

**Foscadh Housing Association Company Limited By Guarantee**  
(A company limited by guarantee, without a share capital)

**Directors' Report and Financial Statements**

**for the year ended 31 December 2020**

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

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# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## DIRECTORS AND OTHER INFORMATION

<b>Directors</b>	Charlie Campbell Anthony Flanagan Colm Ó'Maolmhuire Joseph McNeill Catherine MacGinley Tony McBride David Faherty Fearghal O'Nolan
<b>Company Secretary</b>	Anthony Flanagan
<b>Company Number</b>	327105
<b>Charity Number</b>	CHY14021
<b>Charities Regulatory Authority (CRA) Number</b>	20045197
<b>Registered Office and Business Address</b>	Ballymakenny, Drogheda, Co. Louth A92 H298
<b>Auditors</b>	McInerney Saunders Chartered Accountants and Statutory Audit Firm 38 Main Street Swords, Co. Dublin
<b>Bankers</b>	Bank of Ireland Laurence Street Drogheda Co. Louth  Bank Of Ireland (Account closed 7 August 2020) Scariff Co. Clare  Allied Irish Bank Dyer Street Drogheda Co. Louth  Housing Finance Agency Plc 46 St. Stephens Green Dublin 2
<b>Solicitors</b>	Markey, Minogue, Coyle Solicitors 1 South Quay Lagavooren Drogheda Co. Louth  McKenna McArdle Solicitors 1 Roden Place Dundalk, Co.Louth

# **Foscadh Housing Association Company Limited By Guarantee**

(A company limited by guarantee, without a share capital)

## **DIRECTORS' REPORT**

for the year ended 31 December 2020

The directors herewith present their annual report together with the audited financial statements for the financial year ended 31 December 2020.

### **LEGAL STATUS**

Foscadh Housing Association Company Limited by Guarantee (The Association) is a company limited by guarantee, not having a share capital, incorporated in Ireland in 2000 under the Companies Act 2014.

The Association has been granted charitable status, for taxation purposes by the Revenue Commissioners. All income is applied only for the promotion of the charitable objectives of the Association. The Association is also registered with the Charities Regulatory Authority.

### **PRINCIPAL ACTIVITY**

The principal activity of the Association is the management and development of socially affordable housing.

### **STRUCTURE, GOVERNANCE & MANAGEMENT**

The Association was established in 2000, we are members of the Irish Council for Social Housing and awarded Approved Housing Body status by the Department of Environment and Local Government in 2000.

In April 2014, the Association signed up to the Voluntary Regulatory Code and in October 2016 was awarded Certified Body Status by the Housing Finance Agency. The Residential Tenancies (Amendment) Act 2015 brought all Foscadh Housing Tenancies under the remit of the Residential Tenancies Board (RTB) 2015 as of the 7<sup>th</sup> April 2016. The Association has all its tenancies registered with the RTB. The Association is operating under the Tenancy and Valuation Act 2020, since its enactment. In June 2017, we had our First Annual Review meeting with the Regulation Office.

The Directors are drawn from a diverse range of backgrounds in business, professional and community life bringing a broad range of experience to Board decision making. The Directors do not receive remuneration for their services to the Association and are only reimbursed for incidental expenses incurred in their role as Directors. Clear distinctions exist between the role of the Board and the executive management team to which day to day management is delegated. Matters of policy, strategy and budget planning are prepared by the executive management team for consideration and approval by the Directors.

### **ORGANISATION**

The Association commenced operations in 2000.

At 31 December 2020, the Association owns and manages 139 homes ranging in size from 2 Bed, 3 Bed and 4 Bed units in large and small scale developments.

### **HEALTH AND SAFETY**

The Association continues to ensure that our workplaces, practices and procedures are in compliance with the requirements of the Safety, Health & Welfare at Work Act, 2005.

### **GOING CONCERN**

The directors have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 2 and note 4 to the financial statements.

