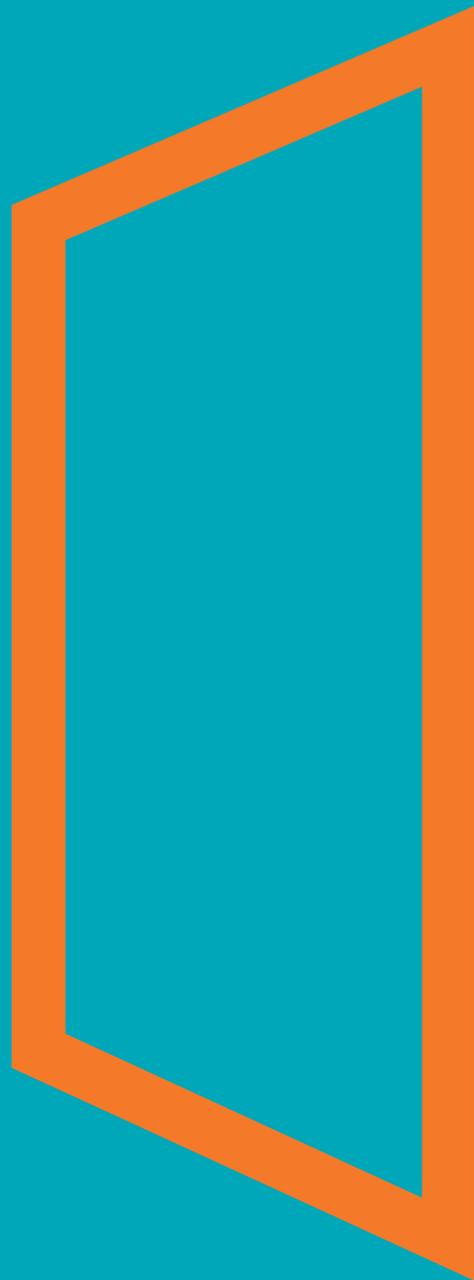


# 2017

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2017**



**HAIL**

Housing Association for Integrated Living

Company Registration Number 109465  
Registered Charity Number CRA20013394  
Charity Number CHY6796

# DIRECTORS AND OTHER INFORMATION

Directors and other information
1 Directors' Report
10 Independent Auditors' Report
14 Statement of Financial Activities
15 Statement of Financial Position
16 Statement of Changes in Reserves
17 Statement of Cash Flows
18 Accounting Policies
21 Notes to the Financial Statements

## **DIRECTORS**

Eanna McHugh (Chairman)  
Kenneth Carroll (Vice Chairman)  
Michael Hoey (Finance Director)  
Con Buckley  
Serena Condon  
Kieran Gallagher  
Seosamh M. O'Ruairc  
(Resigned 23rd October 2017)  
Nicola Palmer  
(Resigned 11th December 2017)

## **COMPANY SECRETARY**

Patricia Cleary  
(Resigned 4th July 2017)  
Cliodhna O'Leary  
(Appointed 4th July 2017)

## **COMPANY NUMBER**

109465

## **REGISTERED CHARITY NUMBER**

CRA 20013394

## **CHARITY NUMBER**

CHY 6796

## **REGISTERED OFFICE AND BUSINESS ADDRESS**

2nd Floor  
Central Hotel Chambers  
7 – 9 Dame Court  
Dublin 2

## **AUDITORS**

Clifford Desmond & Associates  
Chartered Accountants and  
Registered Auditors  
185 Rathmines Road Lower  
Dublin 6

## **BANKERS**

Bank of Ireland  
St. Stephens Green  
Dublin 2  
AIB Bank  
Dame Street  
Dublin 2

## **ULSTER BANK**

Terenure  
Dublin 6

## **KBC BANK**

Sandwith Street Upper  
Dublin 2

## **INVESTEC BANK PLC**

Harcourt Street  
Dublin 2

## **SOLICITORS**

Ryans Solicitors  
46 Harrington Square  
Dublin 8

# DIRECTORS' REPORT

**The Directors present their report and the audited financial statements for the financial year ended 31 December 2017. This report presents the information and disclosures required by a Directors' Report under the Companies Act 2014, together with additional information required by the Charities Statement of Recommended Practice applicable to charities.**

The financial statements are prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102).

