB41. This will create a nil tax effect for these donations sent overseas through Habitat For Humanity New Zealand.

U. FINANCE EXPENSES

Interest payable on borrowings is recognised on the accrual basis and is calculated using the effective interest rate method.

V. LEASES

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. All other leases are classified as operating leases. Upon initial recognition finance leased assets are measured at an amount equal to the lower of its fair value and the present value of minimum leased payments at inception of the lease. A matching liability is recognised for minimum lease payment obligations excluding the effective interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance are expensed as incurred.

W. REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of Goods and Services Tax, returns, rebates and discounts.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below:

Interest income

Interest income is recognised as it accrues using the effective interest method.

Mortgage interest revenue

Mortgage interest is calculated on the mortgage balance outstanding at year end and is charged to the partner families' loan accounts annually. Mortgage interest is recognised in the Statement of Comprehensive Revenue and Expense using the effective interest method.

Grants and donations

Grant and donation income is recognised as income when it is received unless the Group has a liability to repay the grant if the requirements of the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled as the end of the reporting period.

Gifts in kind

Gifts in kind are recognised as revenue at the time the value is provided. The value is estimated by considering what the supplier would have charged in an arm's length transaction.

Designated funds

These are the restricted funds received from donors and reserved for the specific project. The funds will be distributed to the project as the work on the project progresses.

Global Village Teams

Habitat for Humanity New Zealand has a strong commitment towards supporting Habitat for Humanity International's global programme with a particular emphasis in the Asia Pacific region. A significant component of this support is participation in the Global Village programme.

Global Village trip pricing is determined for each trip which covers a donation towards administration of programme through New Zealand office, a donation towards visiting country administrations costs and the balance towards air fares and in country accommodation, food and transport costs.

At the conclusion of each trip the revenue/expenses are transferred to Statement of Comprehensive Revenue and Expense.

ReStores

Habitat for Humanity runs ReStores which are retail shops for a range of goods from building construction related materials to second-hand household goods. The items are donated on a voluntary basis and sold at reasonable second-hand value. In addition to paid employees, volunteers are used for running the operations.

Rental income

Rent from families is recognised as revenue at the time it is received. A corresponding subsidy provision is also recognised.

Revenue from non-exchange transactions

A non-exchange transaction is where the entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

When non-exchange revenue is received with restrictions attached, but not requirement to return the asset if not deployed as specified, then revenue is recognised on receipt.

X. VOLUNTEER SERVICES AND OTHER DONATED GOODS AND SERVICES

Voluntary services with a value that can be reliably estimated are treated as revenue and expenses. Other volunteer services are not recognised in the financial statements. A value has been placed on time provided by volunteers that operate in the ReStore and work on the building sites. This has been determined by using the estimated cost had the volunteers' time been paid for by the Group. The associated expense is included in employee benefits expense in the surplus and deficit, or in the case of volunteer time for construction of houses, capitalised to the cost of the house. Partner families also perform 500 sweat equity hours as part of their agreement with the Group. As there is no reliable indicator of perceived value of these hours per house the fair value of these services cannot be measured reliably and are not recorded.

Donated goods and products are recorded at their estimated fair value. For building materials, the fair value is the estimated sales price of the materials. For second-hand goods the fair value is the estimated selling price that the item will be sold for in the ReStore.

1. DONATIONS & GRANTS - NON EXCHANGE

	2024	2023
	NZ\$	NZ\$
General donations	1,722,689	1,284,808
Overseas relief	60,193	138,484
Total Donations & Grants Non-Exchange	1,782,882	1,423,292

2. GRANTS OTHER

	2024	2023
	NZ\$	NZ\$
Habitat for Humanity New Zealand	144,992	126,862
Habitat for Humanity Northern Region Limited	1,758,000	1,736,900
Habitat for Humanity (Nelson) Limited	672,478	673,418
Habitat for Humanity Central Region Limited	477,827	484,749
Other	105,072	39,355
Total Donations & Grants Non-Exchange	3,158,369	3,061,284

3. RESTORE ACTIVITIES

	2024 NZ\$	2023 NZ\$
Income		
Sales	12,509,470	11,283,252
Stock movement	58,777	122,272
Voluntary labour	1,757,615	1,657,485
Sundry	52,000	59,189
Total Income	14,377,862	13,122,198
Less Expenses		
Advertising	8,898	34,851
Depreciation	6,716	14,974
Voluntary labour	1,757,615	1,657,485
Direct labour	5,830,482	5,139,379
Rent	1,425,527	1,305,738
Sundry	1,213,787	1,224,695
Total expenses	10,243,025	9,377,122
Surplus	4,134,837	3,745,076

ReStore is the trade name for Habitat's second-hand goods stores. Donations of goods are made by the general public and these are then sold to help fund Habitat's various activities. From a national perspective the ultimate aim is to have the profits from these stores fund overhead costs so that all other donations are applied directly to activities which benefit families in need.