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## DIRECTORS' REPORT

for the year ended 31 December 2020

### REVIEW OF FINANCIAL OUTCOMES IN 2020

The Association delivered a strong operating and financial performance during 2020. We continued to grow our portfolio, working with our partners and stakeholders, particularly the Local Authorities, tenants, and communities. Annual income was €1.39m compared with €1.43m in 2019, generating an annual surplus after amortisation and depreciation of €295,836 in 2020 (2019: €327,192).

### RESERVES

At the year end, total reserves were €3,577,296 compared to €3,281,460 at 31 December 2019. The increase in reserves is attributed to the total comprehensive income surplus for the financial year of €295,836. Further details on the nature and use of reserves is provided in note 2 to the financial statements.

### FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Associations' activities expose it to a number of financial risks including interest rate risk and credit risk. The Association has budgetary and financial reporting procedures in place, to manage these risks. All key financial indicators are monitored on an on-going basis.

#### - Credit risk

The Association's principal financial assets are bank balances and debtors. The Association's credit risk is primarily attributable to its trade and other debtors. The amounts presented as rental and other debtors in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Association has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### - Interest rate risk

The Association hold a number of loans with both the House Finance Agency (HFA) and CALF. There is 1 HFA loan on a 22 year fixed rate, 1 loan on a 25 year fixed rate and 9 loans on a 30 year fixed rate. The last 5 years of all loans are variable. The CALF loans are over a 25 or 30 year period with 2% fixed rate simple interest. There are no loans held on a variable interest rate.

### EVENTS AFTER THE BALANCE SHEET DATE

In the opinion of the directors there are risks and uncertainties facing the Association due to the outbreak of the COVID-19 pandemic and the serious impact that this pandemic may have on the global economy and the Associations' activities. The directors are currently monitoring this negative force. They are following guidance issued by the Health Service Executive and the Government of Ireland.

### DIRECTORS AND SECRETARY

The directors who served throughout the financial year, except as noted, were as follows:

Charlie Campbell  
Anthony Flanagan (Secretary)  
Colm Ó'Maolmhuire (Chairperson)  
Joseph McNeill  
Catherine MacGinley  
Tony McBride  
David Faherty  
Fearghal O'Nolan

The secretary who served throughout the year was Anthony Flanagan.

### BOARD SUB-COMMITTEE

The purpose of the Audit & Risk Committee is to review the Association's financial results, risk and controls and refer back to the Directors.

### AUDITOR

The auditors, McNerney Saunders, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

# **Foscadh Housing Association Company Limited By Guarantee**

(A company limited by guarantee, without a share capital)

## **DIRECTORS' REPORT**

for the year ended 31 December 2020

### **DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each of the persons who are directors at the time the directors' report and financial statements are approved:

- a) So far as the Director is aware, there is no relevant audit information of which the Association's statutory auditors are unaware; and
- b) Each Director has taken all steps that ought to have been taken by the Director 'in order to make himself/herself aware of any relevant audit information and to establish that the Association's auditors are aware of that information,

This confirmation is given and should be interpreted in accordance with the provisions of Section 350 of the Companies Act 2014.

### **ACCOUNTING RECORDS**

To ensure that adequate accounting records are kept in accordance with sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the Association's office at Ballymakenny Road, Drogheda, Co. Louth A92 H298.

**Signed on behalf of the board**

**Anthony Flanagan**  
Director

**Colm Ó'Maolmhuire**  
Director

**Date:**

**Date:**

# **Foscadh Housing Association Company Limited By Guarantee**

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## **DIRECTORS' RESPONSIBILITIES STATEMENT**

for the year ended 31 December 2020

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Signed on behalf of the board**

**Anthony Flanagan**  
Director

**Colm Ó'Maolmhuire**  
Director

**Date:**

**Date:**

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Members of Foscadh Housing Association Company Limited By Guarantee**

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### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Foscadh Housing Association Company Limited By Guarantee ('the company') for the year ended 31 December 2020 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Members' Funds, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

#### **Opinions on other matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

#### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Members of Foscadh Housing Association Company Limited By Guarantee**

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### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

#### **Further information regarding the scope of our responsibilities as auditor**

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Members of Foscadh Housing Association Company Limited By Guarantee**