The Directors have prepared a separate Annual Report for 2017. The Annual Report deals separately with performance, outcomes and impact of our work during 2017. A copy of the Annual Report is available on our web site [www.hail.ie](http://www.hail.ie) or you can contact the Registered Office for a copy.

## WHO ARE WE

HAIL is a registered trade name of Housing Association for Integrated Living (the Company or HAIL) a Company limited by guarantee and not having a share capital. The Company is a not-for-profit organisation engaged in the provision of social housing and support to people with mental health difficulties.

It has approved status under Section 6 of the Housing (Miscellaneous provisions) Act 1992 for the purposes of voluntary housing and is a member of the Irish Council for Social Housing.

HAIL is a charity registered with the Charities Regulatory registered No. 20013394, and has been granted Charitable Tax Exemption by the Revenue Commissioners in Ireland with registered charity number: CHY 6796.

The Registered Office of the Company is Second Floor, Central Hotel Chambers, 7–9 Dame Court, Dublin 2, D02 X452.

### MISSION, VISION

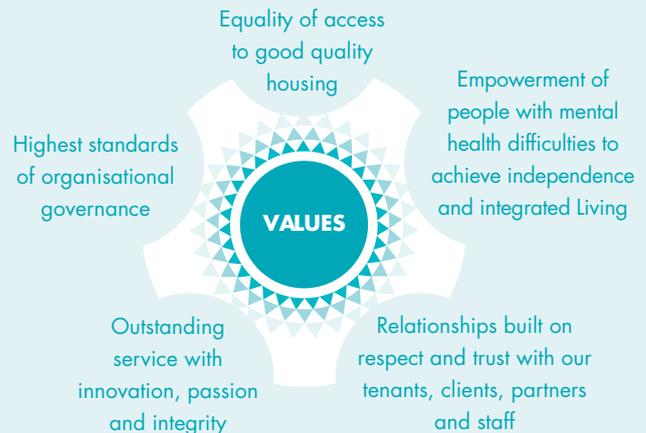
#### MISSION

HAIL's mission is to provide housing and individually tailored services to support people, primarily those with mental health difficulties, to integrate and live independent lives in the community.

#### VISION

HAIL's vision is to be the provider of choice for housing and support for people with mental health difficulties, enabling them to achieve and sustain independent living in the community by having secure, quality, affordable accommodation with appropriate support services tailored to their needs.

### VALUES



# KEY GOVERNANCE AND MANAGEMENT PERSONNEL

## ORGANISATIONAL STRUCTURE

The Company is managed by a voluntary Board of Directors.

## COMPOSITION OF THE BOARD

The directors who served during the year were: Éanna McHugh (Chairman), Kenneth Carroll (Vice Chairman), Michael Hoey (Finance Director), Con Buckley, Serena Condon, Kieran Gallagher, Seosamh M. O'Ruairc (Resigned 23rd October 2017) and Nicola Palmer (Resigned 11th December 2017). Heather Musgrave and Michael Morris were appointed directors on 12th March 2018. A brief profile of the directors is available on our web site [www.hail.ie](http://www.hail.ie). The Board met seven times during 2017.

Patricia Cleary served as Company Secretary until 4th July 2017 when Cliodhna O'Leary was appointed Company Secretary.

## KEY MANAGEMENT PERSONNEL

Patricia Cleary served as CEO until 30th June 2017 when she retired having reached retirement age. The directors wish to record their appreciation to Patricia for her contribution to the growth and development of the Company during her 14 years of service to the Company. Martina Smith was appointed CEO on 1st July 2017 and as CEO does not serve as a director. The Management Team consist of Sandra Fox, Services Manager, Paul Kelly, Housing & Properties Manager and Cliodhna O'Leary, Head of Finance.

The Board acknowledge with appreciation the committed work of our management team and staff. The staffing level at the end of December was twenty one, twenty full time and one part-time – the gender split of the staff is seventeen female and four male.

