

<b>Decision released from confidential session</b>			
<b>Recommendation from (agenda report)</b>	<b>Date of meeting</b>	<b>Recommendation to (decision-making meeting)</b>	<b>Date of meeting</b>
		Council	02 May 2024
<b>Report Title and number</b>			
Housing Reserve Grant Application - R28482			
<b>Documents released</b>			
Decision (CL/2024/090), Report (R28482) and Attachment (336940202-11216)			
<b>Decision</b>			
<p>That the Council</p> <ol style="list-style-type: none"> <li>1. Receives the report Housing Reserve Grant Application (R28482) and its attachment (336940202-11216); and</li> <li>2. Approves grant funding of \$200,000 to Habitat for Humanity (Nelson) Ltd for the development of four 3-bedroom progressive home ownership dwellings at 135 Tipahi Street; and</li> <li>3. Delegates the approval of the Grant Contract for Habitat for Humanity (Nelson) Ltd to the Chief Executive; and</li> <li>4. Agrees that Report R28428, attachment (336940202-11216), and the decision be made publicly available following completion of negotiations.</li> </ol>			

# CONFIDENTIAL

## Item 3: Housing Reserve Grant Application

Council

2 May 2024



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**Report Title:** Housing Reserve Grant Application  
**Report Author:** Lisa Gibellini - Strategic Housing Adviser  
**Report Authoriser:** Mandy Bishop - Group Manager Environmental Management  
**Report Number:** R28482

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### 1. Purpose of Report

- 1.1 To consider a recommendation from the Community Housing Acceleration Taskforce to approve a Housing Reserve Grant of \$200,000 to Habitat for Humanity (Nelson) Ltd for the development of four 3-bedroom progressive home ownership dwellings at 135 Tipahi Street Nelson.

### 2. Recommendation

#### *That the Council*

1. ***Receives*** the report ***Housing Reserve Grant Application (R28482)*** and its attachment (336940202-11216); and
2. ***Approves*** grant funding of \$200,000 to Habitat for Humanity (Nelson) Ltd for the development of four 3-bedroom progressive home ownership dwellings at 135 Tipahi Street; and
3. ***Delegates*** the approval of the Grant Contract for Habitat for Humanity (Nelson) Ltd to the Chief Executive; and
4. ***Agrees*** that Report R28428, attachment (336940202-11216), and the decision be made publicly available following completion of negotiations.

### 3. Exclusion of the Public

- 3.1 This report has been placed in the confidential part of the agenda in accordance with section 48(1)(a) and section 7 of the Local Government

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Official Information and Meetings Act 1987. The reason for withholding information in this report under this Act is to:

- Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

### 4. Background

- 4.1 The Council has divested its community housing portfolio (142 bedsits and units) to Kāinga Ora with final settlement occurring in March 2021. Council agreed to establish a Housing Reserve using the proceeds of the divestment (\$12 million). The Housing Reserve has been established on the basis that its purpose would be 'to work with and support partners who have the ability to deliver social and affordable housing solutions for the community'.
- 4.2 On 10 December 2022, Council established the Community Housing Acceleration Taskforce, whose role is to advise on how the Council can grow, as quickly as possible, the stock of community housing using the Housing Reserve with the goal to double the number of community housing houses from 50 to 100 by 2026.
- 4.3 To date a total of \$5.8 million has been committed to the development of 45 social rental units and 12 progressive home ownership units. Funds of \$2.25million have also been set aside until November 2025 to ensure Iwi Trusts have the opportunity to seek an equitable portion of the Housing Reserve for eligible housing projects. There is a balance of \$3.95 million left in the Housing Reserve.
- 4.4 Applications to the Housing Reserve are able to be received from Community Housing Providers (CHPS) and Iwi Trusts with a local presence in Nelson. Applications can be received on a continuing basis in accordance with the grant criteria.
- 4.5 The Council is also currently consulting through the Long Term Plan 2024/34 on whether to broaden the purpose of the Housing Reserve Fund so that Council could also support and work with partners to develop and provide accommodation for vulnerable and highest need residents, in addition to continuing support to deliver social and affordable housing.

### 5. Discussion

- 5.1 On 22 March 2024 an application for a Housing Reserve Grant of \$200,000 has been received from Habitat for Humanity (Nelson) Ltd for the development of four 3-bedroom progressive home ownership dwellings at 135 Tipahi Street Nelson. A copy of the application and plans for the development are included in Attachment 1.
- 5.2 Habitat Nelson seeks a grant of \$50,000 for each of the proposed four progressive home ownership units to be developed on the site. The

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## Item 3: Housing Reserve Grant Application

development also has loan finance of \$1.27 million approved from the Ministry of Housing and Urban Development (MHUD) but is currently awaiting formal confirmation and documentation. The balance of the development will be funded from the proceeds of a sale of another Habitat property, a Rata Foundation Grant (amount undisclosed) and funds from Habitat's business income such as the Restore charity shop. The development is proposed to be complete by early 2025.

- 5.3 The application has been reviewed by the Strategic Housing Adviser and meets the guidelines of the Housing Reserve criteria. The application and officer evaluation has been reviewed by the Community Housing Acceleration Taskforce who met on the 11 April 2024 and is recommended for approval.

### 6. Options

- 6.1 The Community Housing Taskforce recommend that a grant of \$200,000 be approved for Habitat for Humanity (Nelson) Ltd for the development of four 3-bedroom progressive home ownership dwellings at 135 Tipahi Street Nelson. The Council has two options to consider.

<b>Option 1: Approve a grant of \$200,000 for Habitat for Humanity (Nelson) Ltd for the development of four 3-bedroom progressive home ownership dwellings at 135 Tipahi Street Nelson (preferred option)</b>	
Advantages	<ul style="list-style-type: none"><li>• Will assist to deliver four new progressive home ownership dwellings, helping families into home ownership.</li><li>• Is a small investment (\$200k) of the housing reserve that will leverage four new homes.</li></ul>
Risks and Disadvantages	<ul style="list-style-type: none"><li>• Any risk around non-delivery of the housing given the MHUD funding has not yet been secured can be mitigated by milestones for NCC grant payment at building and resource consent approval stage and by a contractual condition requiring repayment of funds if the development isn't built by 30 June 2026.</li></ul>
<b>Option 2: Decline a grant of \$200,000 for Habitat for Humanity (Nelson) Ltd for the development of four 3-bedroom progressive home ownership dwellings at 135 Tipahi Street Nelson</b>	
Advantages	<ul style="list-style-type: none"><li>• There is no advantage to declining to grant \$200,000 to Habitat for Humanity for this development of four dwellings for progressive home ownership except that Housing Reserve Funds will be retained.</li></ul>



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Risks and Disadvantages	<ul style="list-style-type: none"><li>• Four new progressive home ownership dwellings may not be able to be delivered by Habitat for Humanity.</li></ul>
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### 7. Conclusion

7.1 This report seeks approval of the Community Housing Acceleration Taskforce recommendation to Council that a grant of \$200,000 be approved for Habitat for Humanity Nelson Ltd for the development of four 3-bedroom progressive home ownership dwellings at 135 Tipahi Street.

### 8. Next Steps

8.1 If the recommendation is approved the next steps will be to advise Habitat for Humanity of Council's decision and prepare the grant contract.

### Attachments

Attachment 1: 336940202-11216 - Application for Housing Reserve Grant from Habitat for Humanity for 135 Tipahi Street

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## Item 3: Housing Reserve Grant Application

<b>Important considerations for decision making</b>
<b>Fit with Purpose of Local Government</b>  The intent of the Housing Reserve is to support the social and economic wellbeing of the community by working with and supporting others to provide adequate social-affordable housing in Whakatū Nelson.
<b>Consistency with Community Outcomes and Council Policy</b>  During divestment of its community housing portfolio, Council has consulted with the community on the use of divestment proceeds and the establishment of what is now known as the Housing Reserve through the Annual Plan 2019-20, Annual Plan 2020-21, and Long Term Plan 2021-31, where intensification and affordability of housing was also raised.  The recommendations in this report are also consistent with Council's affordable housing and intensification objectives, which have been identified as a priority issue during the last triennium for Council.
<b>Risk</b>  There is a risk that grant funding is distributed and the outcomes are not achieved. This risk can be minimised by ensuring that the funding contract for Habitat for Humanity (Nelson) Ltd contains a condition requiring repayment of funds should the development not be complete by 30 June 2026.
<b>Financial impact</b>  The Housing Reserve has been established through the divestment of Council's community housing, therefore, this decision has no further financing/funding impact.
<b>Degree of significance and level of engagement</b>  While there is a high degree of community interest in housing affordability in the region generally, this proposal has been assessed against Council's Significance and Engagement Policy as being of low significance overall. No new funding is required, it does not involve any transfer of strategic assets and will have no impact on debt levels or Council's financial capability.  Additionally, Council has already undertaken considerable consultation on the establishment of the Reserve with the local community, and its possible use with experts and stakeholders. Establishing the Reserve was viewed favourably by the community. For that reason, officers therefore consider Council is already adequately informed of community views in relation to considering this application.
<b>Climate Impact</b>

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## Item 3: Housing Reserve Grant Application

The application is for an intensified housing development with no specific measures identified for addressing climate change, albeit they include some sustainability matters such as solar orientation, modern building standards, and community gardens. The site is well located to enable residents to minimise their carbon footprint via active and public transport corridors.

### **Inclusion of Māori in the decision making process**

No engagement with Māori has been undertaken in preparing this report.

### **Legal context**

Council's decision must be made in accordance with Part 6 of the Local Government Act 2002. In relation to this decision, this requires specific consideration of prudent financial management of the Housing Reserve.

### **Delegations**

Council has the delegation to make decisions regarding the Housing Reserve.

Released 29 May 2024

Housing Reserve Application from Habitat for Humanity  
for  
135 Tipahi Street

Released 29 May 2024

# Housing Reserve

## Grant Application Form

February 2023

### Part A – General

#### 1. Purpose and eligibility

- 1.1 The Housing Reserve will be invested to support and enable partners to deliver an enduring supply of new affordable housing in Whakatū Nelson. It is open to proposals from not for profit Community Housing Providers registered with the Community Housing Regulatory Authority and/or Iwi Trusts, both of whom must have a presence in Whakatū Nelson.
- 1.2 Individuals and developers are not eligible for funding and applications will not be considered.

#### 2. Process

- 2.1 This is a contestable grants programme.
- 2.2 Applicants are responsible for supplying sufficient information for Nelson City Council (Council) to evaluate against all objectives and guidelines.
- 2.3 Officers will assess applications, on a rolling basis as received. Applicants may be asked for more information during this process, or to clarify the application or parts of it, to help with the evaluation process.
- 2.4 Officers will report on all the applications received to the Community Housing Acceleration Taskforce who will make a recommendation to the Council for final decision.
- 2.5 The Council may then select applicants with whom to negotiate a grant agreement. However, applicants acknowledge that the range of possible outcomes include the Council:
  - 2.5.1 Negotiating with any or all respondents, including the right to renegotiate aspects of this process with a successful applicant; and
  - 2.5.2 Concluding this process without selecting a successful applicant.

#### 3. Communication

- 3.1 The contact person is Lisa Gibellini:

Lisa Gibellini, Strategic Housing Adviser, Nelson City Council  
Phone (03) 546 0375  
Email [housingreserve@ncc.govt.nz](mailto:housingreserve@ncc.govt.nz)
- 3.2 All questions and completed application forms must be submitted directly to the contact person.

#### 4. Timetable

- 4.1 Applications are accepted on a continuing basis and will be reported to the Community Housing Acceleration Taskforce and then the Council following evaluation.

## **5. Agreement**

- 5.1 If your application is successful, Council may invite you to negotiate a grant agreement.
- 5.2 The information supplied as part of your application will form the basis of a grant agreement with the Council (subject to Council's right to seek to renegotiate aspects of the application).
- 5.3 The agreement may also require:
  - 5.3.1 Security
  - 5.3.2 Accountability progress and final development reports.
  - 5.3.3 Other terms that Council may require for the proposed development as a condition of funding.

Released 29 May 2024

## Part B – Scope

Please complete all of the following sections.