4. GIFTS IN KIND

	2024 NZ\$	2023 NZ\$
Volunteer hours	54,663	47,216
Goods in kind	108,836	394,369
Total Gifts in kind	163,499	441,585

5. NET FINANCE INCOME AND EXPENSES

	2024 NZ\$	2023 NZ\$
Interest on deposits	150,270	164,030
CPI interest	(92,657)	(35,981)
Fair value adjustment	4,110,687	2,845,935
Effective interest amortisation on receivables	156,203	384,164
Currency gains	(2,593)	19,272
Finance income	4,321,910	3,377,420
Interest on borrowings	(405,426)	(291,377)
Bank fees	(6,017)	(6,704)
Fair value adjustment	-	-
Effective interest amortisation on borrowings	1,144	1,946
Finance expense	(410,299)	(296,135)
Net finance income	3,911,611	3,081,285

6. OTHER INCOME

	2024	2023
	NZ\$	NZ\$
Contract management fees -Te Whatu Ora (Health NZ)	5,483,000	3,874,721
Home repair work	1,311,134	733,813
Other	491,758	340,637
Total other income	7,285,892	4,949,171

7. SPECIFIC INITIATIVE EXPENSES

	2024	2023
	NZ\$	NZ\$
Repair programmes	3,749,824	2,431,145
Relief programmes	1,658,613	2,475,920
Advertising and promotion	271,085	177,743
Travel	298,416	175,865
Total specific initiative expenses	5,977,938	5,260,673

8. PROPERTY RELATED EXPENSES

	2024	2023
	NZ\$	NZ\$
Repairs and maintenance	124,350	122,089
Rates	271,712	233,499
Rent	738,879	346,628
Utilities	96,432	80,213
Property general	421,833	237,688
Volunteer labour	169,140	34,595
Loss on sale of property	-	849,031
Total property related expenses	1,822,346	1,903,743

9. DEPRECIATION EXPENSE

	2024	2023
	NZ\$	NZ\$
Depreciation – Property, plant & equipment	782,522	746,923
Depreciation – Restores	6,716	14,973
Depreciation – Properties held for social service	431,609	226,379
Total depreciation expense	1,220,847	988,275
<i>Made up as follows:</i>		
Properties Held for Social Service	13	431,609
Property Plant & Equipment	12	789,238
Net depreciation	1,220,847	988,275

10. CASH AND CASH EQUIVALENTS

	2024	2023
	NZ\$	NZ\$
Cash at bank	12,159,356	11,082,075
Overdrafts	(9,596)	(28,906)
Total cash and cash equivalents	12,149,760	11,053,169

11. INVESTMENTS

	2024	2023
	NZ\$	NZ\$
Investments current	5,224,759	4,138,967
Investments non-current	-	16,373
Total Investments	5,224,759	4,155,340

The above balance includes short term investments, where the original term is greater than 90 days and matures within 12 months from balance sheet date.

12. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the period	Land & Buildings	Plant & equipment	Motor vehicles	Computers, furniture & equipment	Total
Year ended 30 June 2024					
At 1 July 2023 net of accumulated depreciation and impairment	26,203,741	122,845	491,380	524,544	27,342,510
Additions	1,013,481	53,332	237,906	202,393	1,507,112
Disposals	(2,825,444)	(5,475)	(75,234)	(17,076)	(2,923,229)
Depreciation charge for the year	(386,113)	(8,130)	(177,683)	(217,312)	(789,238)
At 30 June 2024 net of accumulated depreciation and impairment	24,005,665	162,572	476,369	492,549	25,137,155
At 30 June 2024					
Cost	26,786,974	1,039,411	1,739,377	1,648,127	31,213,889
Accumulated Depreciation	(2,781,309)	(876,839)	(1,263,008)	(1,155,578)	(6,076,734)
Net carrying amount	24,005,665	162,572	476,369	492,549	25,137,155

