

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 2022

Foscadh Housing Association Company Limited By Guarantee
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Foscadh Housing Association Company Limited By Guarantee

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DIRECTORS AND OTHER INFORMATION

Directors	Charlie Campbell Anthony Flanagan Colm O'Maolmhuire (Resigned 25 August 2022) Joseph McNeill Catherine MacGinley Tony McBride David Faherty Brian Cavanagh (appointed 1 st January 2022) Eadaoin Finnegan (appointed 1 st January 2022)
Company Secretary	Anthony Flanagan
Company Number	327105
Charity Number	CHY14021
Charities Regulatory Authority (CRA) Number	20045197
Registered Office and Business Address	Ballymakenny, Drogheda, Co. Louth A92 H298
Auditors	McInerney Saunders Chartered Accountants and Statutory Audit Firm 38 Main Street Swords, Co. Dublin
Bankers	Bank of Ireland Laurence Street Drogheda Co. Louth Allied Irish Bank Dyer Street Drogheda Co. Louth Housing Finance Agency Plc 46 St. Stephens Green Dublin 2
Solicitors	Markey, Minogue, Coyle Solicitors 1 South Quay Lagavooren Drogheda Co. Louth McKenna McArdle Solicitors 1 Roden Place Dundalk Co. Louth Smyth & Son Solicitors 56/57 Rope Walk 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 2022

The directors herewith present their annual report together with the audited financial statements for the financial year ended 31 December 2022.

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 7th 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 2022, 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

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DIRECTORS' REPORT

for the year ended 31 December 2022

REVIEW OF FINANCIAL OUTCOMES IN 2022

The Association delivered a strong operating and financial performance during 2022. Annual income was €1.44m compared with €1.40m in 2021, generating an annual surplus after amortisation and depreciation of €266,372 in 2022 (2021: €211,994).

RESERVES

At the year end, total reserves were €4,055,662 compared to €3,789,290 at 31 December 2021. The increase in reserves is attributed to the total comprehensive income surplus for the financial year of €266,372. 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

There have been no significant events affecting the company since the financial year end which require disclosure in the financial statements.

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 (Resigned 25 August 2022)
Joseph McNeill
Catherine MacGinley
Tony McBride
David Faherty
Brian Cavanagh (appointed 1st January 2022)
Eadaoin Finnegan (appointed 1st January 2022)

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, McInerney 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

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DIRECTORS' REPORT

for the year ended 31 December 2022

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

26 October 2023

Joseph McNeill
Director

26 October 2023

Foscadh Housing Association Company Limited By Guarantee

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

DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2022

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

26 October 2023

Joseph McNeill
Director

26 October 2023

INDEPENDENT AUDITOR'S REPORT

to the Members of Foscadh Housing Association Company Limited By Guarantee (A company limited by guarantee, without a share capital)

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 2022 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 2022 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 (A company limited by guarantee, without a share capital)

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

26 October 2023

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

INCOME STATEMENT

for the year ended 31 December 2022

	Notes	2022 €	2021 €
Income	6	1,450,149	1,404,700
Expenditure		(1,062,112)	(1,068,541)
Operating surplus		388,037	336,159
Interest payable and similar expenses	8	(121,665)	(124,165)
Surplus for the year		266,372	211,994
Total comprehensive income		266,372	211,994

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 26 October 2023 and signed on its behalf by:

Anthony Flanagan
Director

26 October 2023

Joseph McNeill
Director

26 October 2023

Foscadh Housing Association Company Limited By Guarantee

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BALANCE SHEET

as at 31 December 2022

	Notes	2022 €	2021 €
Fixed Assets			
Tangible assets	10	15,367,559	15,720,351
Current Assets			
Debtors	11	47,191	33,629
Cash and cash equivalents		505,535	485,517
		552,726	519,146
Creditors: Amounts falling due within one year	12	(193,134)	(140,143)
Net Current Assets		359,592	379,003
Total Assets less Current Liabilities		15,727,151	16,099,354
Creditors			
Amounts falling due after more than one year	13	(11,671,489)	(12,310,064)
Net Assets		4,055,662	3,789,290
Reserves			
Capital reserves		9,126,414	9,126,414
Retained Deficit – Accumulated depreciation		(6,389,214)	(5,952,938)
- Accumulated surplus before depreciation		1,318,462	615,814
Members' Funds		4,055,662	3,789,290