Our continuing success and our achievements are due to the staff's professionalism, dedication and commitment to our mission. The Board has delegated the responsibility of the day to day management and decision making of the Company to the CEO and her senior management team.

## BOARD APPOINTMENTS

In line with good governance guidelines, HAIL has in place a number of policies to ensure that the organisation is effectively governed. This range of policies and terms of reference directs the conduct of the Directors and sets out standards, processes and the values of HAIL in dealing with all stakeholders.

Appointments to the Board are for a term of five years with an option of serving a second term of five years, for a maximum period of ten years. New Directors receive a comprehensive, formal and tailored induction.

HAIL has in place a recruitment policy to ensure that there is phasing out of longstanding directors and the active recruitment of new Directors, taking into consideration the skills and diversity already on the Board. There is also a training and development programme for Board Directors.

## CODE OF CONDUCT AND CONFLICTS OF INTEREST

The Board has in place a number of key governance policy documents, all of which have been reviewed by the Board in 2017. These include;

- Delegated authority and matters reserved for the Board
- Terms of Reference for each of the Boards Sub-Committees

## KEY GOVERNANCE AND MANAGEMENT PERSONNEL *CONTINUED*

- A code of conduct and ethics for Company directors and members of Sub-Committees
- A conflict of interest policy for Board Directors and senior staff including a conflicts of interest register
- Board Directors expenses policy.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

HAIL owns and manages 324 homes for social housing tenants mainly in the greater Dublin area and also in the surrounding counties including Kildare, Laois and Offaly. HAIL also provides tenancy

sustainment support to tenants and clients to support them move into their homes, Local Authority houses and integrate into the community.

HAIL is actively seeking new opportunities for the provision of social housing by working in partnership with the HSE, Local Authorities and other AHBs to purchase off the shelf properties or new build properties. HAIL is actively working with the HSE to expand the tenancy sustainment provision. Directors therefore anticipate that that the number of homes in management and the tenancy sustainment provision will increase over the forthcoming years.

## BOARD COMMITTEES

### THERE ARE FOUR SUB-COMMITTEES OF THE BOARD



#### THE NOMINATIONS SUB-COMMITTEE

This Committee assists the Board in ensuring that the composition of the Board and its Sub-Committees has the appropriate skills, knowledge and experience. It supports the Chair in monitoring performance of the Board as a whole and of individual directors. It recommends the appointment of new directors when vacancies arise and assists directors to understand their responsibilities and the expectations of them. The Committee met five times during 2017.



#### PROPERTIES SUB-COMMITTEE

The primary function of this Committee is to support the Board in all matters relating to the Company's property portfolio and the acquisition of properties. The Committee also considers the suitability and sustainability of properties to be acquired, the cost and cash flow implications of the proposed acquisitions. The Committee also advises the Board on appropriate levels of reserve funding to adequately maintain properties. During 2017 the Committee met three times.



#### SUPPORT SERVICES SUB-COMMITTEE

In line with HAIL's mission, this Committee has particular responsibility for the review, development and implementation of best practice in the ongoing work of the support services. It monitors the health and safety elements of support operations and evaluates the capacity of the service to take on increased roles. The Committee also evaluates funding arrangements in relation to mental health and social housing needs and makes recommendations to the Board. During 2017 the Committee met three times.



#### FINANCE AUDIT & RISK SUB-COMMITTEE

This Committee reviews and monitors all aspects of the Company's financial performance. It controls, identifies and manages the risks identified. It provides an independent review of annual budgets, management accounts, annual financial statements, risk register and reports and liaises with the Company's auditors. It makes recommendations to the Board as appropriate. During 2017, the Committee met five times.

# FINANCIAL REVIEW

## RESULTS

There was a net income for the financial year of €662K (2016 €668K). The income includes the amortisation of local authority mortgages €1,402K (2016 €1,328K) and the expenditure includes depreciation on properties of €885K (2016 €831K). Both the amortisation of mortgages income and the depreciation of properties charge are non-cash items. These two non-cash items account for €517K (2016 €497K) of the net income for the financial year. The net income for the financial year, excluding non-cash items, amounted to €145K (2016 €171K). The Directors expect that the level of activity will increase in future years to meet the demand of the individuals and families we support and our future tenants.