*Note: Please use ctrl V to paste text into the boxes*

### 6. Contact information

6.1 Legal name of organisation:

Habitat for Humanity (Nelson) Limited

6.2 Legal Status:

Limited Liability Company – Charitable Trust

6.3 Contact person for this project (e.g., Names/emails/phone numbers):

Glenn Brewerton, glenn.brewerton@habitat.org.nz 027 656 9644

6.4 GST registration Number:

066-906-639

6.5 Charities Commission Number (if applicable):

CC24835

6.6 Date of application: Click or tap to enter a date

### 7. Grant Request Summary

7.1 Grant request amount (+GST, if any)

\$200,000

7.2 Amount of grant (+ GST if any) per housing type (tick):

- \$150,000 contribution per housing unit for social and affordable rental
- \$50,000 contribution per housing unit for progressive home ownership
- \$15,000 contribution per social and/or affordable temporary housing unit (i.e tiny home, transitional cabin units)

7.3 Net increase in housing numbers from total development:

4 x 3 bedroom houses

7.4 Total cost of project – including land (+GST, if any):

Click or tap here to enter Total cost of project – including land

7.5 Project address and legal description:

135 Tipahi Street, Nelson

7.6 Project details (high level description of what the grant will be used for):

Purchase of property and construction of 4 x 3bedroom homes for Progressive Home Ownership

Please attach your responses setting out how the development will meet the Housing Reserve Grants Programme 2023 objectives. Refer to the Housing Reserve – Grants Programme 2023 objectives and guidelines as an evaluation guide.

Council appreciates that not all of the outcomes described in this section may be delivered by one development. However, applicants should provide specific information clearly stating whether and how their proposal would satisfy each outcome specified; and may comment on how the overall design outcomes sought by Council would otherwise be delivered by the proposal.

**8. Ability to meet Housing Reserve Criteria**

8.1 Please outline how the proposal meets the housing reserve guidelines, specifically:

- Amount of grant sought per housing type
- Located within the territorial boundaries of Nelson City Council
- Your organisation has sought no more than \$3million in total from the Housing reserve (excluding any grants provided as part of Phase 1 and 2)
- That the development results in a net increase in housing
- That the housing development is to be completed and occupied within 3 years of providing the grant
- Whether the grant is for the purpose of land purchase or dwelling construction costs.

**9. Ability to deliver**

9.1 Experience, capacity, capability, and track record in delivery of affordable housing.

For this question please outline:

- Details of several specific developments of similar type, scale, and approach to the criteria and design which have been undertaken recently and where you have acted as the developer/housing provider.
- The organisational capacity to deliver on the proposal.
- Project management roles and responsibilities and relevant experience (including governance if relevant).
- Detail any actual or perceived conflicts of interest.



- 9.2 Project readiness and timeline. Council is seeking to support partners who are well placed to assist with Whakatū Nelson's immediate housing need. For this question, please outline how ready the development is, it's expected timeline for completion and the likelihood of achieving the development within this.
- 9.3 Property Management, Maintenance and Tenancy Management experience. Please outline your experience in property-tenancy management and how you plan to manage the properties once constructed.

## **10. Fit for purpose**

10.1 Site and design. For this question please:

- Provide design concepts and /or development plans.
- Outline the yield from the development, number of bedrooms, and type of housing (e.g., intensified, attached, standalone, intended carparks etc).
- Summarise how the project will provide quality builds that incorporate good urban design principles and practices and are healthy to live in.
- Comment on the location of the site and its ability to connect to infrastructure.

10.2 Social/community. Please comment on how the project will provide for social and community connection.

10.3 Environmental. Please describe any environmentally responsible and resourceful aspect of the project's design and development. Examples include; energy and/or water-efficiency, use of sustainable (environmentally friendly, low-carbon) building materials, compliance with Homestar 6 or other certified ratings etc.

10.4 Affordable to run. Please describe any design efficiencies that will provide a lower life cost over the life of the housing.

## **11. Financial**

11.1 Organisation's financial position. Please:

- Detail the financial status of your organisation, including audits by other bodies (i.e., CHRA).
- List all current developments you are committed to including the location and value of each development and commitment of monies.
- Provide the last two years of annual financial statements, and annual reports, if applicable.

- 11.2 Co-investment. Please outline the amount of the funding request, and contributions from other sources (noting whether this is confirmed or not) highlighting any budget shortfall. Please specify if the development is contingent on a successful application to the Housing Reserve.
- 11.3 Project budget. Please provide a budget of full development costs including land, project management, construction, and financing.

Released 29 May 2024

## PART B – Scope

6. Contact information As per form

7. Grant Request summary As per form

### 8 Ability to meet Housing Reserve Criteria

#### 8.1 Please outline how the proposal meets the housing reserve guidelines

This application is for a grant of \$200,000 for 4 3xbedroom houses to be constructed on a property situated at 135 Tipahi Street, Nelson, (\$50,000 each)

These homes will be made available through Habitat's Progressive Home Ownership programme and are located within the territorial boundaries of Nelson City Council.

Habitat Nelson has already received \$1,000,000 from the Housing Reserve as a Development grant for the Progressive Home Ownership project at 623 Main Road, Stoke, now complete. The grant has now been transferred to the Stage 2 development at 617 Main Road Stoke currently being constructed.

In addition, initial approval has been received for a further \$1,000,000 grant from the Housing Reserve towards a proposed 18-unit affordable rental development in conjunction with the Unite Church at 181 Rutherford Street, Nelson

The Tipahi Street project has loan finance approved from Ministry of Housing and Urban Development, but we are currently waiting formal confirmation and documentation.

### 9. Ability to deliver

#### 9.1 Experience, capacity, capability, and track record in delivery of affordable housing.

Habitat for Humanity has a track record of building homes for people across the Nelson Tasman region supporting them to be homeowners and to access affordable rental accommodation. It is a not-for-profit organisation that works in partnership with people of goodwill and families in housing need, to eliminate sub-standard housing. It provides both a Progressive Home Ownership Programme, ie assisting families into their own homes via a rent to buy programme and some Affordable Rental accommodation.

Habitat Nelson has recently increased its staff resourcing to provide for an increase in project delivery capacity. This will ensure the successful delivery of the project without compromising the effective delivery of other existing services and its capacity to expand its delivery programme. There is an experienced in-house Project Manager/Quantity Surveyor leading the delivery of this project, with a track record of delivering other recent projects for Habitat Nelson. A reliable team of sub-contractors is also utilised for the design and construction of Habitat Nelson projects, with an established working relationship.

In addition, Habitat Nelson employs a fulltime Support Services Co-ordinator to assist partner families through their Progressive Home Ownership journey providing support and training where necessary until they can purchase the home.

Other developments that Habitat Nelson team has recently delivered include:

- 14 home development at 623 Main Road, Stoke – completed in June 2023
- 5 home development at 171 Queen Street, Richmond – completion this month with families taking possession on 1 April 2024

Work on the Tipahi Street project is expected to commence in June/July 2024 and be completed in the early part of 2025.

To the best of our knowledge there are no actual or perceived conflicts of interest to declare.

The 135 Tipahi Street development is currently in initial stage and preliminary plans completed. Designers/planners are expected to book a pre-app meeting with Council in a couple of weeks prior to submitting detailed plans and consent applications.

Demolition of the fire damaged house on the site is underway, due for completion with site cleared by the end of April.

10. Fit for purpose

10.1 Site and design.

For this question please:

- Provide design concepts and /or development plans.
  - Outline the yield from the development, number of bedrooms, and type of housing (e.g., intensified, attached, standalone, intended carparks etc).
  - Summarise how the project will provide quality builds that incorporate good urban design principles and practices and are healthy to live in.
  - Comment on the location of the site and its ability to connect to infrastructure.
- 
- The site is on Tipahi Street, Nelson very close to Nelson Intermediate School. It is an 845sqm site bordered on both sides by residential housing of mixed styles. The development comprises 4 two-storied 3 bedroom units that will be made available through Habitat's Progressive Home Ownership programme. Design concept plans attached
  - All of the homes in the development will meet a minimum Homestar 6 rating for quality and environmental performance. The site has excellent access to schools, public transport, and walking distance to local services and facilities.

10.2 Social/community.

Please comment on how the project will provide for social and community connection.

Habitat's vision for this project is to create a quality, affordable co-housing development that will foster a sense of community and pride of place. The site is well located to connect residents to the wider community, with easy access to public transport, and a range of community services and facilities within walking distance of the development.

### 10.3 Environmental

Please describe any environmentally responsible and resourceful aspect of the project's design and development. Examples include; energy and/or water- efficiency, use of sustainable (environmentally friendly, low-carbon) building materials, compliance with Homestar 6 or other certified ratings etc.

All of Habitat's new projects, including this one, meet a minimum Homestar 6 or higher for performance and environmental impact. A Homestar 6 rating provides assurance that our homes will be warmer, drier, and healthier than a typical new house built to the Building Code.

### 10.4 Affordable to run.

Please describe any design efficiencies that will provide a lower life cost over the life of the housing.

Our minimum 6 Homestar ratings mean that the homes we are building in this development will be more affordable to run than a typical new house build. In addition, these homes being efficient to run, the location of the development has been chosen with excellent access to public transport. Schools, shops, services and facilities are all within walking distance, reducing household transport expenses.

## 11. Financial

### 11.1 Organisation's financial position.

Please:

- Detail the financial status of your organisation, including audits by other bodies (i.e., CHRA).
- List all current developments you are committed to including the location and value of each development and commitment of monies.
- Provide the last two years of annual financial statements, and annual reports, if applicable.

Habitat for Humanity (Nelson) Limited is a Charitable Trust and a Limited Company. It is audited annually by Grant Thornton in conjunction with the Habitat NZ national audit. Habitat Nelson has just received CHRA status and will be audited by the Authority annually.

Our current project commitments are:  
617 Main Road Stoke – total cost \$2.5m

Our last two years annual financial statements and audit reports are attached for the year ended 30 June 2023. These also include comparative accounts for the previous year – 30 June 2022.

#### Co-investment.

We are applying for a \$200,000 contribution for 4 housing units for progressive home ownership for the 135 Tipahi St project. MHUD finance of \$1.27m has been approved but we are still awaiting final documentation. The balance of funding will be from proceeds from the sale of an existing property, \$100,000 Rata Foundation grant and other business income from our Restore charity shops

**Project budget.**

Please provide a budget of full development costs including land, project management, construction, and financing.

The total development budget for 135 Tipahi Street is \$2.50m. This includes:

- Land purchase/demolition: \$395,000 (already purchased)
- Development costs: \$796,000
- Construction costs: \$1.3million

Released 29 May 2024

**Part C – Declarations**

By completing the details below the applicant makes the following declarations;

12.1 We confirm the statements in this application are true and the information provided in complete and correct, and there have been no misleading statements or omissions of any relevant facts nor any misrepresentations made.

12.2 We have no conflict of interest, actual or potential, in submitting this application or entering into an agreement with the Council for the project.

12.3 We accept any decision made by the Council is final and binding and accept that no reasons for such decision will be given, nor will any correspondence be entered into.

12.4 We understand that Council is subject to the Local Government Official Information and Meetings Act 1987. We have marked any specific information we consider is confidential. We understand Council will not disclose any information marked confidential (other than as required to evaluate the application including to its legal advisors and Kāinga Ora) unless:

12.4.1 Council is required to disclose that information by law; or

12.4.2 Disclosure is required for the purposes of verifying that information; or

12.4.3 Council enters into a grant agreement with us, in which case Council may disclose that an agreement has been signed.

12.4.4 We acknowledge that nothing in this application form or process creates a process contract or any legal relationship between Council and us, except in respect of:

12.4.4.1 These declarations;

12.4.4.2 Our statements, representations and/or warranties and our correspondence and negotiations with Council.

Full Name: **Katrina Bach** Title/position: **General Manager (Interim)**



Signature:

Date: 22 March 2024



# Proposed Townhouses

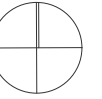
135 Tipahi Street, Nelson

135 Tipahi St, Nelson

Cover Page







- ZONES**
- Building zone: NCC Residential
  - Legal: Lot 2 DP 2043
  - Earthquake zone: Zone 2
  - Corrosion zone: Zone C
  - Climate zone: 3
  - Wind zone: High
  - Snow zone: N3 <400m

- AREAS**
- Total site area: 845m<sup>2</sup>

- Unit 1**
- Gross floor area: 110.83m<sup>2</sup>
  - Net site area: 149.5m<sup>2</sup>
  - Building coverage: 69.1m<sup>2</sup> (46%)
  - Useable outdoor space: 85m<sup>2</sup>

- Unit 2**
- Gross floor area: 93.02m<sup>2</sup>
  - Net site area: 121m<sup>2</sup>
  - Building coverage: 61.1m<sup>2</sup> (50%)
  - Useable outdoor space: 61.2m<sup>2</sup>