**(A company limited by guarantee, without a share capital)**

### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Owen Sheehy**

**for and on behalf of**

**MCINERNEY SAUNDERS**

Chartered Accountants and Statutory Audit Firm

38 Main Street,

Swords,

Co. Dublin

**Date:**

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## INCOME STATEMENT

for the year ended 31 December 2020

	Notes	2020 €	2019 € as restated
Income	6	1,388,303	1,429,731
Expenditure		(966,601)	(971,287)
Operating surplus		421,702	458,444
Interest payable and similar expenses	8	(125,866)	(131,252)
Surplus for the year		295,836	327,192
Total comprehensive income		295,836	327,192

The company has no recognised gains or losses other than the surplus for the year. The results for the year have been calculated on the historical cost basis. The company's income and expenses all relate to continuing operations.

Approved by the board on                      and signed on its behalf by:

Anthony Flanagan  
Director

Colm Ó'Maolmhuire  
Director

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## BALANCE SHEET

as at 31 December 2020

	Notes	2020 €	2019 € as restated
<b>Fixed Assets</b>			
Tangible assets	11	<u>16,152,682</u>	<u>16,580,421</u>
<b>Current Assets</b>			
Debtors	12	62,897	107,240
Cash and cash equivalents		<u>423,535</u>	<u>267,156</u>
		<u>486,432</u>	<u>374,396</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(117,289)</u>	<u>(93,892)</u>
<b>Net Current Assets</b>		<u>369,143</u>	<u>280,504</u>
<b>Total Assets less Current Liabilities</b>		<u>16,521,825</u>	<u>16,860,925</u>
<b>Creditors</b>			
Amounts falling due after more than one year	14	<u>(12,944,529)</u>	<u>(13,579,465)</u>
<b>Net Assets</b>		<u>3,577,296</u>	<u>3,281,460</u>
<b>Reserves</b>			
Capital reserves		8,544,622	7,962,830
Retained Deficit – Accumulated depreciation		(5,515,968)	(5,079,855)
- Accumulated surplus before depreciation		<u>548,642</u>	<u>398,485</u>
<b>Members' Funds</b>		<u>3,577,296</u>	<u>3,281,460</u>

Approved by the board on

and signed on its behalf by:

**Anthony Flanagan**  
Director

**Colm Ó'Maolmhuire**  
Director

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## RECONCILIATION OF MEMBERS' FUNDS

as at 31 December 2020

	Retained Deficit		Capital	Total
	Accumulated surplus	Accumulated depreciation	reserve	
	€	€	€	€
<b>At 1 January 2019</b>	641,429	(7,484,105)	7,381,038	538,362
Surplus for the year	235,839	-	-	235,839
Transfer amortisation to capital reserves	(581,792)	-	581,792	-
Transfer depreciation to accumulated depreciation	623,252	(623,252)	-	-
<b>At 31 December 2019 as previously stated</b>	918,728	(8,107,357)	7,962,830	774,201
<b>Prior year adjustment</b>	(520,243)	3,027,502	-	2,507,259
<b>At 31 December 2019</b>	398,485	(5,079,855)	7,962,830	3,281,460
Surplus for the year	295,836	-	-	295,836
Transfer amortisation to capital reserves	(581,792)	-	581,792	-
Transfer depreciation to accumulated depreciation	436,113	(436,113)	-	-
<b>At 31 December 2020</b>	<b>548,642</b>	<b>(5,515,968)</b>	<b>8,544,622</b>	<b>3,577,296</b>