Reconciliation of carrying amounts at the beginning and end of the period	Land & Buildings	Plant & equipment	Motor vehicles	Computers, furniture & equipment	Total
Year ended 30 June 2023					
At 1 July 2022 net of accumulated depreciation and impairment	26,501,353	132,120	489,133	511,533	27,634,139
Additions	2,605,004	1,853	181,514	217,565	3,005,936
Disposals	(2,521,473)	-	(6,177)	(8,020)	(2,535,670)
Depreciation charge for the year	(381,143)	(11,128)	(173,090)	(196,534)	(761,895)
At 30 June 2023 net of accumulated depreciation and impairment	26,203,741	122,845	491,380	524,544	27,342,510
At 30 June 2023					
Cost	28,598,937	991,554	1,576,705	1,462,810	32,630,006
Accumulated Depreciation	(2,395,196)	(868,709)	(1,085,325)	(938,266)	(5,287,496)
Net carrying amount	26,203,741	122,845	491,380	524,544	27,342,510

13. PROPERTIES HELD TO PROVIDE A SOCIAL SERVICE

Reconciliation of carrying amounts at the beginning and end of the period

Year ended 30 June 2024	
At 1 July 2023 net of accumulated depreciation and impairment	33,602,963
Additions	11,788,697
Transfers and disposals	(1,055,626)
Impairment	-
Depreciation charge for the year	(431,609)
At 30 June 2024 net of accumulated depreciation and impairment	43,904,425
At 30 June 2024	
Cost	47,132,950
Accumulated Depreciation	(3,228,525)
Net carrying amount	43,904,425
Year ended 30 June 2023	
At 1 July 2022 net of accumulated depreciation and impairment	19,612,813
Additions	15,865,013
Transfers and disposals	(1,648,485)
Impairment	-
Depreciation charge for the year	(226,379)
At 30 June 2023 net of accumulated depreciation and impairment	33,602,962
At 30 June 2023	
Cost	36,399,879
Accumulated Depreciation	(2,796,917)
Net carrying amount	33,602,962

All properties held to provide a social service are stated at cost less accumulated depreciation.

The property is initially rented to the partner family until such time as the partner family has fulfilled its obligations under the Umbrella Agreement. When the partner family obligations have been fulfilled, the partner family can purchase the property at the agreed sale price (being the initial market valuation) by signing a Long-Term Sale and Purchase Agreement. At this stage the property is effectively sold, and a mortgage receivable is created. The Group retains security over the property until full settlement has been received.

14. CONSTRUCTION IN PROGRESS

	2024	2023
Total construction in progress	18,135,680	8,010,912

Construction in progress represents the cost price of land plus the construction costs incurred to date in houses under construction. The cost of the houses comprises the cash cost of materials and labour plus the cost of donated materials and labour where this can be reliably estimated. On completion, the properties are transferred to "Properties held to provide a social service" and valued in accordance with the accounting policy disclosed in section O of the *Summary of significant accounting policies* and is subject to impairment review as disclosed in section R of the *Summary of significant accounting policies*.

15. GOODWILL

	2024	2023
Habitat For Humanity (Invercargill) Limited	130,000	130,000

Habitat For Humanity (Invercargill) Limited purchased in December 2015, the business known as The Garage Re-use Shop and the purchase price included Goodwill worth \$130,000. An impairment assessment was completed in June 2024 and concluded the Goodwill is not impaired.

16. MORTGAGE RECEIVABLES

Mortgage receivables are initially recognised at Fair Value and then amortised cost. The fair value adjustment is based on a Net Present Value calculation using independently observable market rates.

	2024	2023
Current portion	346,770	1,421,017
Non-current portion	6,091,731	7,426,638
Total mortgage receivables	6,438,501	8,847,655

Mortgage receivables represent the amounts due from partner families from the sale of houses constructed for their use. The mortgages are structured in accordance with the Long-Term Sale and Purchase Agreement between Habitat for Humanity and the partner families. The mortgages are inflation adjusted at rates between 6% and 6.5% and are repayable based on principal and interest payments made on a fortnightly or weekly basis by partner families. The properties remain registered in the name of Habitat for Humanity, until the partner family repays all monies owed.

There are currently no indications of impairment losses on mortgage receivables, and no impairment has been recognised in the current year (2023: Nil). An impairment review is performed annually as described in section S of the *Summary of significant accounting policies*.