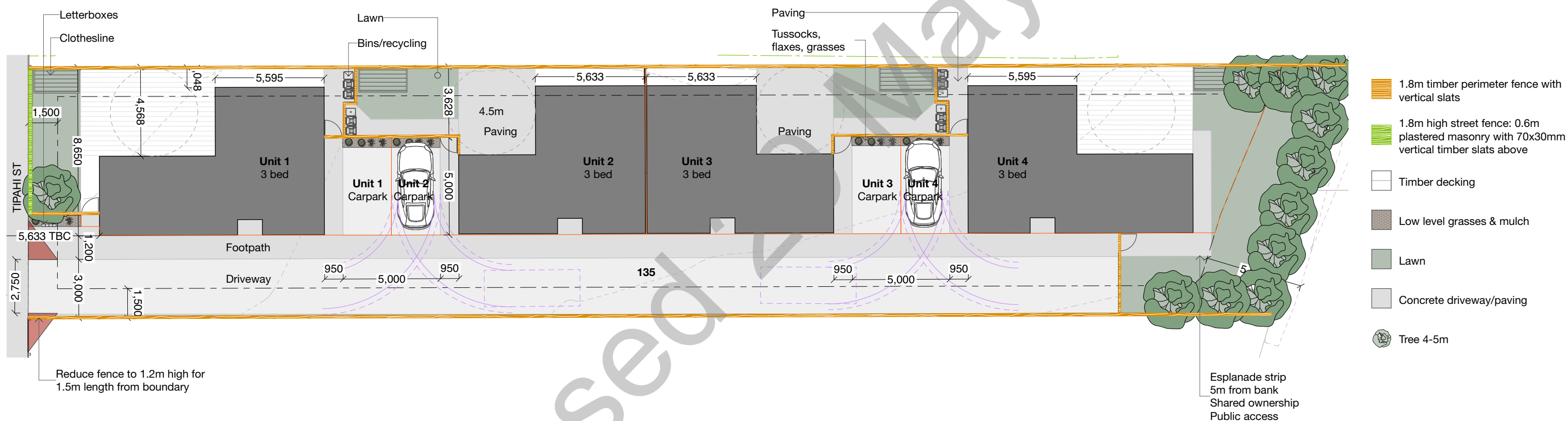
- Unit 3**
- Gross floor area: 93.02m<sup>2</sup>
  - Net site area: 121m<sup>2</sup>
  - Building coverage: 61.1m<sup>2</sup> (50%)
  - Useable outdoor space: 61.1m<sup>2</sup>

- Unit 4**
- Gross floor area: 110.83m<sup>2</sup>
  - Net site area: 146m<sup>2</sup>
  - Building coverage: 69.1m<sup>2</sup> (47%)
  - Useable outdoor space: 79.22m<sup>2</sup>

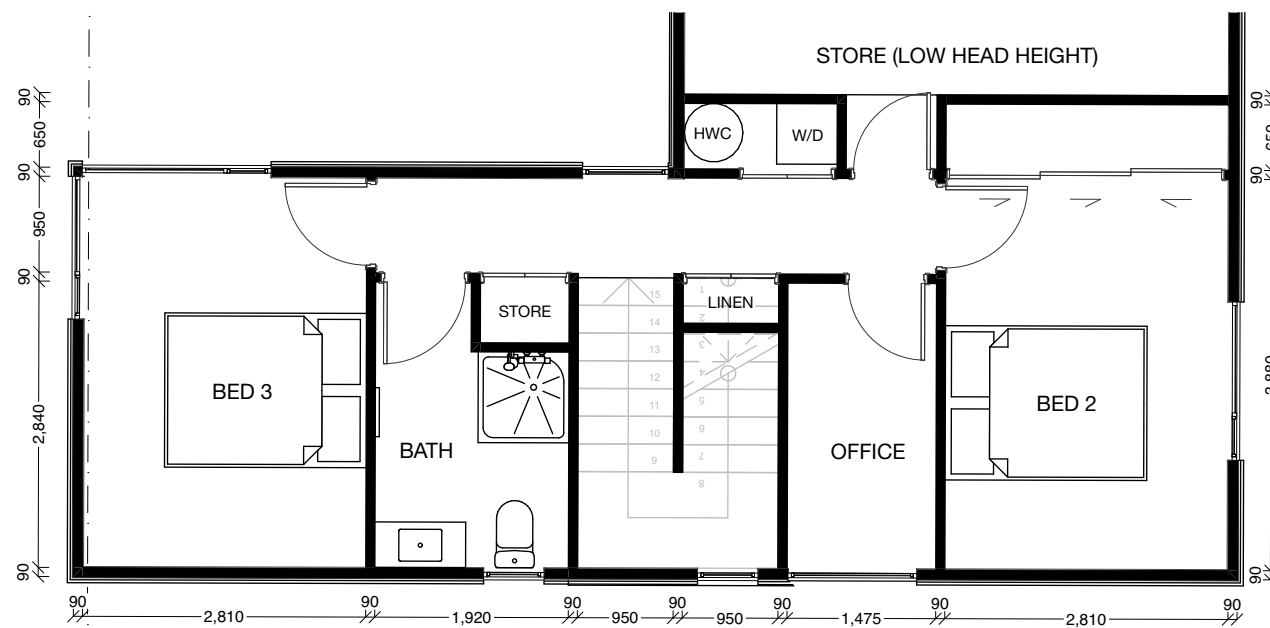


Visibility splays  
2m x 1.5m,  
max 1.2m  
fence height

Turning circle  
for 85th  
percentile cars  
(incl 300mm  
tolerance)

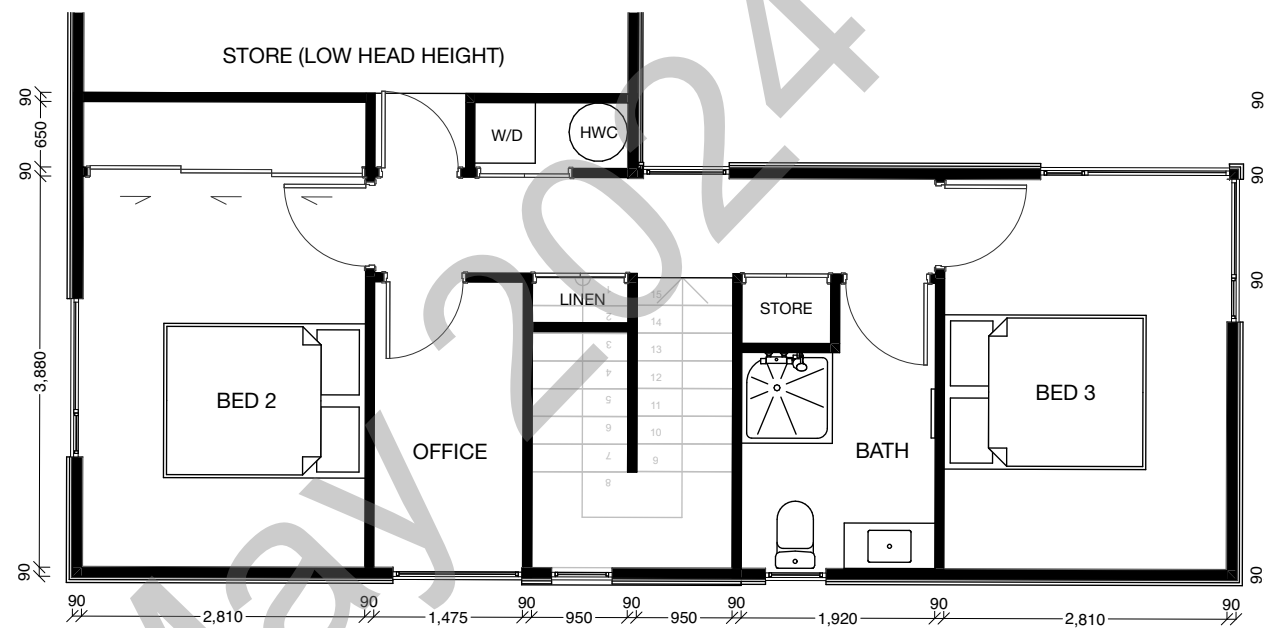


- 1.8m timber perimeter fence with vertical slats
- 1.8m high street fence: 0.6m plastered masonry with 70x30mm vertical timber slats above
- Timber decking
- Low level grasses & mulch
- Lawn
- Concrete driveway/paving
- Tree 4-5m