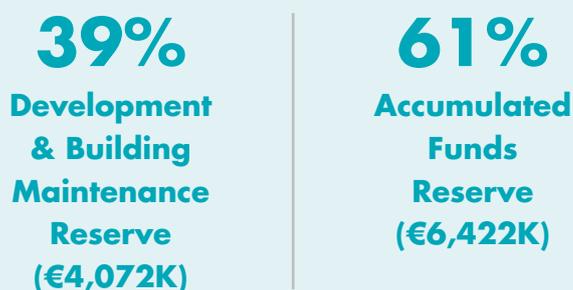
During 2017 HAIL continued to work in partnership with the Department of Housing, Planning and Local Government, Local Authorities, the HSE and other Approved Housing Bodies. We also worked with the Housing Finance Agency (HFA) and the Bank of Ireland to access private finance to continue to increase our housing stock as part of the Rebuilding Ireland Action Plan for Housing and Homelessness.

## RESERVES

The Board reviewed and changed its policy on Reserves following the implementation of accounting policy FRS102. This has resulted in a re designation of all existing Reserves into two main categories – a Development and Building Maintenance Reserve which will be cash backed and an Accumulated Funds Reserve.

At the 31 December 2017 the Company held reserves totalling €10,494K (2016 €9,647K). This reflects the Company's continuing growth.

These reserves were split as follows:



Details of the reserves and their movements are in the notes 15 to 18 to the financial statements.

# 8%

## increase in turnover

2017 €3,868K | 2016 €3,568K

## INCOME

Gross income for the financial year was €3,868K, compared to €3,568K for 2016, an increase of €300K (8%). The main increases were to rental income €150K (16%), rental income from Local Authorities €215K (93%) due mainly to the apartments leased from NARPS and amortisation of loans by €74K (6%) offset by a decrease in deposit interest of € (11K) (-72%).

## FINANCIAL REVIEW *CONTINUED*

### EXPENDITURE

Total expenditure for the financial year was €3,206K compared to €2,900K for 2016, an increase of €306K (11%). The main increases are due an increase in property finance costs €165K reflecting a full year of the NARPS lease (€136K) and increased interest payments on properties acquired. Other increases were in depreciation on all fixed assets €926K (2016 €857K) an increase of €69K (8%), property costs €490K (2016 €441K) mainly due to an increase in the number of properties and related service charges.

We benchmark our staff payroll remuneration against sector payroll reports – National Guide to Pay and Benefits in Community, Voluntary and Charitable Organisations.

### INTERNAL CONTROLS

The Directors acknowledge their overall responsibility for the Company's systems of internal control and for reviewing its effectiveness. The Board approves all internal control policies. They have delegated responsibility for the implementation and monitoring of the agreed policies to the CEO. The internal control policies include financial controls, which enable the Board to meet its responsibilities for the integrity and accuracy of the Company's accounting records.

The Board has established a process of compliance that addresses the Board's wider responsibility to maintain, review and report on operational and financial internal controls.

During 2017 the internal control policies were reviewed by the Finance, Audit and Risk Sub-Committee. The recommended changes to the

policies were approved by the Board including the establishment of a revised set of key performance indicators.

### RISK REGISTER AND REVIEW

The Finance, Audit and Risk Sub-Committee and the Board review the Risk Register on a quarterly basis. The process of identification and assessment of our risks and our Risk Management Strategy is reviewed on an annual basis. The Risk Register is divided into five categories – strategic risk, financial risk, operational risk, compliance risk and reputational risk.

The identification and management of risk is an integral part of our business. Consequently the Risk Register is presented at staff team meetings and cross departmental meetings such as health and safety meetings for input from staff.

The Finance, Audit and Risk Sub-Committee manages the risk register seeking assurance that all mitigating actions are identified and are in place and that any further actions are completed.