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020 €	2019 € as restated
<b>Cash flows from operating activities</b>			
Surplus for the year		295,836	327,192
Adjustments for:			
Interest receivable and similar income		-	-
Interest payable and similar expenses		125,866	131,252
Depreciation		436,113	436,545
Amortisation of government grants		(581,792)	(581,792)
		<u>276,023</u>	<u>313,197</u>
Movements in working capital:			
Movement in debtors		44,343	25,737
Movement in creditors		18,082	(26,631)
		<u>338,448</u>	<u>312,303</u>
Cash generated from operations		338,448	312,303
Interest paid		(105,048)	(106,390)
		<u>233,400</u>	<u>205,913</u>
<b>Cash flows from investing activities</b>			
Interest received		-	-
Payments to acquire tangible fixed assets		(8,374)	(350,638)
		<u>(8,374)</u>	<u>(350,638)</u>
Net cash used in investment activities		(8,374)	(350,638)
<b>Cash flows from financing activities</b>			
New loans		-	304,491
Repayment of loans		(68,674)	(63,448)
		<u>(68,674)</u>	<u>241,043</u>
Net cash (used) generated from financing activities		(68,674)	241,043
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>156,379</b>	96,318
<b>Cash and cash equivalents at beginning of financial year</b>		<b>267,156</b>	170,838
		<u>423,535</u>	<u>267,156</u>
<b>Cash and cash equivalents at end of financial year</b>		<b>423,535</b>	267,156

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

### 1. GENERAL INFORMATION

Foscadh Housing Association Company Limited by Guarantee (The Association) is a company limited by guarantee incorporated in the Republic of Ireland. The registered office of the Association is Ballymakenny, Drogheda, Co. Louth, which is also the principal place of business of the Association. The nature of the Associations' operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the Association.

### 2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Association's financial statements.

#### Statement of compliance

The financial statements of the Association for the year ended 31 December 2020 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council

#### Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

#### Income

Income represents the total rent receivable during the year, maintenance grants receivable, amortisation of government grants and start up grants received.

#### Going concern

The accounts have been prepared on going concern basis. A proportion of the Association's income is derived from funding from local authorities. Any future funding received will be dependent on Government policy in general in the area of social housing. The Association meets its day to day working capital requirements through reserves, bank and other debt. The directors have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future.

#### Housing loans

Loans are primarily advanced by Local authorities, under the Capital Loan and Subsidy Scheme (CLSS), subject to the terms of individual mortgage deeds in respect of each freehold property or housing scheme. These loans do not become repayable provided the specific conditions set out in the loan agreements are complied with.

Capital Advance Leasing Facility (CALF) loans have also been obtained from the Department of the Environment, Community and Local Government to part fund specific property units. There is interest payable on these loans and the full amount of capital and interest is repayable at the end of the loan term, with terms of between 25 and 30 years.

Loans are also advanced by the Housing Finance Agency (HFA) to fund the purchase of some properties. The HFA loan is operated in accordance with the terms and conditions of the Payment and Availability Agreement with the HFA and local authorities.

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2020

### Reserves

The association reserves are reviewed periodically by the Board to ensure that there are adequate reserves for the long-term maintenance of the association's properties. The adequacy of the reserves is based on an assessment of the long-term amounts required as reflected in the stock condition survey that is completed every five years. The stock condition survey reflects an agreed planned maintenance programme which reflects the needs of the tenants and the adequate maintenance of the housing stock.

The capital reserve is represented by capital loan and subsidy scheme funding which is being amortised over the term (30 years) of the scheme from the date of the advance. At the end of the term of the scheme the related funding will be released to the income and expenditure account reserve. The funding may become repayable in the event that the conditions of the related agreements are not adhered to.

The association's policy is to maintain unrestricted reserves to ensure the long-term viability and future growth of the association.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

<i>Fixtures, fittings and equipment</i>	- 12.5% & 33.3% Straight line
<i>Land and buildings</i>	- 2 % Straight Line

Land and structures purchased under CLSS funding were previously depreciated over 30 years, the term of the loan. Land and structures, purchased under CALF and HFA loans, residual values' were considered not less than the costs capitalised and therefore were not depreciated. The Board reviewed this accounting policy in the current year and have adopted a new policy of depreciating buildings over a period of 50 years.

The additions of tangible fixed assets are to be capitalised and are depreciated over a period of 15 years to write off the components over their estimated useful economic lives.

### Leasing

Rentals payable under operating leases are dealt with in the Income Statement as incurred over the period of the rental agreement.