17. PROPERTY SUBSIDY PROVISION

	2024	2023
Balance at beginning of year	693,142	673,997
Rental payments provided for during the year	394,007	418,338
Rental payments converted to mortgage payment	-	(294,532)
Payments transferred back to income	27,577	-
Other expense items	(44,861)	(104,661)
Balance at end of year	1,069,865	693,142

Tenancy arrangements with partner families incorporate an agreement to allow tenants to purchase properties on special terms. The arrangements provide for the amounts paid as qualifying rent (less a deduction for rates, maintenance and insurance) by each partner family prior to the purchase of their property to be treated as part-payment towards the agreed purchase price (subject to satisfactory completion of the tenancy trial period). These rentals are shown as income but a corresponding "property subsidy" expense is also recognised, creating a provision. The expense is based on management's estimate of the likelihood that the partner family will sign the Long-Term Sale and Purchase Agreement. Management estimate that 100% (2023:100%) of all qualifying rental will convert to mortgage payments.

18. BORROWINGS

Carrying Value	2024	2023
Directors related parties	13,000	923,907
Kāinga Ora (formerly Housing NZ)	147,000	156,282
Ministry Housing & Urban development	7,861,926	3,686,117
Private	9,551,479	9,106,544
Bank loans	19,512,059	15,757,795
Total Borrowings	37,085,464	29,630,645
Current	3,337,140	4,685,880
Non-current	33,748,324	24,944,765
Total Borrowings	37,085,464	29,630,645

Face Value	2024	2023
Directors related parties	13,000	923,907
Kāinga Ora (formerly Housing NZ)	1,958,000	237,075
Interest free loans	25,229,708	13,237,164
Private	147,000	1,156,382
Bank loans	20,006,767	15,294,279
Total Face Value of Borrowings	47,354,475	30,848,807

Interest and Security (carrying value)	2024	2023
Interest Bearing at 5.65 to 5.90% (Bank debt)	26,298,455	20,928,703
Interest Bearing at 3.0%	-	-
Total Interest Bearing	26,298,455	20,928,703
Interest Free	10,787,009	8,701,942
Total Borrowings	37,085,464	29,630,645

Secured	36,261,519	28,594,962
Unsecured	823,945	1,035,683
Total Borrowings	37,085,464	29,630,645

Borrowings secured by way of mortgages over the following assets:	2024	2023
Properties held for social service	55,703,499	38,544,702
Total Carrying Value of Assets secured by Borrowing	55,703,499	38,544,702

The above assets on the Statement of Financial Position are subject to borrowing encumbrances as at 30 June. Further details are contained within each affiliate's set of financial statements.

Overdraft credit facilities	2024	2023
Portion drawn	9,596	28,906
Undrawn facilities	90,404	71,094
Total credit facilities	100,000	100,000

The undrawn facilities noted above represent the sum that is immediately available to the various affiliates when required.

19. TRADE AND OTHER RECEIVABLES

	2024	2023
Trade receivables	774,287	1,164,287
Prepayments	61,076	61,804
Total trade and other receivables	835,363	1,226,091

20. FINANCIAL INSTRUMENTS

Financial instruments by category	2024	2023
Financial Assets		
Loans and receivables		
Cash and cash equivalents	12,159,356	11,082,075
Investments	5,224,759	4,138,967
Trade receivables	835,363	1,226,091
Mortgage receivables	6,438,501	8,847,655
	24,657,979	25,294,788

Financial Liabilities	2024	2023
Liabilities at amortised cost		
Trade payables	5,010,656	1,762,639
Tithes payable	647,210	641,954
Bank overdrafts	9,596	28,906
Borrowings	37,085,464	29,630,645
	42,752,926	32,064,144

21. OTHER ASSETS

	2024	2023
Habitat for Humanity Central Region Limited Loans receivable	-	84,687
Tenancy bonds	114,894	52,154
Total other assets	114,894	136,841

22. GLOBAL VILLAGE

	2024	2023
Total Revenue	67,112	-
Total Expenses	54,039	-
Surplus from Gloval Village teams	13,073	-

23. RELATED PARTY TRANSACTIONS

a) Parent and ultimate controlling party

Habitat for Humanity New Zealand Limited owns one controlling share in each of the subsidiary entities listed below. The share is uncalled. Under certain circumstances the share enables the Company to appoint a controlling director of the subsidiary Board.

b) Subsidiaries

Habitat For Humanity Northern Region Limited
Habitat For Humanity Central Region Limited
Habitat For Humanity (Nelson) Limited
Habitat For Humanity (Christchurch) Limited
Habitat For Humanity (Dunedin) Limited
Habitat For Humanity (Invercargill) Limited

All subsidiaries have a 30 June balance date and are providers of housing solutions to partner families in need. All are incorporated and domiciled in New Zealand. Transactions and amounts receivable/payable owed to the subsidiaries have been eliminated on consolidation.