Performance in the Approved Housing sector is generally affected by government policies, changing legislation, the impact of the new regulatory regime and changes in the political or economic conditions.

The main risks identified by HAIL and managed in 2017 were:

- Risk to our reputation
- Cyber treat or loss of IT systems
- Risk of being sued or the subject of a claim or proceedings due to some infringement of laws, regulations or Health and Safety

## FINANCIAL REVIEW CONTINUED

- Organisational capacity and resources
- Funding of the support services to ensure services can be maintained to ensure our tenants and clients can achieve and sustain independent living
- Capital financing for property purchase not available and therefore unable to develop in line with our Strategic Plan
- Increase in running costs of the organisation not matched by income stream
- Staff retention and staff burnout.

Measures are in place to control these risks and the implementation of further mitigating actions is regularly monitored by the Board and its Committees. A 30 Year Financial Plan is prepared and reviewed by the Board and its Committees. This plan is also stress tested in line with the identified risks to the organisation.

### BUDGET CONTROL

Each year we prepare a three year forecast with a detailed annual budget. The actual results are compared to budget on a monthly basis and any material variances explained to the Finance, Audit and Risk Sub-Committee on a quarterly basis. A detailed revised outcome for the year is prepared a minimum of twice each year based on the actual results to date. The actual results are also compared against the current year budget during the year to ensure alignment with the Strategic Plan, tight budgetary control and value for money. Monthly Key Performance Indicators (KPI's) are reviewed by the Finance, Audit and Risk Sub-Committee and reported to the Board. KPI's are monitored against benchmarks set by Housing Regulator. Detailed management accounts, with commentary, are presented to the Board directors at each Board

meeting. A 30 year financial plan is reviewed and approved each year by the Board to ensure the continuing financial sustainability of the Company.

### UPKEEP OF HOUSING PROPERTIES

The Company's policy is to maintain its housing properties to a very high standard. A rolling stock condition survey was carried out in 2017 on 30% of our properties. HALL's policy is to complete a stock condition survey on 100% of its stock every 3 years. A detailed planned maintenance programme is in place and our Asset Management Strategy will be further revised in 2018 following the outcome of the 2017 stock condition surveys. The financial results of the 2017 surveys will be incorporated in the 30 Year Financial Plan prepared by HALL. In accordance with FRS102 the actual expenditure on maintaining our properties is recorded in the Statement of Financial Activities rather than against reserves. The expenditure on the planned maintenance program is incorporated in the 30 Year Financial Plan to ensure we have sufficient funds to meet this expenditure.

### COMPLIANCE AND LEGISLATION

The Board acknowledges its responsibility to ensure that the Company complies with all its statutory and relevant Government and regulatory requirements. The Board has procedures in place to meet its legal and regulatory requirements and with respect to each of the following three items, we confirm:

- the existence of a compliance policy statement;
- appropriate arrangements or structures put in place to secure material compliance and the Company's relevant obligations;
- a review of such arrangements and structures has taken place during the year.

**FINANCIAL REVIEW** *CONTINUED***PENSIONS**

The Company operates a defined contribution pension scheme which employees are eligible to join. The Company matches staff contribution up to a maximum of 5% of salary. The pension scheme is managed by BHP insurances and is invested with Zurich Life.

**ENVIRONMENT**

The Company has a proactive approach to assisting all personnel to conduct the business in a manner that protects the environment of tenants, staff and the community. The Company is compliant with relevant environmental legislation.

**HEALTH & SAFETY AT WORK**

It is the policy of the Company to ensure the health and welfare of employees by maintaining a safe place and system of work. This policy is based on the requirements of employment legislation, including the Safety, Health and Welfare at Work Act 2005 and 2010 and a comprehensive Health and Safety Statement is in place. A Health & Safety Risk Register has been drawn up and is reviewed annually.

**DIVIDENDS AND RETENTION**

The Company is precluded by its Memorandum of Association from paying dividends either as part of normal operations or on a distribution of its assets in the event of a winding-up.