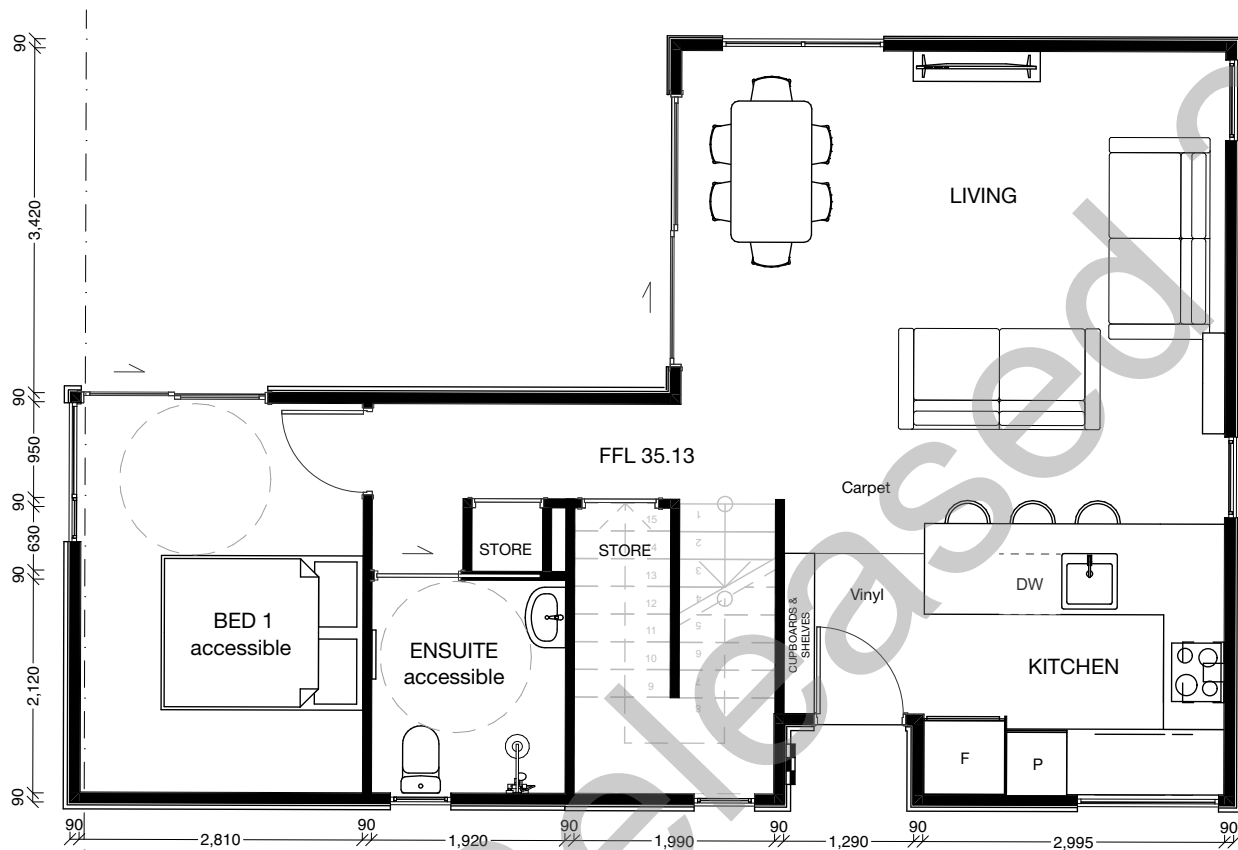
### First Floor Plan - Unit 1

Scale 1:75



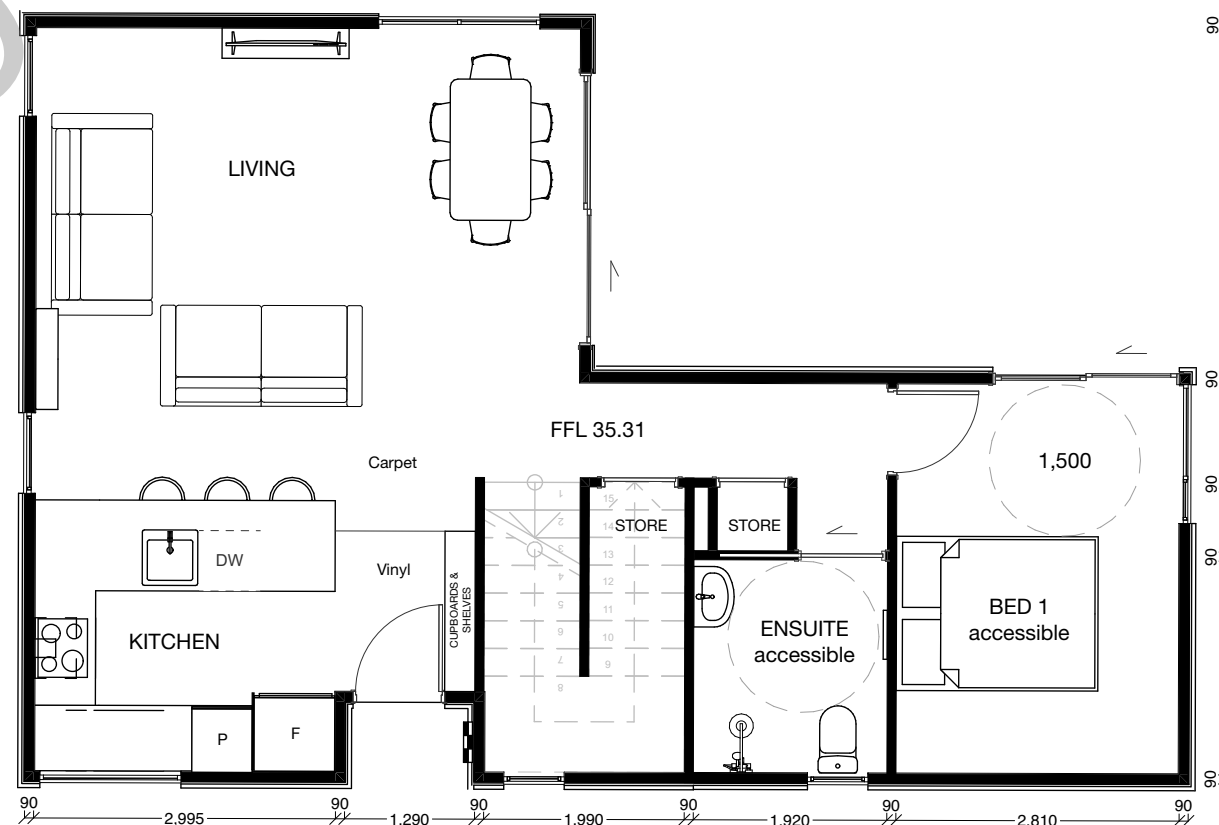
### First Floor Plan - Unit 4

Scale 1:75



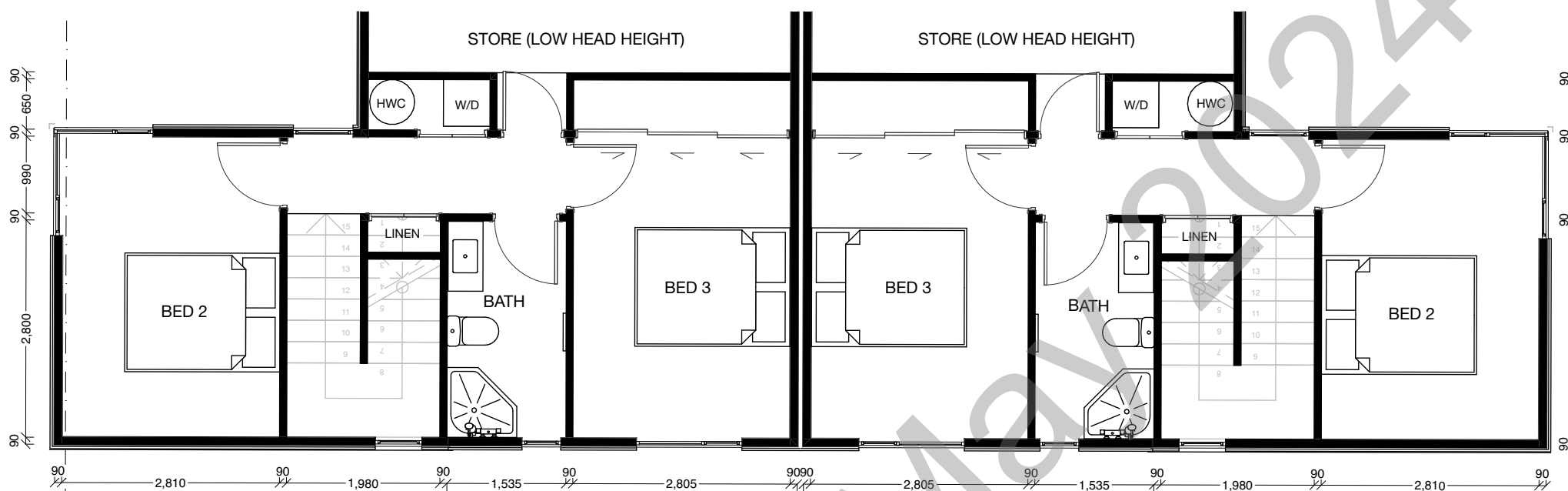
### Ground Floor Plan - Unit 1

Scale 1:75



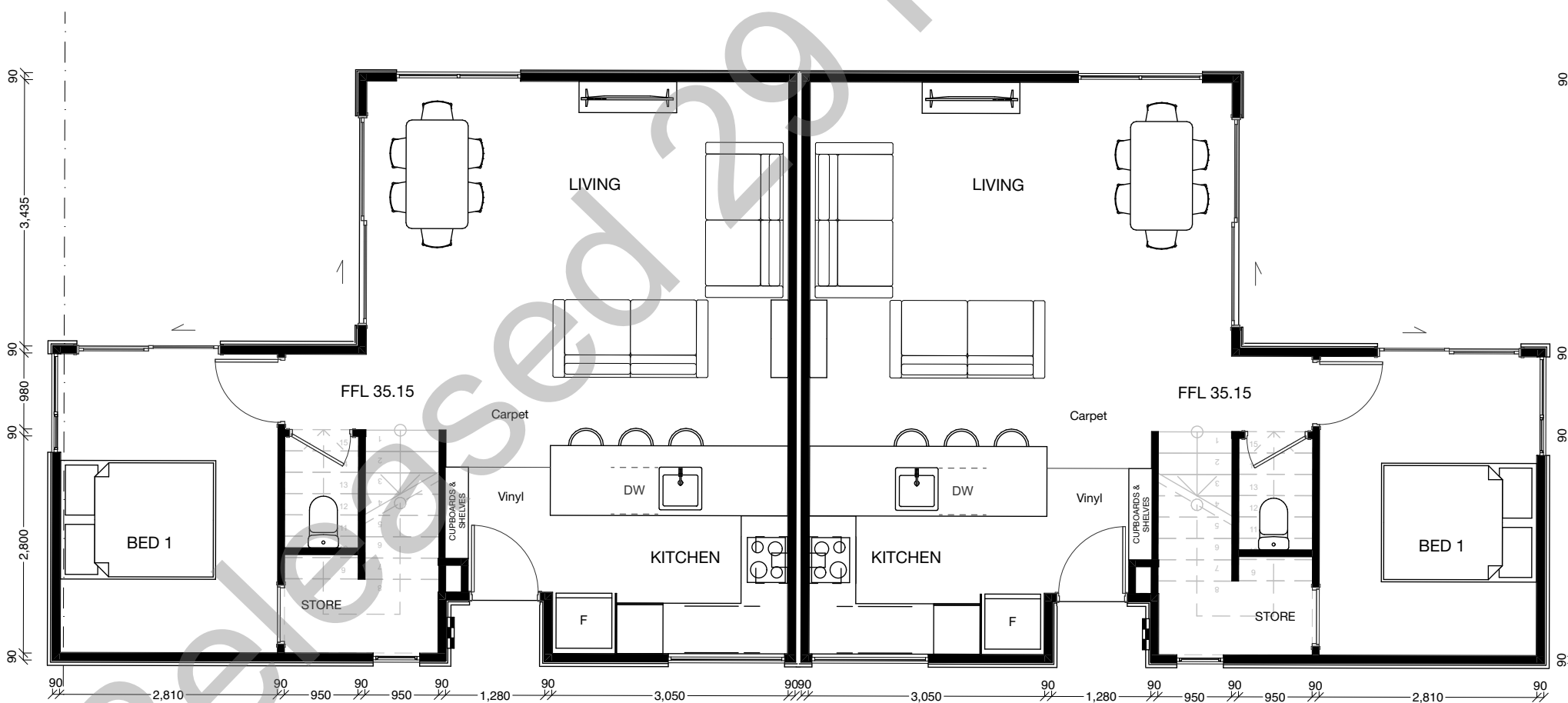
### Ground Floor Plan - Unit 4

Scale 1:75



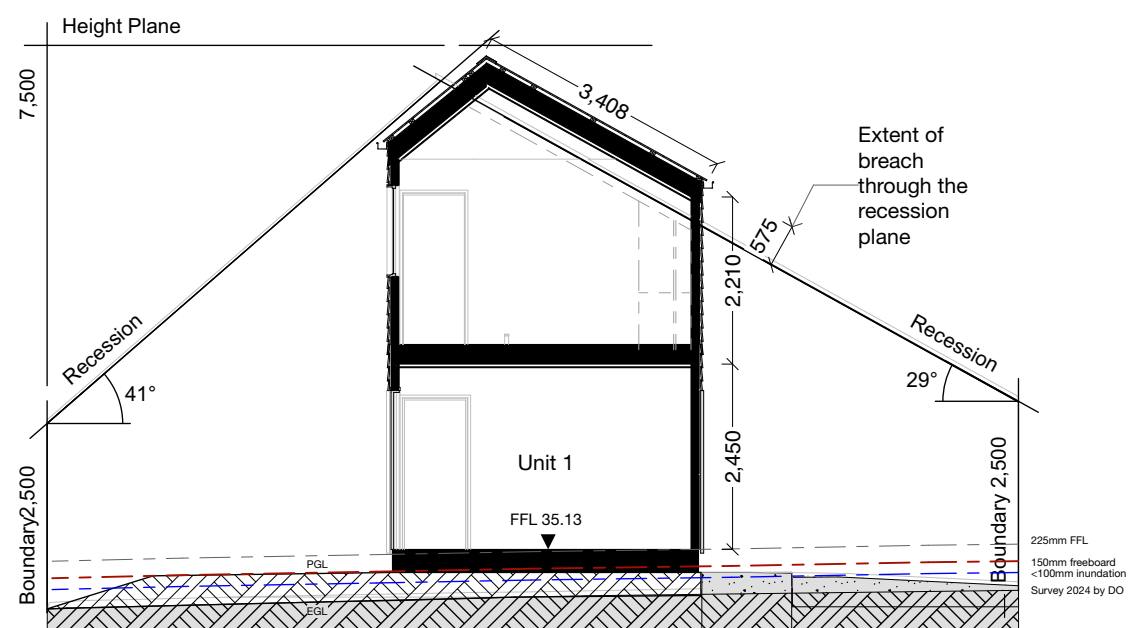
### First Floor Plan - Units 2&3

Scale 1:75



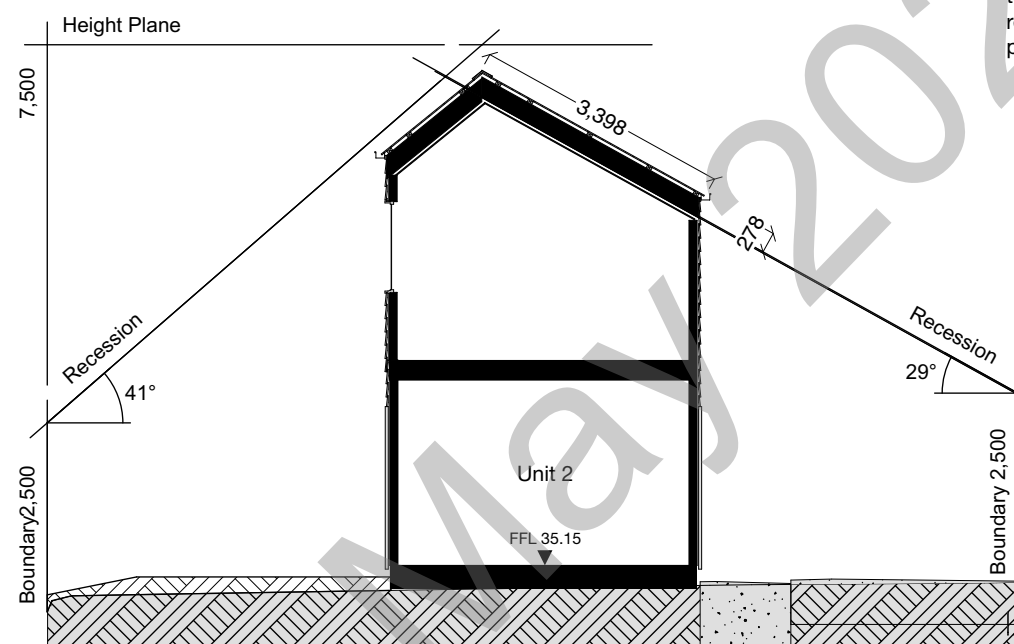
### Ground Floor Plan - Units 2&3

Scale 1:75



### Section A

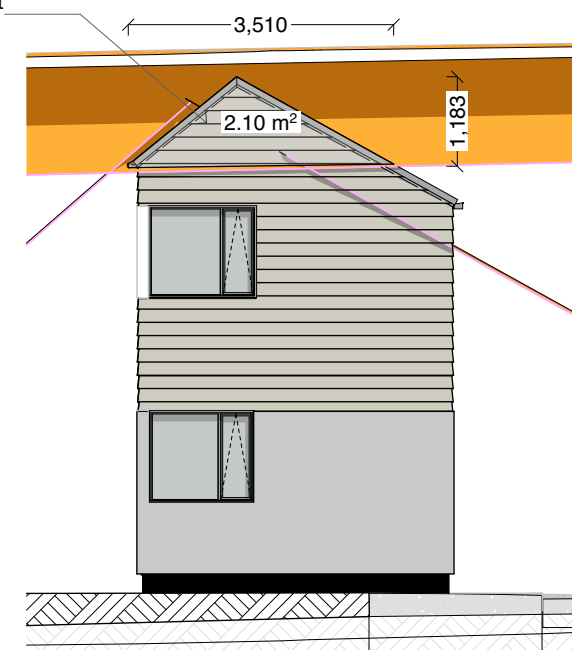
Scale 1:100



### Section B

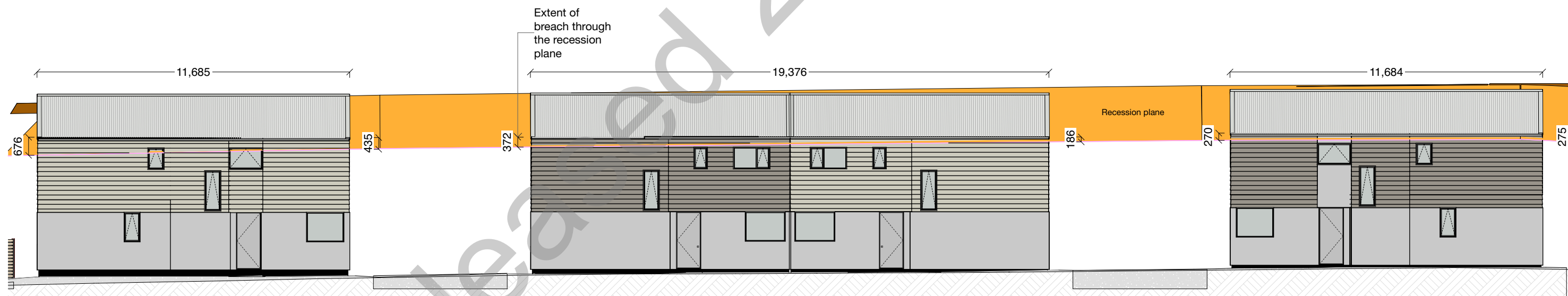
Scale 1:100

Minor breach to street front recession plane



### West Elevation

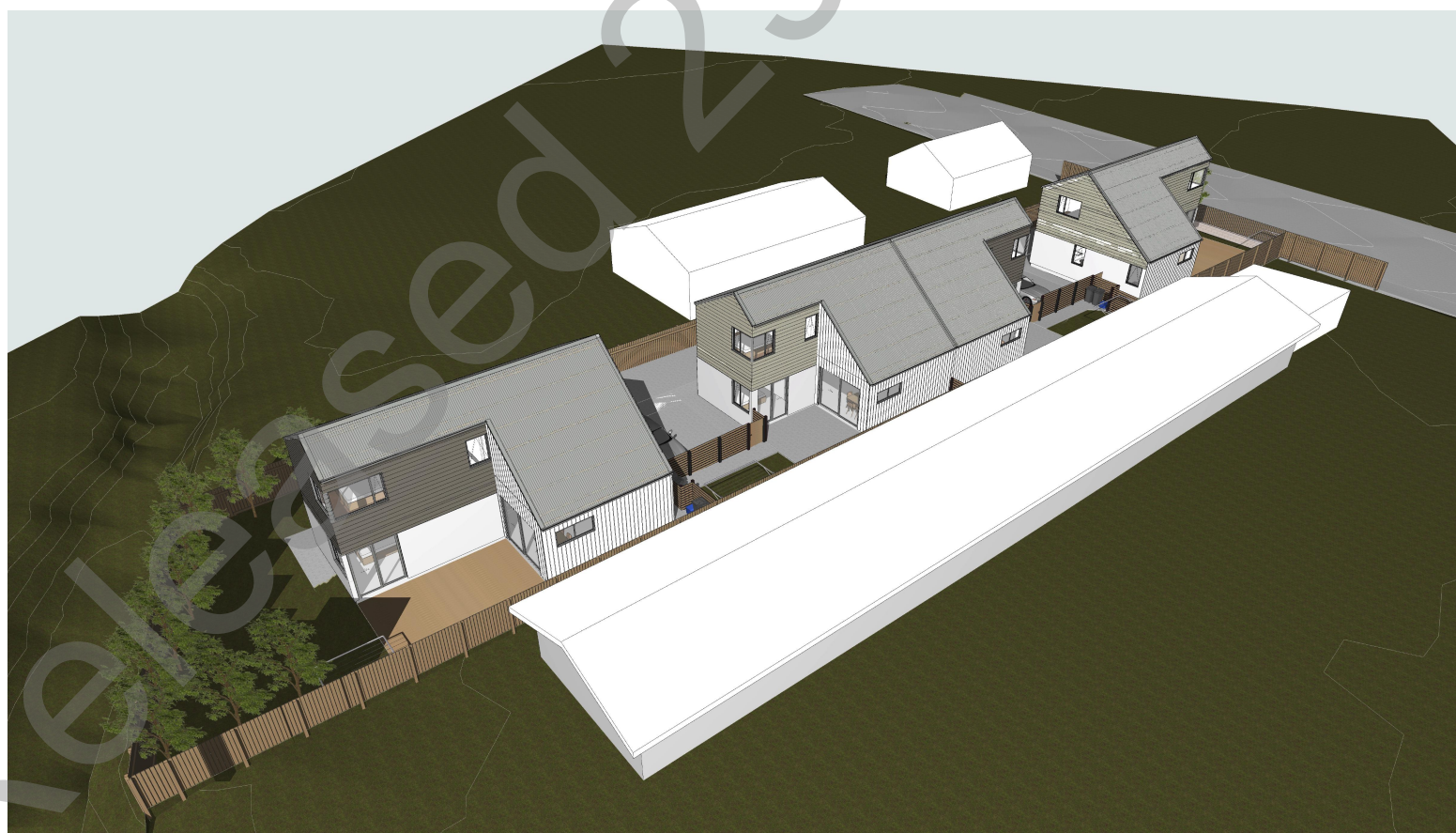
Scale 1:100



### South Elevation

Scale 1:150









**HABITAT FOR HUMANITY (NELSON) LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2023**





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Released 29 May 2024

## Company Directory

<b>Charities Registration Number</b>	CC24835
<b>Company Registration</b>	705999
<b>Formation Date</b>	4 April 1996
<b>Registered Office</b>	166 Tahunanui Drive, Tahunanui, Nelson, 7011.
<b>Share Capital</b>	101 Ordinary shares at \$1
<b>Paid Up Capital</b>	\$101
<b>Shareholders</b>	
	D G Stevenson 16
	A T Riordan 16
	B P Egerton 18
	G Nott 16
	J O'Neill 16
	D W Toon 18
	Habitat for Humanity New Zealand Limited 1
<b>Directors</b>	
	A T Riordan (Chair)
	B P Egerton
	G Nott
	J O'Neill (appointed 15/11/22)
	D W Toon (appointed 20/2/23)
<b>Auditors</b>	Grant Thornton Audit New Zealand Limited
<b>Bankers</b>	NBS (Nelson Building Society)
<b>Solicitors</b>	Stallard Law

## Board Chair Report 2023

The 2023 financial year has seen Habitat for Humanity (Nelson) Ltd continue to grow rapidly. Having access to recent Government housing funding initiatives has provided an opportunity for Habitat for Humanity to progress its mission and grow considerably this year. The alignment of Habitat for Humanity's philosophy and the Government's Progressive Home Ownership Fund is helping us achieve our goals of the importance of a decent and affordable home to transform the lives of people. The supporting role of Habitat for Humanity nationally has helped streamline this in ways that help not only Nelson & Tasman ventures but other Habitat affiliates across New Zealand.

The Habitat Nelson team have seen through completion of many of the building projects that were carefully put into place from the year before. These include the DIY shed at the Tahunanui Restore site and the completion of the cabins project part of a joint venture between Victory Church, The Salvation Army and Habitat Nelson and a large group house build in Stoke.

The highlight has been the opening of 14 houses in Stoke that saw 12 families begin their journey towards owning their own home, creating stability for their families with certainty of tenure in a volatile and unpredictable rental market. This has a positive effect on many families who have been able to take up the opportunity of owning their own home. My encouragement for those who miss out with selection is to not be discouraged but continue to partner with us, and make the necessary changes as needed to be considered for the developments that are being planned with future Habitat builds. Habitat Nelson was able to honour the work of founder Julian Shields who championed the early work of Habitat for Humanity Nelson with the naming of Shields Way in Stoke. Another 8 homes are planned alongside the 14 already completed.

Habitat Nelson has grown quickly and is now a larger and more complex organisation than when the current structure and operating model was put in place. The Board has concerns that the organisation has greater responsibility than ever before to deliver business goals and meet objectives to grow its housing and community services locally in line with our Strategy. A strategic Review of Habitat for Humanity Nelson is currently underway which will enable the organisation to identify areas that will need change and improvements to ensure the business can meet its financial and business opportunities. The Board, staff and volunteers have had the opportunity to contribute their views to this review and will have further input when the report is released in the coming days. The process of implementing the report will be a major focus into the next financial year.