Approved by the board on 26 October 2023 and signed on its behalf by:

Anthony Flanagan
Director

26 October 2023

Joseph McNeill
Director

26 October 2023

Foscadh Housing Association Company Limited By Guarantee

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

RECONCILIATION OF MEMBERS' FUNDS

as at 31 December 2022

	Retained Deficit		Capital	Total
	Accumulated surplus	Accumulated depreciation	reserve	
	€	€	€	€
At 1 January 2021	548,642	(5,515,968)	8,544,622	3,577,296
Surplus for the year	211,994	-	-	211,994
Transfer amortisation to capital reserves	(581,792)	-	581,792	-
Transfer depreciation to accumulated depreciation	436,970	(436,970)	-	-
At 31 December 2021	<u>615,814</u>	<u>(5,952,938)</u>	<u>9,126,414</u>	<u>3,789,290</u>
Surplus for the year	266,372	-	-	266,372
Transfer depreciation to accumulated depreciation	436,276	(436,276)	-	-
At 31 December 2022	<u>1,318,462</u>	<u>(6,389,214)</u>	<u>9,126,414</u>	<u>4,055,662</u>

Foscadh Housing Association Company Limited By Guarantee

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STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	2022 €	2021 €
Cash flows from operating activities			
Surplus for the year		266,372	211,994
Adjustments for:			
Interest receivable and similar income		-	-
Interest payable and similar expenses		121,665	124,165
Depreciation		436,665	436,970
Amortisation of government grants		(581,792)	(581,792)
		<u>242,910</u>	<u>191,337</u>
Movements in working capital:			
Movement in debtors		(13,562)	29,268
Movement in creditors		48,241	19,716
		<u>277,589</u>	<u>240,321</u>
Cash generated from operations		(121,665)	(124,165)
Interest paid			
		<u>155,924</u>	<u>116,156</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(87,295)	(4,639)
Receipts from sales of tangible assets		3,322	-
		<u>(83,973)</u>	<u>(4,639)</u>
Net cash used in investment activities			
		<u>(83,973)</u>	<u>(4,639)</u>
Cash flows from financing activities			
New loans		-	-
Repayment of loans		(51,933)	(49,535)
		<u>(51,933)</u>	<u>(49,535)</u>
Net cash (used) generated from financing activities			
		<u>(51,933)</u>	<u>(49,535)</u>
Net (decrease)/increase in cash and cash equivalents		20,018	61,982
Cash and cash equivalents at beginning of financial year		485,517	423,535
		<u>485,517</u>	<u>423,535</u>
Cash and cash equivalents at end of financial year		505,535	485,517
		<u>505,535</u>	<u>485,517</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 2022

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 2022 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

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NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2022

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 prior year and 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.

Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the Income Statement in the period to which they relate.

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 2022

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:

	2022	2021
	€	€
Rent receivable	805,655	765,275
Amortisation of government grants	581,792	581,792
Government grants received and receivable	49,269	57,633
Community Foundation LLC grant	13,433	-
	<u>1,450,149</u>	<u>1,404,700</u>

7. OPERATING SURPLUS

	2022	2021
	€	€
Operating surplus is stated after charging/(crediting):		
Depreciation of tangible fixed assets	436,665	436,970
Operating lease rentals		
- Land and buildings	11,400	11,717
Government grants received and receivable	(62,702)	(57,633)
Amortisation of Government grants	(581,792)	(581,792)
	<u></u>	<u></u>

Foscadh Housing Association Company Limited By Guarantee
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NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 2022

8. INTEREST PAYABLE AND SIMILAR EXPENSES	2022	2021
	€	€
Interest	121,665	124,165

9. EMPLOYEES

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

	2022	2021
	Number	Number
Administration	5	5

There are no employees earning in excess of €70,000 in 2022 or 2021.

	2022	2021
	€	€
Wages and salaries	231,671	237,547
Social welfare costs	25,322	25,815
Pension costs	61,453	-
	318,446	263,362

The total remuneration for key management personnel for the financial year amounted to €Nil (2021: €Nil).
No Director receives payments other than direct reimbursement of direct expenses incurred as a result of their duties as director.