**ACCOUNTING RECORDS**

The directors acknowledge their responsibilities under Section 281 to 285 of the Companies Act 2014 to keep adequate accounting records for the Company. In order to comply with the requirements of the Act, a qualified accountant is employed. The accounting records of the Company are maintained

at Second Floor, Central Hotel Chambers, 7-9 Dame Court, Dublin 2.

**POST BALANCE SHEET EVENTS**

There were no significant events affecting the Company since the year end.

**RESEARCH AND DEVELOPMENT**

No research and development was undertaken by the Company in 2017.

**POLITICAL DONATIONS**

No political donations were made by the Company in 2017.

**TRANSACTIONS WITH DIRECTORS**

There were no contracts or transactions entered into by the Company in which any director had an interest, as defined in the Companies Act 2014, at any time during the year ended 31 December 2017.

**BANKERS AND SOLICITORS**

Bank of Ireland, 39 St. Stephens Green, Dublin 2.  
Ryans Solicitors, 46 Harrington Street, Dublin 8.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014 and applicable 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, together with additional information required by the Charities Statement of Recommended Practice applicable to Charities under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland. 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 financial activities of the Company for the financial year and otherwise comply with the Companies Act 2014.

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

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

The directors confirm they have complied with the above requirements in preparing the financial statements.

The directors acknowledge their responsibilities to keep adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and that enable them to ensure that the financial statements to comply with the Companies Accounting Act 2017. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Where financial statements are to be published on the web, the directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

In so far as the directors are aware all relevant audit information has been made available to the Company's auditors. The directors have taken all the steps necessary to make themselves aware of any information relevant to the audit and to ensure that the Company's auditors are aware of that information.

## AUDITORS

The Auditors, Clifford Desmond & Associates, Chartered Accountants have indicated their willingness to continue in office.

On behalf of the board:

**Éanna McHugh** Director

**Michael Hoey** Director

Dated 12 March 2018

# INDEPENDENT REPORT OF THE AUDITORS

## TO THE MEMBERS OF HOUSING ASSOCIATION FOR INTEGRATED LIVING

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of Housing Association for Integrated Living ('the Company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Statement of Financial Position, the statement of Changes in Equity, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish Law and SORP under 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 2017 and of its financial activities for the year then ended;
- have been properly prepared in accordance with SORP under 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 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

## INDEPENDENT REPORT OF THE AUDITORS *CONTINUED*

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:

- 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.

### **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

**INDEPENDENT REPORT OF THE AUDITORS** *CONTINUED*

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.

A further description of our responsibilities for the audit of the financial statements is contained in Appendix 1 to this report, which is to be read as an integral part of our report.

**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.

**Kieran Desmond**

for and on behalf of  
Clifford Desmond & Associates  
Chartered Accountants and Registered Auditors  
185 Rathmines Road Lower  
Dublin 6  
Auditors No. AI3001157

Date: 6 April 2018

**APPENDIX 1****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 going concerns. If we conclude that a material uncertainty exists,

**INDEPENDENT REPORT OF THE AUDITORS** *CONTINUED*

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 going concerns.

- 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.

## HOUSING ASSOCIATION FOR INTEGRATED LIVING

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	NOTE	RESTRICTED FUNDS €	UNRESTRICTED FUNDS €	2017 TOTAL €	2016 TOTAL €
<b>INCOME</b>					
Rental income		-	1,078,517	1,078,517	928,812
Amortisation of local authority mortgage loans		-	1,402,457	1,402,457	1,328,057
Rental payments from Local Authorities	1.	-	446,855	446,855	231,572
Management & maintenance allowance		-	59,187	59,187	59,187
Revenue based grants	2.	866,014	-	866,014	944,529
Deferred income		-	-	-	50,000
Bank interest		-	4,064	4,064	14,609
Other income		-	10,930	10,930	11,010
<b>TOTAL INCOME</b>		<b>866,014</b>	<b>3,002,010</b>	<b>3,868,024</b>	<b>3,567,776</b>
<b>EXPENDITURE</b>					
Housing management services	3.	50,535	2,339,270	2,389,805	1,953,543
Support services	4.	807,350	-	807,350	936,682
Governance costs	5.	4,847	3,927	8,774	9,632
<b>TOTAL EXPENDITURE</b>		<b>862,732</b>	<b>2,343,197</b>	<b>3,205,929</b>	<b>2,899,857</b>
<b>NET INCOME</b>					
		<b>3,282</b>	<b>658,813</b>	<b>662,095</b>	<b>667,919</b>
Accumulated funds at beginning of year		358	4,786,030	4,786,388	4,118,469
Transfer of property from a Local Authority	7.	-	185,000	185,000	-
Transfer from unrestricted capital reserve	18.	-	789,137	789,137	-
<b>ACCUMULATED FUNDS AT END OF YEAR</b>	<b>17.</b>	<b>3,640</b>	<b>6,418,980</b>	<b>6,422,620</b>	<b>4,786,388</b>