Our staff numbers have continued to grow to near 50 and volunteer numbers now exceed 150 as people want to be involved in what Habitat does. As a Board we are grateful for everyone's dedication and commitment to the cause under the leadership of our General Manager, Senior leadership team and team managers.

As financial budgets are prepared for the year ahead there is uncertainty with economic constraints through rising interest rates, cost of living rises, wage increases, an unpredictable housing market and a General Election. However, confidence in the community's support of our Restores, the support the Habitat Hub provides and partnering with our contractors and suppliers with future building plans means Habitat Nelson's goal to provide a decent home to live continues.

Thank you for partnering with Habitat for Humanity Nelson.

Ngā mihi,  
**Andrew Riordan**  
**Board Chair**  
**Habitat for Humanity Nelson**

## Directors' report

The Directors are pleased to submit to shareholders their Report and Financial Statements for the year ended 30 June 2023.

### Principal Activities

Habitat for Humanity (Nelson) Limited is a provider of low-cost housing for partner families selected on the basis of need.

### Dividends

The Directors recommend that no dividend be declared.

### Auditors

The Company's current auditors are Grant Thornton Audit New Zealand Limited. The audit fees payable for the year were \$13,794 (2022: \$12,153). The directors propose to re-appoint Grant Thornton Audit New Zealand Ltd for the ensuing year.

### Exemptions applied

Shareholders at the last Annual General Meeting unanimously resolved that the Annual Report need not comply with paragraphs (a) and (e) to (j) of subsection (1) of Sections 211 of the Companies Act 1993.

### Major transactions

Pursuant to Section 129 of the Companies Act 1993 the Directors advise that there were no major property transactions during the year.

### Disclosure of Interests by Directors


The Board received no notices during the year from Directors that they had interest in any transaction or proposed transactions by the Company.

### 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.

### Change of Directors

During the year J O'Neill and D W Toon were appointed as Directors and Trustees

  
\_\_\_\_\_  
Director

Date: 20 November 2023

  
\_\_\_\_\_  
Director

Date 20 November, 2023

## Statement of Service Performance 2023

Habitat for Humanity (Nelson) Ltd works in the Nelson Tasman region to provide decent, affordable housing for whānau and individuals in need.

In the last year, Habitat Nelson expanded the reach of its Progressive Home Ownership Programme, with 12 additional partner families moving into homes completed by Habitat Nelson through the Assisted Home Ownership Programme, bringing the total number of currently active PHO partnerships at Habitat Nelson to 14. In addition, 4 families have been selected for homes that will be completed in the next financial year. No families completed their PHO journey and purchased their homes from Habitat during the 2023 financial year.

In the 2023 financial year, Habitat increased its number of Social Rental properties from 5 to 7, including a partnership with The Salvation Army to provide an Emergency House. In addition, it partnered with The Salvation Army (through Housing First) and the Victory Community Anglican Church to deliver 8 transitional housing cabins on land owned by the Church.

Habitat Nelson has been actively working to sustain and increase its network of partners and now has 5 active Memorandums of Understanding in place with local churches and land holders to investigate future housing projects.

Habitat Nelson's operational base on Tahunanui Drive, 'the Habitat Hub', operates as a successful community hub that promotes community wellbeing and connection, and is a base for affordable housing initiatives. Manaakitanga (hospitality and caring) is central to the activities, services and organisations working in this facility. In addition to its Affiliate and ReStore operations, current tenants include Nelson Community Foodbank, Volunteer Nelson, Neighbourhood Support, Accounting for Good, Mosaic Community Church, and The Buzz.