Habitat for Humanity Taranaki was merged with Habitat for Humanity Central Region during the year. Habitat for Humanity Eastern Bay of Plenty was disaffiliated during the year.

The Company is owned by a number of shareholders and as such has no ultimate controlling party.

The Group had the following grants and donations received from Habitat for Humanity International during the year:

	2024	2023
Grant Received from Habitat for Humanity International	39,344	63,382
SOSI to Habitat for Humanity International	(21,740)	(36,525)
Net received from Habitat for Humanity International	17,604	26,857

The Company is related to Habitat for Humanity International by the signing of an annual covenant and Memorandum of Understanding around the use of brand, service and product. The Company reports both financial and non-financial information to Habitat for Humanity International on a quarterly basis.

Stewardship and Organisational Sustainability Initiative (SOSI) is a contribution made to Habitat for Humanity International.

Due to disaffiliation of Habitat for Humanity Eastern Bay of Plenty and Merger of Habitat for Humanity Taranaki with Habitat for Humanity Central Region the following adjustments have been made to brought balances of Equity and Cash.

Equity adjustment in Statement of changes in net assets

Habitat for Humanity Eastern Bay of Plenty	299,347
Habitat for Humanity Taranaki	1,925,012

Cashflow opening balance adjustment

Habitat for Humanity Eastern Bay of Plenty	206,319
Habitat for Humanity Taranaki	163,382
Total	369,701

c) Transactions with shareholders / directors and director-related parties

Loans	2024	2023
J A Gallagher Family Trust	-	925,000
Gallagher Charitable Trust	-	90,000
Total loans from directors/ director-related parties	-	1,015,000

Other Transactions	2024	2023
Donation from the Gallagher Charitable Trust Board	25,000	25,000
Donation from J A Gallagher Family Trust	900,000	-
Paul Clements Director HFH Dunedin	1,800	-
Stephen Falconer (Former Director Habitat for Humanity (Invercargill) Limited - Accounting services)	19,670	7,200

John Gallagher is a director of Habitat for Humanity Central Region Limited and related to the Glenice & John Gallagher Foundation and the Gallagher Charitable Trust Board.

Key management compensation

The Group has a related party relationship with key management personnel. Key management personnel include the Board of Trustees, the Finance Audit Risk Committee and Senior Management.

	2024	2023
Salaries and other short term employee benefits	3,255,559	3,233,946
Number of staff	31	31

24. COMMITMENTS

a) Operating leases

The Group has the following operating lease payment commitments:

	2024	2023
Less than 1 year	1,049,144	899,795
Between 1 year and 5 years	1,441,370	937,920
More than 5 years	43,698	95,547
Total	2,534,212	1,933,262

The Group has the following operating lease payments receivable:

	2024	2023
Less than 1 year	162,000	153,835
Between 1 year and 5 years	554,000	534,987
More than 5 years	264,000	254,769
Total	980,000	943,591

b) Capital commitments

Habitat for Humanity Central Region (2024)

Jacks Landing (Stage 2 & 2a) Hamilton - 6 houses to be built at Jacks Landing with value of the project \$3.5m. Total cost to date as of balance date was \$0.4m and remaining cost to complete is \$3.6m.

Venture Developments for acquisition of property at West Dune - 2 houses with a value of \$1.3. Total cost to date as of balance date was \$0.1m and the remaining cost to complete was \$1.2m.

Classic Homes Ltd for the construction of the property at Bellingham Crescent, Rotorua - 3 houses with a value of \$1.1m. Total cost to date as of balance date was \$10.1m and the remaining cost to complete was \$1.0m.

Kainga Ora for the acquisition of development land at Quartz Avenue, Rotorua to the value of \$1.2m.

Zion Church Trust for the acquisition of a 1/2 share of development land at Racecourse Road, Te Awamutu with a value of \$1.8m. Total cost to date as of balance date was \$1.5m and the remaining cost to complete was \$0.3m.

Purchase of house at 64a, Bandon Street, Hamilton with a value of \$0.5m.

Habitat for Humanity Central Region (2023)

Jacks Landing (Stage 2 & 2a) Hamilton - 6 houses to be built at Jacks Landing with value of the project \$3.5m. total cost to date as of balance date was \$0.2 and the remaining cost to complete was \$3.3m.

Venture Developments for acquisition of property at West Dune - 2 houses with a value of \$1.3m total cost to date as of balance date was \$0.1m and the remaining cost to complete was \$1.2m.