The Company had no gains or losses in the financial year, or the preceding financial year, other than those dealt with in the statement of financial activities above and a true statement approach has been adopted in accordance with Section 5 (FRS 102). Therefore, there are no movements that require a separate Statement of Comprehensive Income (SOC). The net income relates to continuing operations.

The accompanying notes are an integral part of these financial statements.

Approved by the board on 12 March 2018.

On behalf of the board:

**Éanna McHugh** Director

**Michael Hoey** Director

## HOUSING ASSOCIATION FOR INTEGRATED LIVING

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	2017 NOTE	TOTAL €	2016 TOTAL €
<b>FIXED ASSETS</b>			
Tangible assets	7.	36,534,742	36,365,094
		<b>36,534,742</b>	<b>36,365,094</b>
<b>CURRENT ASSETS</b>			
Debtors and prepayments	8.	128,373	117,791
Cash at bank		3,544,817	3,287,082
Financial - Prize Bonds		20,000	20,000
		<b>3,693,190</b>	<b>3,424,873</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	9.	255,444	183,900
Capital assistance mortgage loans	10.	724,117	723,105
Capital loan & subsidy mortgage loans	11.	677,766	677,766
Bank loans	13.	71,047	48,019
Housing Finance Agency loans	14.	21,418	5,316
		<b>1,749,792</b>	<b>1,638,106</b>
<b>NET CURRENT ASSETS</b>			
		<b>1,943,398</b>	<b>1,786,767</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>38,478,140</b>	<b>38,151,861</b>
<b>LONG TERM LIABILITIES</b>			
Capital assistance mortgage loans	10.	14,683,999	15,353,593
Capital loan & subsidy mortgage loans	11.	10,625,067	11,302,833
Capital advance leasing facility	12.	783,467	756,543
Bank loans	13.	1,151,903	894,116
Housing Finance Agency loans	14.	739,517	197,684
		<b>27,983,953</b>	<b>28,504,769</b>
<b>NET ASSETS</b>			
		<b>10,494,187</b>	<b>9,647,092</b>
<b>RESERVES</b>			
Development & maintenance reserve	15. & 16.	4,071,567	4,071,567
Accumulated funds	17. & 18.	6,422,620	5,575,525
		<b>10,494,187</b>	<b>9,647,092</b>

The accompanying notes are an integral part of these financial statements.

Approved by the board on 12 March 2018.

On behalf of the board:

**Éanna McHugh** Director

**Michael Hoey** Director

## HOUSING ASSOCIATION FOR INTEGRATED LIVING

## STATEMENT OF CHANGES IN RESERVES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	DEVELOPMENT & BUILDING MAINTENANCE RESERVE €	BUILDING MAINTENANCE RESERVE €	ACCUMULATED FUNDS €	UNRESTRICTED CAPITAL RESERVE €	TOTAL €
<b>AT 1 JANUARY 2016</b>	2,400,000	1,671,567	4,118,469	789,137	8,979,173
Surplus from statement of financial activities	-	-	667,919	-	667,919
<b>AT 31 DECEMBER 2016</b>	2,400,000	1,671,567	4,786,388	789,137	9,647,092
Surplus from statement of financial activities	-	-	662,095	-	662,095
Transfer of property from L.A.	-	-	185,000	-	185,000
Transfer from/(to) other reserve category	1,671,567	(1,671,567)	789,137	(789,137)	-
<b>AT 31 DECEMBER 2017</b>	<b>4,071,567</b>	<b>-</b>	<b>6,422,620</b>	<b>-</b>	<b>10,494,187</b>