### Trade and other debtors

Trade and other debtors are recognised at fair value less impairment losses for bad and doubtful debts.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Balance Sheet bank overdrafts are shown within Creditors.

### Trade and other creditors

Trade and other creditors are recognised at fair value.

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2020

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Association's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include:

#### *Useful lives of depreciable assets*

The annual depreciation charge depends primarily on the estimated useful lives of each type and component of asset, and in certain circumstances, estimates of fair values and residual values. The directors annually review these asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have significant impact on depreciation charge for the period.

#### *Land and Buildings residual value*

The land and building residual value is considered not less than the net book value as included in financial statements.

### 4. GOING CONCERN

The accounts have been prepared on a going concern basis. A portion of the Association's income is derived from funding from Local Authorities. Any future funding will depend on Government policy in the area of social housing provision. The Directors feel it is appropriate for the accounts to be prepared on a going concern basis. The Directors have considered the period of at least twelve months from date of signing in forming their opinion.

### 5. TAXATION

As a result of the Association's charitable status, no charge to corporation tax arises under the provision of section 20 of the Taxes Consolidation Act 1997.

### 6. INCOME

The whole of the Association's income is attributable to its market in the Republic of Ireland and is derived from the principal activity of the management and development of socially affordable housing.

The split of income by category is as follows:

	2020	2019
	€	€
Rent receivable	751,321	770,354
Amortisation of government grants	581,792	581,792
Government grants received and receivable	55,190	77,585
	<u>1,388,303</u>	<u>1,429,731</u>

### 7. OPERATING SURPLUS

	2020	2019
	€	€
<b>Operating surplus is stated after charging/(crediting):</b>		
Depreciation of tangible fixed assets	436,113	436,545
Operating lease rentals		
- Land and buildings	8,250	8,250
Government grants received	(55,190)	(77,585)
Amortisation of Government grants	(581,792)	(581,792)
	<u></u>	<u></u>

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

continued

<b>8. INTEREST PAYABLE AND SIMILAR EXPENSES</b>	<b>2020</b>	<b>2019</b>
	€	€
Interest	<u>125,866</u>	<u>131,252</u>

### 9. EMPLOYEES

The average number of persons employed (including executive directors) during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Administration	<u>5</u>	<u>5</u>

There are no employees earning in excess of €70,000 in 2019 or 2020.

	<b>2020</b>	<b>2019</b>
	€	€
Wages and salaries	<u>220,471</u>	<u>191,870</u>
Social welfare costs	<u>23,793</u>	<u>21,644</u>
	<u>244,264</u>	<u>213,514</u>

The total remuneration for key management personnel for the financial year amounted to €Nil (2019: €Nil). No Director receives payments other than direct reimbursement of direct expenses incurred as a result of their duties as director.

### 10. PRIOR YEAR ADJUSTMENT

During the year the Directors undertook a review of fixed assets and the relevant accounting policies in place. On completion of this review it was decided to amend the depreciation policy for land and buildings to depreciate all buildings at a rate of 2% straight line, irrespective of funding source. The land and buildings had, previously, different depreciation policies depending on source of funding, with CLSS properties depreciated over the term of the funding and CALF/HFA properties held at cost. This change in accounting policy resulted in an adjustment to reduce the accumulated depreciation by €3,027,502. In addition, on review of the fixed assets, there were capitalised costs that are now being reflected as being repairs and renewals, which resulted in an adjustment to the prior year reserves of €520,243. This has resulted in a cumulative prior year adjustment of €2,507,259 to reserves.

# Foscadh Housing Association Company Limited By Guarantee

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

continued

11.