Classic Homes Ltd for the construction of the property at Bellingham Crescent, Rotorua - 3 houses with a value of \$1.1m total cost to date as of balance date was \$0.1m and the remaining cost to complete was \$1.0m.

Kainga Ora for the acquisition of development land at Quartz Avenue, Rotorua to the value of \$1.2m Zion Church Trust for the acquisition of a 1/2 share of development land at Racecourse Road, Te Awamutu with a value of \$1,8m, total cost to date as of balance date was \$1.5m and the remaining cost to complete was \$0.3m.

Habitat for Humanity Northern Region (2024)

Habitat for Humanity Northern Region had a contract to build 23 units at 101-105, Maunu Road Whangarei for \$14.1m. As at balance sheet date \$2.7m had been spent and is expected to be completed by August 2024.

Habitat for Humanity Northern Region has signed a lease at 65A, Karapiro Drive, Stanmore Bay for an initial term of 3 years with an annual rent cost of \$86,250.

Habitat for Humanity Northern Region has signed sale and purchase agreements across Auckland and Northland, a total capital commitment of \$18.6m.

Habitat for Humanity Northern Region (2023)

Habitat for Humanity Northern Region signed a contract to build 23 units at 101-105 Mauni Road, Whangarei for \$14.1 million, for social housing. The cost to complete as at 30 June 2023 is \$10.2m

Habitat for Humanity Nelson (2024)

Commitment to complete a multi-unit house development at 617, Main Road, Stoke, Nelson at a cost of \$2.5m. Project is expected to be completed by August 2024.

Habitat for Humanity Nelson (2023)

Commitment to complete the development of a multi unit house development at 171 Queens Street Richmond at a build cost of \$1.5m. Project expected to be completed by May 2024.

Habitat for Humanity Dunedin (2024)

6 house development at 28 Balmain Street. Halfway Bush, Dunedin at an estimated cost of \$3.6m. expected to be completed by September 2025

3 houses at Kirkland Street, Green Island Dunedin at an estimated cost of \$2.0m and expected to be completed by June 2025

Habitat for Humanity Invercargill (2023)

There are Capital commitments to purchase a replacement central heating system for the ReStore for up to \$110,000.

25. CONTINGENT LIABILITIES

There are no Contingent Liabilities that require disclosure at 30 June 2024 (2023: Nil).

26. EVENTS SUBSEQUENT TO BALANCE DATE

Nil

Independent Auditor's report



Independent Auditor's Report

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To the Shareholders of Habitat for Humanity New Zealand Limited

Report on the Audit of the Consolidated Financial Report

Opinion

We have audited the financial report of Habitat for Humanity New Zealand (the "Entity") and its controlled entities ("the Group") which comprise:

- a) The consolidated financial statements set out on pages 30 to 49, which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets, and consolidated cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- b) the consolidated statement of service performance on page 27 to 29.

In our opinion, the accompanying consolidated financial report present fairly, in all material respects:

- a) the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended; and
- b) the service performance for the year ended 30 June 2024 in accordance with the Entity's service performance criteria

in accordance with the Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime ("PBE IPSAS RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Report* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Group.

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Other Information

The Directors are responsible for the other information. The other information comprises all the narratives within the Company Directory and Directors' Report, but does not include the financial statements and statement of service performance and our auditor's report thereon.

Our opinion on the financial statements and statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and statement of service performance, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and statement of service performance, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Those Charged with Governance for the Consolidated Financial Report

Those charged with governance are responsible on behalf of the Entity for:

- the preparation, and fair presentation of the consolidated financial report in accordance with applicable financial reporting framework;
- the selection elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework;
- the preparation and fair presentation of service performance information in accordance with the Group's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework;
- the overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework; and
- such internal control as those charged with governance determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, those charged with governance are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Consolidated Financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial report.

A further description of the auditor's responsibilities for the audit of the consolidated financial report is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/>

Restriction on use of our report

This report is made solely to the Entity's shareholders, as a body. Our audit work has been undertaken so that we might state to them those matters which we are required to state 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 Entity and its shareholders, as a body, for our audit work, this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited



Auckland

16 November 2024

Let's continue to build impact together



Habitat
for Humanity®
New Zealand

**HABITAT FOR HUMANITY NEW ZEALAND
ANNUAL REPORT: 1 JULY 2023 – 30 JUNE 2024**

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Habitat
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New Zealand

IMAGE: Global Village team member volunteering on-site in Nepal. May 2024.