Habitat's ReStore charity shops in Nelson and Motueka have generated income to support Habitat's housing programmes and organisational development. In addition, Habitat Nelson has partnered with local charities to provide free household goods for people in need of assistance. Construction of Nelson ReStore's House Parts Shed was completed in the 2023 financial year and will significantly expand the capacity of ReStore to sort, store and sell recycled building materials in the coming years.

Habitat Nelson's nook. café (a social enterprise cafe owned and operated by the Affiliate) has continued to provide good coffee and healthy food at an affordable price and has fostered opportunities for social connection and training. Throughout the 2023 financial year, nook. café has hosted a weekly community repair café, has provided 14 vocational training pathways for young people from The Buzz and other agencies with learning and support needs. Importantly, nook. café has been a key anchor for the Nelson ReStore, generating additional customers and increasing ReStore sales.

In the 2023 financial year, Habitat Nelson was active in innovating and advocating for better housing in the region and beyond. Our Habitat Hub has been used as a venue for forums on housing innovation. We are considered thought leaders on matters of housing and community development and have spoken on these topics at approximately 6 public and professional forums. We produced a quarterly newsletter which was distributed to approx 550 households, and our online and social media reached an audience of 87,676.

During the last financial year, Habitat Nelson pledged \$40,000 to assist Habitat for Humanity New Zealand with its ongoing work in the Pacific, providing shelter and resilience training to local communities.

Habitat Nelson continues to be supported by a team of dedicated staff and volunteers who are passionate about helping local people into warm, dry and affordable homes. We now have a permanent staff of 52, and over 180 regular volunteers. Of the total 23,500 volunteer hours given, 22,128 were in Habitat Nelson's ReStore charity shops, and 1,062 in the nook. Cafe, with the remainder focused on the areas of governance, family support services and build projects.



Priority Actions	FY 2022	FY 2023
Expand the reach of our Progressive Home Ownership Programme	<ul style="list-style-type: none"> <li>• 2 active partner families in PHO</li> <li>• 4 families purchased homes</li> </ul>	<ul style="list-style-type: none"> <li>• 14 active partner families in PHO</li> <li>• No families purchased homes</li> </ul>
Expand our Social Rental Programme	<ul style="list-style-type: none"> <li>• Salvation Army partnership - Emergency House</li> <li>• 1 person with disabilities in affordable social rental, with home modified for tenants needs.</li> <li>• 5 active Social Rentals</li> </ul>	<ul style="list-style-type: none"> <li>• Salvation Army partnership - Emergency House</li> <li>• 1 person with disabilities in affordable social rental, with home modified for tenants needs.</li> <li>• 6 active Social Rentals</li> </ul>
Develop our Cabins for Community Programme	NA	<ul style="list-style-type: none"> <li>• 8 cabins completed and leased to Housing First</li> </ul>
Sustain and increase our network of partners	NA	<ul style="list-style-type: none"> <li>• 5 active MOUs</li> </ul>
Develop the potential of our Habitat Hub	NA	<ul style="list-style-type: none"> <li>• 127 external room bookings</li> <li>• 5 permanent Hub Tenants</li> </ul>
Build on the success of our ReStores	<ul style="list-style-type: none"> <li>• \$2,171,619 sales revenue</li> </ul>	<ul style="list-style-type: none"> <li>• \$2,559,673 sales revenue</li> <li>• House Parts Shed completed</li> </ul>
Nurture community through our Nook Café	<ul style="list-style-type: none"> <li>• Weekly community repair café.</li> <li>• 10 vocational training pathways.</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly community repair café.</li> <li>• 14 vocational training pathways through 8 organisations.</li> <li>• Increased ReStore sales.</li> </ul>
Innovate and advocate for better housing	<ul style="list-style-type: none"> <li>• Speaking events – Community Action Nelson, churches, Community &amp; Whanau meeting, Christian Savings AGM</li> </ul>	<ul style="list-style-type: none"> <li>• Speaking events – Retirement village, Assoc of Anglican Women, radio interviews, Rural Women, churches</li> <li>• Newsletter distributed to 428 households by email and 125 by mail and delivery</li> <li>• 87,636 online and through social media</li> </ul>
Support disaster-affected and high-needs areas	<ul style="list-style-type: none"> <li>• Pledges - \$30,000 (Samoa \$10,000, Nepal/Tonga \$20,000)</li> <li>• Disaster Relief Tonga \$10,000</li> </ul>	<ul style="list-style-type: none"> <li>• Pledges - \$40,000 to the Pacific</li> <li>• Disaster Relief Cyclone Gabrielle \$20,000</li> </ul>
Sustain and develop the capacity of our organisation	<ul style="list-style-type: none"> <li>• Volunteers: 122 – 22,965 hrs (incl Restore/nook)</li> <li>• Board: 4 – 80hrs</li> <li>• Affiliate Staff: 4 – 150hrs</li> <li>• General: 4 – 375 hrs</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteers: 185 – 23,500 hrs (incl Restore/nook)</li> <li>• Board: 5 – 75hrs</li> <li>• Affiliate Staff: 4 – 225hrs</li> <li>• General: 0</li> </ul>

## Statement of comprehensive revenue and expenses

For the year ended 30 June 2023

in New Zealand Dollars

	Note	2023	2022
<b>Revenue from Non-Exchange Transactions</b>			
Donations		310,266	166,940
Gifts and goods in kind		209,252	6,215
Covid-19 subsidy		1,800	11,400
Volunteer hours		6,688	12,109
CPI adjustment on houses		11,725	12,153
<b>Total revenue from non-exchange transactions</b>		<b>539,731</b>	<b>208,817</b>
<b>Revenue from Exchange Transactions</b>			
Retail sales (ReStore)	2	3,045,004	2,643,807
Retail sales (Café nook.)	3	192,114	138,705
Rental income	1	347,886	253,844
Grants		673,418	1,143,997
Sundry Income		40,531	37,847
<b>Total revenue from exchange transactions</b>		<b>4,298,953</b>	<b>4,218,200</b>
<b>Total revenue</b>		<b>4,838,684</b>	<b>4,427,016</b>
<b>Retail Expenses (ReStore)</b>			
<b>Retail Expenses (Café nook.)</b>		<b>1,639,342</b>	<b>1,335,139</b>
	3	<b>252,895</b>	<b>170,941</b>
<b>General Expenses</b>			
Advertising		12,802	7,050
Audit fee		15,731	9,890
Loan Establishment fee		-	10,000
Depreciation - Properties held for social service	9	10,863	10,863
Depreciation - Plant and equipment	10	170,294	153,396
Donations		60,230	40,000
General		105,183	59,871
Insurance		42,232	16,020
Levies to national support centre		97,721	77,786
Meetings, conferences and training		63,883	35,757
Professional services		137,339	40,507
Property subsidy provision		47,798	27,843
Rent, Rates & Power		123,903	133,273
Repairs & Maintenance		68,472	81,482
Salaries and Wages (including volunteer hours)		552,898	406,624
<b>Total expenses</b>		<b>3,401,583</b>	<b>2,616,440</b>

**Statement of comprehensive revenue and expenses (continued)**

For the year ended 30 June 2023

*in New Zealand Dollars*

	2023	2022
Financial income	1,097,826	3,973
Financial expenses	(291,377)	(261,696)
<b>Net financing costs</b>	<b>806,448</b>	<b>(257,724)</b>
<b>Operating Surplus for the period</b>	<b>2,243,549</b>	<b>1,552,852</b>
<b>Other gains and losses</b>	<b>(433,481)</b>	-
<b>Surplus for the period</b>	<b>1,810,068</b>	<b>1,552,852</b>
<b>Other comprehensive revenue and expenses for the period</b>	-	-
<b>Total comprehensive revenue and expenses for the period</b>	<b>1,810,068</b>	<b>1,552,852</b>

**Statement of changes in equity**

For the year ended 30 June 2023

*in New Zealand Dollars*

	Share capital	Retained earnings	2023 Total equity
<b>Balance at 1 July 2022</b>	101	5,329,349	5,329,450
<b>Total comprehensive revenue and expenses for the period</b>			
Surplus for the period		1,810,068	1,810,068
Other comprehensive revenue and expenses	-	-	-
<b>Total comprehensive revenue and expenses for the period</b>	-	1,810,068	1,810,068
<b>Transactions with owners, recorded directly in equity</b>			
Transfer to / from reserves	-	-	-
<b>Balance at 30 June 2023</b>	<b>101</b>	<b>7,139,417</b>	<b>7,139,518</b>
	Share capital	Retained earnings	2022 Total equity
<b>Balance at 1 July 2021</b>	101	3,770,040	3,770,141
<b>Total comprehensive revenue and expenses for the period</b>			
Surplus for the period		1,552,852	1,552,852
Other comprehensive revenue and expenses	-	-	-
<b>Total comprehensive revenue and expenses for the period</b>	-	1,552,852	1,552,852
<b>Transactions with owners, recorded directly in equity</b>			
Transfer to / from reserves	-	-	-
<b>Balance at 30 June 2022</b>	<b>101</b>	<b>5,329,349</b>	<b>5,329,450</b>



**Statement of financial position****As at 30 June 2023****in New Zealand Dollars**

	Note	2023	2022
<b>Current assets</b>			
Cash and cash equivalents	4	280,671	178,626
Accounts receivable from exchange transactions	5	232,104	88,982
Inventories	18	358,328	149,076
Prepaid insurances		43,831	38,718
<b>Total current assets</b>		<b>914,935</b>	<b>455,403</b>
<b>Current liabilities</b>			
Trade and other payables	6	434,503	521,755
Tithes and levies owed to national support centre	7	112,379	89,454
Borrowings - current portion	12	2,491,275	467,665
<b>Total current liabilities</b>		<b>3,038,157</b>	<b>1,078,874</b>
<b>Non-current assets</b>			
Construction in progress	8	1,864,247	2,039,956
GST paid in advance		11,820	84
Land inventory		-	500,000
Properties held to provide a social service	9	4,237,486	614,478
Property, plant and equipment	10	7,821,791	7,273,126
Tenancy bonds		2,808	5,408
<b>Total non-current assets</b>		<b>13,938,151</b>	<b>10,433,051</b>
<b>Non-current liabilities</b>			
House deposits		14,880	5,708
Property subsidy provision	11	53,081	17,010
Borrowings - term portion	12	4,607,449	4,457,411
<b>Total non-current liabilities</b>		<b>4,675,410</b>	<b>4,480,129</b>
<b>Net assets</b>		<b>7,139,518</b>	<b>5,329,450</b>
<b>Equity</b>			
Share capital	13	101	101
Retained earnings		7,139,417	5,329,349
<b>Total equity</b>		<b>7,139,518</b>	<b>5,329,450</b>

**Statement of Cashflows**  
**For the year ended 30 June 2023**  
**in New Zealand Dollars**

	Note	2023	2022
<b>Cashflow from Operating Activities</b>			
Donations and fundraising		975,548	1,307,117
Rental from partner and non-partner families		344,372	258,936
Sale of Goods (ReStore)		2,560,038	2,171,619
Sale of Goods (nook. café)		168,842	103,076
Interest Income		4,367	3,973
Payments to employees		(1,664,107)	(1,168,490)
COVID-19 Subsidy		10,077	52,908
Payment to suppliers and Inland Revenue		(5,245,697)	(2,345,327)
Interest paid		(286,722)	(212,864)
Donations		(60,230)	(40,000)
<b>Total Cash (used in) generated from Operating Activities</b>		<b>(3,193,512)</b>	<b>130,948</b>
<b>Cashflow from Investing Activities</b>			
Proceeds from disposal of plant and equipment		1,000	-
Purchase of property, plant and equipment		(20,441)	(1,569,725)
<b>Total Cashflow from Investing Activities</b>		<b>(19,441)</b>	<b>(1,569,725)</b>
<b>Cashflow from Financing Activities</b>			
Proceeds from new loans		3,490,000	1,697,767
Repayments on loans		(175,002)	(1,112,852)
<b>Total Cashflow from Financing Activities</b>		<b>3,314,998</b>	<b>584,915</b>
<b>Total Movement in Cash</b>		<b>102,045</b>	<b>(853,862)</b>
Opening cash		178,626	1,032,488
<b>Closing cash</b>		<b>280,671</b>	<b>178,626</b>
<b>Reconciliation to cash position</b>			
Cash and cash equivalents		280,671	178,626
		<b>280,671</b>	<b>178,626</b>

## Notes to the financial statements

For the year ended 30 June 2023

### General Information

Habitat for Humanity (Nelson) Limited ("Company") is a provider of housing solutions to partner families in need. The Company is affiliated to Habitat for Humanity International who seek to eliminate poverty housing and homelessness from the world and to make decent shelter a matter of conscience and action. The Company does this by purchasing property and constructing homes for families in need. Once a house is completed the Company rents it to the family until they feel the family has met certain commitments. At this stage, the family is offered a chance to purchase the property at the valuation agreed upon at the time of dedication.