	Land and buildings freehold €	Fixtures, fittings and equipment €	Total €
At 1 January 2020 (as restated)	21,563,048	97,228	21,660,276
Additions	-	8,374	8,374
At 31 December 2020	<u>21,563,048</u>	<u>105,602</u>	<u>21,668,650</u>
At 1 January 2020 (as restated)	4,995,238	84,617	5,079,855
Charge for the year	431,261	4,852	436,113
At 31 December 2020	<u>5,426,499</u>	<u>89,469</u>	<u>5,515,968</u>
At 31 December 2020	<u><b>16,136,549</b></u>	<u><b>16,133</b></u>	<u><b>16,152,682</b></u>
At 31 December 2019	<u>16,567,810</u>	<u>12,611</u>	<u>16,580,421</u>

### CLSS

Included in the above Freehold assets are Housing properties held under a Capital Loan and Subsidy Scheme. These properties are as follows:

Properties	Original Cost €	CLSS funding received €
Lia Bhrega, Drogheda, Co. Louth	11,613,149	11,568,326
Massereene Close, Collon, Co. Louth	873,805	873,805
Henry Laffan Heights, Killenaule, Co. Tipperary	3,335,543	3,335,543
Rosemount Park, Rosegreen, Co. Tipperary	1,676,073	1,676,073

In relation to these properties legal charges are registered against the properties by the local authorities. The current terms of the Capital Loan and Subsidy Scheme provides mortgage loans to approved housing bodies from the local authorities up to the amount approved, with the repayments and interest charges fully waived, provided the Housing Association for Foscadh Housing Association Limited complies with the terms of the Scheme and the mortgage deed agreement with the local authority. In effect this is not a loan and neither principal or interest is payable provided Foscadh Housing Association Limited complies with the following

- The property is let to suitable tenants off the local authority waiting list.
- The rent charge is affordable for the tenants.
- The properties are maintained to a good standard.

The mortgage loans advanced by local authorities have thirty-year repayment period for all properties.

# Foscadh Housing Association Company Limited By Guarantee

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## NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2020

In the event of the accommodation not continuing to be let in accordance with the terms of the Scheme, Foscadh Housing Association Limited will become liable for repaying the outstanding balance of the loan together with any accrued interest. In the event of default of repayments, the housing authorities may take appropriate steps to secure redemption of the loan.

### CALF & HFA

In 2013 the Association constructed 4 properties in Drogheda. In 2016, four additional properties were purchased, two in Drogheda, Co. Louth and two in Portarlington, Co. Laois. In 2017, fourteen additional properties were purchased, eleven properties in Drogheda, Co. Louth, two properties in Portarlington, Co. Laois and one in Termonfeckin, Co. Louth. In 2019, three additional properties were purchased in Drogheda, Co. Louth. (These properties were financed through Housing Finance Loans and Capital Advance Leasing Facility loans with a repayment term of between 25 and 30 years. A fixed charge is held on these properties by Housing Finance Agency).

During 2019, two additional properties were purchased in Drogheda, Co. Louth. (These properties were financed through Housing Finance Agency Loans with a repayment term of between 25 and 30 years. A fixed charge is held on these properties by Housing Finance Agency).

The title deeds of all properties are registered in the name of Foscadh Housing Association.

<b>12. DEBTORS</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Trade debtors	<b>40,211</b>	20,083
Other debtors	<b>20,400</b>	84,781
Prepayments	<b>2,286</b>	2,376
	<b>62,897</b>	107,240
	<b>=====</b>	<b>=====</b>
<b>13. CREDITORS</b>	<b>2020</b>	<b>2019</b>
<b>Amounts falling due within one year</b>	<b>€</b>	<b>€</b>
Housing Finance Agency Loan	<b>68,290</b>	62,975
Trade creditors	<b>4,618</b>	417
Taxation (Note 15)	<b>24,942</b>	17,018
Other creditors	<b>10,011</b>	821
Accruals	<b>9,428</b>	12,661
	<b>117,289</b>	93,892
	<b>=====</b>	<b>=====</b>

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2020

14. CREDITORS	2020	2019
Amounts falling due after more than one year	€	€
Housing Finance Agency Loan	2,881,445	2,955,408
CALF loan and leasing	1,153,958	1,133,139
CLSS scheme	8,909,126	9,490,918
	<u>12,944,529</u>	<u>13,579,465</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 13)	68,290	62,975
Repayable between one and two years	136,580	130,357
Repayable between two and five years	204,870	202,379
Repayable in more than five years	3,755,811	3,755,811
	<u>4,103,693</u>	<u>4,151,522</u>

The properties that were purchased in 2016, 2017, 2019 are partly funded by a CALF Loan made available by Department of Housing, Planning, Community and Local Government and partly through Housing Finance Agency (HFA) Loan. The 2020 properties purchased are funded by Housing Finance Agency (HFA) Loans. A legal charge is registered against these properties by Housing Finance Agency PLC.