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NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 2022

10.

	Land and buildings freehold €	Fixtures, fittings and equipment €	Total €
At 1 January 2022	21,563,048	110,241	21,673,289
Additions	87,135	160	87,295
Disposals	-	(3,811)	(3,811)
At 31 December 2022	<u>21,650,183</u>	<u>106,590</u>	<u>21,756,773</u>
At 1 January 2022	5,857,761	95,177	5,952,938
Charge for the year	431,262	5,503	436,765
On disposals	-	(489)	(489)
At 31 December 2022	<u>6,289,023</u>	<u>100,191</u>	<u>6,389,214</u>
At 31 December 2022	<u>15,361,160</u>	<u>6,399</u>	<u>15,367,559</u>
At 31 December 2021	<u>15,705,287</u>	<u>15,064</u>	<u>15,720,351</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 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 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.

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NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 2022

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 Portllington, Co. Laois. In 2017, fourteen additional properties were purchased, eleven properties in Drogheda, Co. Louth, two properties in Portllington, 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.

11. DEBTORS	2022	2021
	€	€
Trade debtors	13,584	10,355
Other debtors	28,971	20,400
Prepayments	4,636	2,874
	47,191	33,629
12. CREDITORS	2022	2021
Amounts falling due within one year	€	€
Housing Finance Agency Loan	76,178	71,428
Trade creditors	1,411	5,326
Taxation (Note 16)	30,999	33,082
Other creditors	-	3,387
Accruals	70,653	26,920
Deferred Income	13,893	-
	193,134	140,143

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NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2022

13. CREDITORS	2022	2021
Amounts falling due after more than one year	€	€
Housing Finance Agency Loan	2,728,914	2,807,237
CALF loan and leasing	1,197,038	1,175,498
CLSS scheme	7,745,537	8,327,329
	<u>11,671,489</u>	<u>12,310,064</u>
Loans		
Repayable in one year or less, or on demand (Note 13)	76,178	71,428
Repayable between one and two years	152,356	142,856
Repayable between two and five years	228,534	214,284
Repayable in more than five years	3,545,062	3,625,595
	<u>4,002,130</u>	<u>4,054,163</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.

14. FINANCIAL COMMITMENTS

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

	Land and buildings	
	2022	2021
	€	€
Due:		
Within one year	11,400	11,400
Between one and five years	18,050	29,450
	<u>29,450</u>	<u>40,850</u>

As at 31 December 2022, the Association had annual commitments under the terms of a lease of its premises, which expires in August 2025.

15. TAXATION	2022	2021
Creditors:	€	€
VAT	8,021	5,068
PAYE	22,490	24,892
Relevant Contracts Tax (RCT)	488	3,122
	<u>30,999</u>	<u>33,082</u>

16. CAPITAL COMMITMENTS

The Association had no capital commitments at the financial year end 31 December 2022.

17. 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 2022

18. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the company since the financial year end which require disclosure in the financial statements.

19. FINANCIAL INSTRUMENTS

	2022	2021
	€	€
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>13,584</u>	<u>10,355</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>4,001,406</u>	<u>4,014,981</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.

20. GOVERNMENT GRANTS DEFERRED

	2022	2021
	€	€
Capital Grants received and receivable		
At 1 January 2022	17,453,746	17,453,746
Amortisation		
At 1 January 2022	(9,126,417)	(8,544,625)
Amortised in year	<u>(581,792)</u>	<u>(581,792)</u>
At 31 December 2022	<u>(9,708,209)</u>	<u>(9,126,417)</u>
Net book value		
At 31 December 2022	<u>7,745,537</u>	<u>8,327,329</u>
At 1 January 2022	<u>8,327,329</u>	<u>8,909,121</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.

21. RELATED PARTY TRANSACTIONS

During the year the company was charged rent of €11,400 (2021: €11,717) by a close family member of the Chief Executive Officer. There were no amounts outstanding at the year end (2021: €Nil).

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

Foscadh Housing Association Company Limited By Guarantee

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NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 2022

22. PENSION COSTS – DEFINED CONTRIBUTION

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to €61,453 (2021: €0).

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 October 2023