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 the Companies Act 1993. The Company is a registered charity under the Charities Act 2005.

The financial statements of the Company are for the year ended 30 June 2023. The financial statements were authorised for issue by the Company's board of directors 20 November 2023.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Summary of significant accounting policies

#### Statement of compliance

These financial statements for the year ended 30 June 2023 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 to Public Benefit Entities.

The entity 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 Company 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.

#### A. Use of accounting estimates and judgments

The preparation of financial statements in conformity with NZ IPSAS (RDR) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies, which are disclosed in the notes to financial statements below.

#### B. Financial assets

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans, and receivables, and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. Financial assets are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

## Notes to the financial statements

For the year ended 30 June 2023

### Loans and receivables

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

### 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 Company 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 Company has transferred substantially all the risks and rewards of ownership.

### 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 Company 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 Expenses.

### C. Cash and cash equivalents

Cash and cash equivalents include cash balances and call deposits.

Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

### D. Trade and other payables

These amounts represent unsecured liabilities for goods and services provided to the Company 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.

### E. 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 Expenses over the period of the borrowings using the effective interest method.

## Notes to the financial statements

For the year ended 30 June 2023

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

### F. 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.

### G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that takes six months or longer to prepare for its intended use or sale. Other borrowing costs are expensed when incurred.

Where the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs capitalised are the actual borrowing costs incurred on that borrowing, less any investment income on the temporary investment of those borrowings.

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

The company has chosen not to capitalise borrowing costs directly.

### H. Inventories

Inventories are stated at the lower of cost and net realisable value, with due allowance for any damaged and obsolete stock items. If inventories are acquired at no cost, or for nominal consideration, cost is the estimated fair value at the date of acquisition, with a corresponding donation amount recognised in the reported surplus or deficit. Cost is determined using an estimation method based on the average Restore sales for six weeks which is the reasonable period that donated goods are held in store.

### I. Property, plant & 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 Company 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 Expenses 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 and building improvements, 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 Expenses.

## Notes to the financial statements

For the year ended 30 June 2023

The following depreciation rates have been used:

Properties Held for Social Service and/or social rental	2.5% SL
Building Improvements (over lease term)	8 - 25% SL
Computer Equipment	25 – 50% DV
Construction Equipment	9.5 – 67% DV
Container	9.5% DV
Office Furniture and Equipment	16 – 67% DV
Vehicles	20 – 25% DV

The residual value and useful lives of all assets are reviewed and adjusted if appropriate at each balance sheet date.

### J. Properties held to provide a social service

The properties held to provide social services by the Company 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. 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 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 company 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."

### K. 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.

## Notes to the financial statements

For the year ended 30 June 2023

### L. 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 Company 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 Company 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 Expenses.

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

### M. Impairment of mortgages

Mortgages are subject to periodic review by the directors to assess whether there is any indication that individual loans may be impaired. An impairment loss is calculated as the difference between the carrying amount of the mortgage and the value of the future cash flows discounted to the original effective interest rate of the mortgage. Any necessary impairment losses are calculated by the directors based on the evidence available to them. Impairment losses are recognized in the Statement of Comprehensive Revenue and Expenses.

### N. Provisions

A provision is recognised when the company 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.

### O. 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.

ReStore transactions being the sale of donated secondhand goods are exempt from GST therefore 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.

## Notes to the financial statements

For the year ended 30 June 2023

### P. Taxation

The Company is a registered Charity and tax exempt. However, under CW42 tax legislation any business income sent overseas for charitable purpose is taxable. HFH Group has obtained a Short Process ruling from Inland Revenue and accordingly any business income generated from ReStore activities and sent overseas through HFHNZ as match funds for New Zealand Government funded projects will be declared through IR 4 Income tax return annually. As per the Short Process ruling these donations from the Affiliates to HFHNZ are entitled to donation tax rebates under DB41. This will create a nil tax effect for these donations sent overseas through HFHNZ.

### Q. 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 Company's activities. Revenue is shown net of Goods and Services Tax, returns, rebates and discounts.

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

#### Exchange transactions

Rental income from partner families is based on an agreed percentage of household income and may or may not necessarily reflect commercial rental rates attainable on that particular property. Rental income is recognised when the payment is received.

Retail sales from the company's ReStore premises and Café nook are recognised at time of sale to customer.

Grant income is recognised as income when it is received unless the Company has a liability to repay the funds if the requirements of the grant are not fulfilled.

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

Mortgage interest is calculated on the daily mortgage balance outstanding and is charged to the partner families' loan accounts on the repayment date. Mortgage interest is recognised in the Statement of Comprehensive Revenue and Expenses using the effective interest method.

#### Non exchange transactions

Donation income is recognised as income when it is received. A liability is recognised to the extent that such conditions are unfulfilled as the end of the reporting period.

Gifts and goods 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.

Voluntary services with a value that can be reliably estimated are treated as revenue and expenditure. Other volunteer services are not recognised in the financial statements. A value has been placed on time provided by volunteers to operate 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 Company. The associated expense is included in employee benefits expense in the Statement of Comprehensive Revenue and Expenses.

Other donated goods and services provided at a discount are not recognised because they cannot be reliably measured. Donated services and other forms of assistance provided to the Company are acknowledged elsewhere in the annual report.



## Notes to the financial statements

For the year ended 30 June 2023

### 1. Rental Income

	2023	2022
Rental from non-partner family tenants	292,571	219,924
Rental from partner family tenants	55,315	33,920
<b>Total rental income</b>	<b>347,886</b>	<b>253,844</b>

### 2. ReStore Operations

Income	2023	2022
Sales	2,559,674	2,171,619
Volunteer hours	477,412	433,080
Covid-19 subsidy	7,918	39,108
<b>Total Income</b>	<b>3,045,004</b>	<b>2,643,807</b>
<b>Expenses</b>		
Labour costs	961,551	727,449
Volunteer labour	477,412	433,080
Advertising	2,279	972
Rent/Rates	60,720	60,720
Utilities	5,045	3,045
Repairs & Maintenance	3,577	3,482
Vehicle & collection expenses	17,629	16,108
Rubbish disposal	20,323	-
Sundries	90,806	90,283
<b>Total Expenses</b>	<b>1,639,342</b>	<b>1,335,139</b>
<b>Net surplus</b>	<b>1,405,662</b>	<b>1,308,668</b>

### 3. Café nook Operations

Income	2023	2022
Sales	168,842	103,196
Volunteer hours	22,913	33,109
Covid-19 subsidy	359	2,400
<b>Total Income</b>	<b>192,114</b>	<b>138,705</b>
<b>Expenses</b>		
Café supplies	74,232	47,652
Labour costs	150,453	83,532
Volunteer labour	22,913	33,109
Repairs & Maintenance	343	2,810
Sundries	4,952	3,838
<b>Total Expenses</b>	<b>252,893</b>	<b>170,941</b>
<b>Net loss</b>	<b>(60,779)</b>	<b>(32,236)</b>

## Notes to the financial statements

For the year ended 30 June 2023

### 4. Cash and cash equivalents

	2023	2022
Petty Cash Nelson	94	110
Cash floats	1,200	200
Current account – SBS	7,280	4,393
Operating account - NBS	50,124	51,271
Call account – NBS	59,500	24,400
Target account - NBS	100,372	13
ReStore account Nelson – NBS	2,785	1,003
ReStore account Motueka – NBS	801	431
Nook account - NBS	719	364
Affiliate Imprest account – NBS	1,395	339
MHUD – NBS	56,403	96,103
<b>Total cash and cash equivalents</b>	<b>280,671</b>	<b>178,626</b>

### 5. Accounts receivable from exchange transactions

	2023	2022
Balances due from non-partner families	21,676	18,161
GST receivable	210,428	70,821
<b>Total trade and other receivables</b>	<b>232,104</b>	<b>88,982</b>

Accounts receivable are non-interest bearing and are usually on 30 day terms.

### 6. Trade and other payables

	2023	2022
Trade payables	342,216	423,574
Payroll liabilities	92,287	98,181
<b>Total trade and other payables</b>	<b>434,503</b>	<b>521,755</b>

## Notes to the financial statements

For the year ended 30 June 2023

### 7. Levies owing to the National Support Centre

	2023	2022
Levies	112,379	89,454
<b>Total current levies owing</b>	<b>112,379</b>	<b>89,454</b>
Levies	-	-
<b>Total non-current levies owing</b>	<b>-</b>	<b>-</b>
<b>Total levies owing</b>	<b>112,379</b>	<b>89,454</b>

The amount calculated of \$112,379 including GST was accrued during the year and remains a current liability as at 30 June 2023.

### 8. Construction in progress

	2023	2022
Construction in progress at the beginning of the year	2,039,956	245,680
Add: Property construction costs	4,070,460	1,794,276
Less: Properties transferred to finished homes	(3,133,871)	-
Less: Properties transferred to PPE	(1,112,298)	-
<b>Construction in progress at the end of the year</b>	<b>1,864,247</b>	<b>2,039,956</b>

Construction in progress represents 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" and valued in accordance with the accounting policy disclosed in section J of the Summary of significant accounting policies. The recorded cost of Construction in Progress is subject to impairment review as disclosed in section J of the Summary of significant accounting policies.

### 9. Properties held to provide a social service

	2023	2022
Properties at the beginning of the year	614,478	624,370
Add: Properties completed	3,633,871	971
Less: Depreciation expense	(10,863)	(10,863)
<b>Properties at the end of the year</b>	<b>4,237,486</b>	<b>614,478</b>
Cost	4,256,211	625,341
Less accumulated depreciation	(21,726)	(10,863)
<b>Properties at the end of the year</b>	<b>4,237,486</b>	<b>614,478</b>

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 company retains security over the property until full settlement has been received.

**Notes to the financial statements***For the year ended 30 June 2023***10. Property, plant and equipment**

	<b>Cost</b>	<b>Depreciation Charge</b>	<b>Accumulated Depreciation</b>	<b>Carrying Amount</b>
Computer equipment	17,600	3,651	11,435	6,165
Construction equipment	16,957	819	14,296	2,661
Containers	14,609	1,041	5,147	9,462
Office furniture, plant & equipment	80,088	9,650	33,087	47,001
Property 3/62A Tipahi Street	410,977	6,674	39,352	371,625
Property 62b Tipahi Street (3 flats)	510,297	9,744	44,233	466,064
Property 32a Bishopdale Ave	455,102	8,383	29,433	425,669
Property 166-168 Tahunanui Dr	3,742,287	78,311	203,600	3,538,687
Property 171 Queen Street	504,775	-	-	504,775
Property 1/617 Main Road Stoke	457,200	-	-	457,200
Property 2/617 Main Road Stoke	704,850	-	-	704,850
1 Shields Way	266,299	-	-	266,299
2 Shields Way	266,299	-	-	266,299
Cabins – Wikitoria	323,308	4,041	4,041	319,267
DIY shed – Hub	256,392	1,068	1,068	255,324
Building Improvements	151,133	15,001	77,282	73,851
Vehicles	176,112	31,912	69,520	106,592
<b>Balance at 30 June 2023</b>	<b>8,354,285</b>	<b>170,295</b>	<b>532,494</b>	<b>7,821,791</b>

	<b>Cost</b>	<b>Depreciation Charge</b>	<b>Accumulated Depreciation</b>	<b>Carrying Amount</b>
Computer equipment	12,462	1,187	7,784	4,678
Construction equipment	16,957	1,308	13,477	3,480
Containers	14,609	1,155	4,106	10,503
Office furniture, plant & equipment	73,966	10,801	23,437	50,529
Property 3/62A Tipahi Street	410,977	6,674	32,677	378,300
Property 62b Tipahi Street (3 flats)	510,297	9,744	34,489	475,808
Property 32a Bishopdale Ave	455,102	8,384	21,049	434,053
Property 166-168 Tahunanui Dr	3,500,000	60,138	125,289	3,374,711
Property 171 Queen Street	827,500	8,068	16,136	811,364
Property 1/617 Main Road Stoke –	600,000	3,570	3,570	596,430
Property 2/617 Main Road Stoke	925,000	5,504	5,504	919,496
Building Improvements	151,133	15,040	62,280	88,853
Vehicles	177,932	21,823	53,006	124,926
<b>Balance at 30 June 2022</b>	<b>7,675,935</b>	<b>153,396</b>	<b>403,804</b>	<b>7,273,128</b>