### 15. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2020	2019
	€	€
<b>Due:</b>		
Within one year	11,400	6,000
Between one and five years	44,650	-
	<u>56,050</u>	<u>6,000</u>

As at 31 December 2020, the Association had annual commitments under the terms of a lease of its premises, which expires in August 2025.

16. TAXATION	2020	2019
Creditors:	€	€
VAT	944	1,566
PAYE	23,525	14,666
Relevant Contracts Tax (RCT)	473	786
	<u>24,942</u>	<u>17,018</u>

### 17. CAPITAL COMMITMENTS

The Association had no capital commitments at the financial year end 31 December 2020.

### 18. STATUS

The Association is one limited by guarantee not having a share capital. The distribution of surplus to members is prohibited.

# Foscadh Housing Association Company Limited By Guarantee

(A company limited by guarantee, without a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2020

### 19. POST-BALANCE SHEET EVENTS

In the opinion of the directors there are risks and uncertainties facing the Association at this time due to the outbreak of the COVID-19 pandemic since the financial year end and the serious impact that this pandemic may have on the global economy and the Association's activities. The directors are currently monitoring this negative force. They are following guidance issued by the Health Service Executive and the Government of Ireland.

20.	FINANCIAL INSTRUMENTS	2020 €	2019 €
	<b>Financial assets</b>		
	Financial assets that are debt instruments measured at amortised cost	<u>40,211</u>	<u>20,083</u>
	<b>Financial liabilities</b>		
	Financial liabilities measured at amortised cost	<u>4,117,739</u>	<u>4,164,600</u>

Financial assets measured at cost comprise trade debtors

Financial liabilities measured at amortised cost comprise trade creditors, accruals and loans owing in more than one year.

21.	GOVERNMENT GRANTS DEFERRED	2020 €	2019 €
	<b>Capital Grants received and receivable</b>		
	At 1 January 2020	17,453,746	17,453,746
	<b>Amortisation</b>		
	At 1 January 2020	(7,962,828)	(7,381,036)
	Amortised in year	<u>(581,792)</u>	<u>(581,792)</u>
	At 31 December 2020	<u>(8,544,620)</u>	<u>(7,962,828)</u>
	<b>Net book value</b>		
	At 31 December 2020	<u>8,909,126</u>	<u>9,490,918</u>
	At 1 January 2020	<u>9,490,918</u>	<u>10,072,710</u>

The current terms of the Capital Loan and Subsidy Scheme provides mortgage loans to approved housing bodies from the local authorities up to the amount approved, with the repayments and interest charges fully waived, provided the Housing Association complies with the terms of the Scheme and mortgage deed agreement with the local authority. In effect this is not a loan and neither principal or interest is payable provided:

- The property is let to suitable tenants off the local authority waiting list.
- The rent charge is affordable for the tenants.
- The properties are maintained to a good standard.

The mortgage loans advanced by local authorities have thirty-year repayment period for all properties.

In the event of the accommodation not continuing to be let in accordance with the terms of the Scheme, the Association will become liable for repaying the outstanding balance of the loan together with any accrued interest. In the event of default of repayments, the housing authorities may take appropriate steps to secure redemption of the loan.

### 22. RELATED PARTY TRANSACTIONS

During the year the company was charged rent of €9,219 (2019: €8,250) by a close family member of the Chief Executive Officer. There were no amounts outstanding at the year end (2019: Nil).

The above transaction was in the normal course of business and at arms length.

# **Foscadh Housing Association Company Limited By Guarantee**

(A company limited by guarantee, without a share capital)

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2020

continued

### **23. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the board of directors on \_\_\_\_\_.