## Notes to the financial statements

For the year ended 30 June 2023

### 10. Property, plant and equipment (continued)

Reconciliation of carrying amounts at the beginning and end of the period.	Computer equipment	Construction equipment	Container	Office Furniture & equipment	Rental / other Properties	Building improvements	Vehicles
<b>1 July 2022 net of accumulated depreciation and impairment</b>	<b>4,678</b>	<b>3,480</b>	<b>10,503</b>	<b>50,529</b>	<b>6,990,160</b>	<b>88,852</b>	<b>124,926</b>
Additions	5,138	-	-	6,122	242,287	-	16,181
Transfer from Construction in Progress	-	-	-	-	1,112,299	-	-
Disposals	-	-	-	-	(660,466)	-	(2,603)
Depreciation charge for the year	(3,651)	(819)	(1,041)	(9,650)	(108,221)	(15,001)	(31,912)
<b>At 30 June 2023 net of accumulated depreciation and impairment</b>	<b>6,165</b>	<b>2,661</b>	<b>9,462</b>	<b>47,001</b>	<b>7,576,058</b>	<b>73,851</b>	<b>106,592</b>
<b>At 30 June 2023</b>							
Cost	17,600	16,957	14,609	80,088	7,897,785	151,133	176,112
Accumulated depreciation and impairment	(11,435)	(14,296)	(5,147)	(33,087)	(321,727)	(77,282)	(69,520)
<b>Net carrying amount</b>	<b>6,165</b>	<b>2,661</b>	<b>9,462</b>	<b>47,001</b>	<b>7,576,058</b>	<b>73,851</b>	<b>106,592</b>
<b>Reconciliation of carrying amounts at the beginning and end of the period.</b>							
<b>1 July 2021 net of accumulated depreciation and impairment</b>	<b>2,069</b>	<b>4,788</b>	<b>11,658</b>	<b>50,026</b>	<b>6,024,442</b>	<b>38,107</b>	<b>60,716</b>
Additions	3,796	-	-	11,304	1,067,800	76,200	86,033
Disposals	-	-	-	-	-	(10,414)	-
Depreciation charge for the year	(1,187)	(1,308)	(1,155)	(10,801)	(102,082)	(15,041)	(21,823)
<b>At 30 June 2022 net of accumulated depreciation and impairment</b>	<b>4,678</b>	<b>3,480</b>	<b>10,503</b>	<b>50,529</b>	<b>6,990,160</b>	<b>88,852</b>	<b>124,926</b>
<b>At 30 June 2022</b>							
Cost	12,462	16,957	14,609	73,966	7,228,875	161,547	177,932
Accumulated depreciation and impairment	(7,784)	(13,477)	(4,106)	(23,437)	(238,715)	(72,695)	(53,006)
<b>Net carrying amount</b>	<b>4,678</b>	<b>3,480</b>	<b>10,503</b>	<b>50,529</b>	<b>6,990,160</b>	<b>88,852</b>	<b>124,926</b>

## Notes to the financial statements

For the year ended 30 June 2023

### 11. Property subsidy provision

	2023	2022
Provision at the beginning of the year	17,010	1,320
Add: Rental payments	47,797	27,843
Less: CPI Adjustments	(11,726)	(12,153)
<b>Provision at the end of the year</b>	<b>53,081</b>	<b>17,010</b>

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% (2022: 100%) of all qualifying rental will convert to mortgage payments.

### 12. Loans and borrowings

#### Carrying value of loans and borrowings

	2023	2022
Christian Savings current portion	173,508	139,898
Christian Savings flexi loan	2,317,767	327,767
<b>Total current loans and borrowings</b>	<b>2,491,275</b>	<b>467,665</b>
Christian Savings	4,032,210	4,374,078
HFHNZ (MHUD)	533,573	-
Rata Foundation suspensory loan	41,666	83,333
<b>Total non-current loans and borrowings</b>	<b>4,607,449</b>	<b>4,457,411</b>
<b>Total loans and borrowings</b>	<b>7,098,724</b>	<b>4,925,076</b>

<b>Face Value of Loans and Borrowings</b>	<b>2023</b>	<b>2022</b>
Christian Savings	6,523,485	4,841,743
HFHNZ (MHUD)	1,500,000	-
Rata Foundation suspensory loan	41,666	83,333
<b>Total Face Value of loans and borrowings</b>	<b>8,065,151</b>	<b>4,925,076</b>
Secured loans and borrowings	8,065,151	4,925,076
<b>Total loans and borrowings</b>	<b>8,065,151</b>	<b>4,925,076</b>
Interest Bearing loans and borrowings	6,523,485	4,841,743
Non-interest-bearing loans and borrowings	1,541,666	83,333
<b>Total loans and borrowings</b>	<b>8,065,151</b>	<b>4,925,076</b>

## Notes to the financial statements

For the year ended 30 June 2023

### 12. Loans and borrowings (continued)

The Christian Savings loans FR231.1 and FR232.1 are secured over 166-168 Tahunanui Drive; 623 Main Road, Stoke; 8 Coppins Place, Motueka; 3/62a Tipahi Street; 62B Tipahi Street; 32a Bishopdale Avenue Nelson; 1/617 Main Road, Stoke; 2/617 Main Road Stoke. Interest is 5.84% on \$1,803,082 and 5.44% on \$1,063,792. Repayments are interest and principal.

The additional loan L10047.1 for \$1,337,985 is secured over 1/617 Main Road, Stoke and 2/617 Main Road, Stoke with interest and principal payments at 3.49%

The Christian Savings flexi loans L10062 and RC1009 totalling \$2,317,766 are interest only at 9.05%

The loan to Habitat New Zealand for MHUD advances of \$1,500,000 is interest free for 15 years secured over 623 Main Road Stoke.

The Rata Foundation suspensory loan is secured by second mortgage over 171 Queen Street, Richmond for a term of three years, is interest free with the second of three annual grants of \$41,667 received before balance date.

### 13. Share capital

	2023	2022
Issued and paid up capital		
101 ordinary shares	101	101
<b>Total share capital</b>	<b>101</b>	<b>101</b>

As at 30 June 2023, share capital comprised of 101 ordinary shares (2022: 101). All issued shares are fully paid and have no par value. All shares have equal voting rights, but have no right to distributions of profits, or any residual assets upon wind up of the company. No shares were issued, or calls made during the year. Any residual assets are to be conferred to the controlling shareholder Habitat for Humanity New Zealand Limited.

### 14. Financial instruments classification

2023	Loans	Other amortised cost	Total carrying amount
<b>Assets</b>			
Cash and cash equivalents	280,671	-	280,671
Other receivables	-	21,676	21,676
Due from related parties	-	-	-
<b>Total current assets</b>	<b>280,671</b>	<b>21,676</b>	<b>302,347</b>
Non-current receivables	-	-	-
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>280,671</b>	<b>21,676</b>	<b>302,347</b>

## Notes to the financial statements

For the year ended 30 June 2023

### Liabilities

Trade and other payables	-	440,801	440,801
Loans and borrowings	-	991,275	991,275
Due to related parties	-	1,612,379	1,612,379
<b>Total current liabilities</b>		<b>3,044,455</b>	<b>3,044,445</b>
Other tenancy payables	-	14,880	14,880
Loans and borrowings	-	4,607,449	4,607,449
<b>Total non-current liabilities</b>		<b>4,477,999</b>	<b>4,477,999</b>
<b>Total liabilities</b>		<b>7,522,454</b>	<b>7,522,454</b>

### 2022

	Loans and receivabl	Other amortised cost	Total carrying amount
<b>Assets</b>			
Cash and cash equivalents	178,626	-	178,626
Other tenancy receivables	-	18,161	18,161
Prepayments	38,718	-	38,718
<b>Total current assets</b>	<b>217,344</b>	<b>18,161</b>	<b>235,505</b>
Non-current receivables	-	-	-
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>217,344</b>	<b>18,161</b>	<b>235,505</b>
<b>Liabilities</b>			
Trade and other payables		511,880	511,880
Loans and borrowings		467,665	467,665
<b>Total current liabilities</b>		<b>1,068,999</b>	<b>1,068,999</b>
Other tenancy payables		5,708	5,708
Loans and borrowings		4,457,411	4,457,411
Due to related parties		-	-
<b>Total non-current liabilities</b>		<b>4,463,119</b>	<b>4,463,119</b>
<b>Total liabilities</b>		<b>5,532,118</b>	<b>5,532,118</b>



## Notes to the financial statements

For the year ended 30 June 2023

### 15. Related parties

#### Identity of related parties

a) Parent and ultimate controlling party

The immediate parent and ultimate controlling party of the company is Habitat for Humanity New Zealand Limited, which has the controlling vote.

b) Key management personnel

The company has a related party relationship with its directors. It is estimated that directors have contributed 300 hours (2022: 220) in providing governance activities to the company.

The Board of Directors (refer p1) and the General Manager are considered Key Management Personnel along with the Head of Finance & Administration, two Restore Managers, an Assistant Manager and the Café Manager. Salary FTE – 5.5

	2023 NZ\$	2022 NZ\$
Key management personal compensation includes the following expenses		
Salaries and other short term employee benefits	411,511	394,207
Total Remuneration	<u>411,511</u>	<u>394,207</u>
Number of persons recognised as key management personnel for the year	8	6

Board members (5) are not remunerated.

#### Balances outstanding with related parties as at 30 June include:

	2023	2022
Due to related parties		
Current liabilities	-	-
Loan payable to related parties	-	-
Tithes and levies payable to parent company	112,379	89,454
Loans and borrowings payable to parent company	<u>1,500,000</u>	<u>-</u>
	<u>1,612,379</u>	<u>112,379</u>
Non-current liabilities	-	-
Total liabilities to related parties	<u>1,612,379</u>	<u>89,454</u>

#### Transactions with parent company

a) Designated gifts receivable from parent company

Designated gifts receivable from the parent company for the year ended 30 June 2023 amounted to \$nil (2022: \$nil).

b) Grants receivable from parent company

Grant receivable from parent company for the year ended 30 June 2023 amounted to \$Nil. (2022: \$Nil)

c) Pledges payable to parent company

Pledges payable to the parent company for the year ended 30 June 2023 amounted to \$60,000 (2022: \$30,000)

d) Tithes and levies payable to parent company

The non-current portion of tithes and levies payable to the parent company for the year ended 30 June 2023 amounted to Nil (2022: \$Nil). The current portion of tithes and levies payable to the parent company for the year ended 30 June 2023 amounted to \$112,379 (2022: \$89,454).

## Notes to the financial statements

For the year ended 30 June 2023

The total title expense incurred was Nil (2021: Nil) for the year ended 30 June 2023. The total levy expense incurred was \$112,379 (2021: \$89,454) for the year ended 30 June 2023.

e) Loans and borrowings payable to parent company

The non-current portion of loans and borrowings from the parent company for the year ended 30 June 2023 amounted to \$1,500,000 (2022: \$nil). The current portion of loans and borrowings from the parent company for the year ended 30 June 2023 amounted to \$nil (2022: \$600,000).

The total interest expense incurred on these loans and borrowings was \$nil (2022: \$nil) for the year ended 30 June 2023.

### 16. Capital commitments, contingent liabilities, and Operating Leases

At 30 June 2023 the company had a commitment to complete the development of a multi-unit house development at 171 Queen Street, Richmond at a total build cost of \$1.5m. It is expected that the project will be completed by May 2024.

There is a Personal Grievance claim against the Company with a hearing scheduled for early November 2023 with estimated exposure between \$30,000-\$50,000. The outcome of the hearing cannot be determined at this stage.

There are no known contingent liabilities at 30 June 2023 (2022: \$0).

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are:

	2023	2022
	\$000	\$000
Less than 1 year	112,470	112,470
Greater than 1 year less than 5 years	51,750	164,220
Greater than 5 years	-	-
<b>Total non-cancellable operating leases</b>	<b>164,220</b>	<b>276,690</b>

The Company leases buildings under operating leases, the details of the main property leases are as follows:

- 73 Quarantine Road, Annesbrook, Nelson is leased from McAlpine & Timings Ltd with an expiry date of 30 June 2025
- 205 High Street, Motueka is leased from Hector Whitwell Holdings Ltd with an expiry date of 30 September 2024

### 17. Events after balance date

There are no material adjusting or non-adjusting events occurring after the balance date.

### 18. Inventories

	2023	2022
ReStore stock	358,328	149,076
<b>Total Inventories</b>	<b>358,328</b>	<b>149,076</b>

No inventories have been pledged as security over borrowings and other liabilities.

## Appendix A

### List of Donations

The following donations were received during the year ended 30 June 2023

<b>Donations - Individuals/Family/General</b>		<b>Cash Contributions - Churches</b>	
General	19,353	CA Marwick - Marlborough Christian Church	840
Blackmore, R & M	500	St Lukes Church	1,000
Tindall Foundation	10,000	Atawhai Community Church	360
Spooner, A F	600		
Fiona Small	1,000		
Wilberforce Foundation	20,147		
S LangfordS	90,475		
Estate LA Spitz	158,491		
Assa Abbloy	500		
		<b>Total Cash Contributions - Churches</b>	<b>2,200</b>
<b>Total Donations - Individuals/Family</b>	<b>308,066</b>	<b>TOTAL DONATIONS</b>	<b>310,266</b>

Released 29 May 2024