**HOUSING ASSOCIATION FOR INTEGRATED LIVING**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 TOTAL €	2016 TOTAL €
<b>RECONCILIATION OF NET OUTGOING RESOURCES TO NET BANK POSITION</b>			
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>20.</b>	<b>323,952</b>	<b>323,135</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets	<b>7.</b>	(910,974)	(5,202,154)
Interest received		4,064	14,609
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(906,910)</b>	<b>(5,187,545)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Bank loans received	<b>13.</b>	332,500	329,000
Housing Finance Agency loans received	<b>14.</b>	571,250	203,000
Interest paid		(67,579)	(42,832)
Repayment of bank loans	<b>13.</b>	(51,685)	(36,528)
Repayment of Housing Finance Agency loans	<b>14.</b>	(13,315)	-
CAS Local authority grants received	<b>10.</b>	56,109	4,052,626
CALF Local authority grants received	<b>12.</b>	13,413	333,135
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>		<b>840,693</b>	<b>4,838,401</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		257,735	(26,009)
Cash equivalents at the beginning of the year		3,287,082	3,313,091
<b>CASH AT BANK AND IN HAND 31 DECEMBER</b>		<b>3,544,817</b>	<b>3,287,082</b>

# ACCOUNTING POLICIES

## GENERAL INFORMATION

Housing Association For Integrated Living is a Company limited by guarantee incorporated in Republic of Ireland and is a registered charity. The registered office, which is also the principal place of business of the Company is 2nd Floor, Central Hotel Chambers, 7 – 9 Dame Court, Dublin 2. The nature of the Company's 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 Company.

## ACCOUNTING CONVENTION

The financial statements are prepared in accordance with the financial reporting standards issued by the Financial Reporting Council, including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'.

Compliance with the Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2016) is not mandatory for Irish Charities. However, the Company has adopted all relevant best practice of its disclosure requirements from this and from the United Kingdom SORP Accounting by registered social housing providers.

The financial statements are prepared on a going concern basis, under the historical cost convention and comply with accounting and disclosure requirements of Irish Company law and in accordance with the Financial Reporting Standards (FRSs) published by the Financial Reporting Council (FRC) in the United Kingdom and promulgated by Chartered Accountants Ireland.

## INCOMES

Income consists of rental income from tenants, payments from Local Authorities, under Payment and Availability agreements, based on market rent, revenue-based grants, allowances, donations and bank interest. These are included in the financial statements on the basis of amounts received or receivable.

Mortgage loans received under the Capital Assistance Scheme (CAS) and the Capital Loan & Subsidy Scheme (CLS) are amortised over the term of the life of the mortgages.

## TANGIBLE FIXED ASSETS AND DEPRECIATION

All tangible and fixed assets are recorded at cost.

All properties are held for primarily for social benefit and are consequently classified as Property.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Properties	2% Straight Line
Furniture & fittings	20% Straight Line
Computer equipment	33% Straight Line
Motor vehicles	20% Straight Line

The Company does not apply component accounting to its fixed assets as the nature of their assets would not make a material difference in their disclosed values or depreciation.

## ACCOUNTING POLICIES CONTINUED

### MORTGAGE LOANS FROM LOCAL AUTHORITIES

Mortgage loans are received from local authorities under Capital Assistance Scheme (CAS) and under Capital Loan & Subsidy Scheme (CLS). These mortgage loans are treated as deferred credits and are amortised to income over the term of the mortgage agreement which can vary from twenty to thirty years.

### OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to the statement of financial activities over the period of the lease.

### EMPLOYEE BENEFITS

Pension benefits for employees are met by payments to a defined contribution pension fund. Contributions are charged to the statement of financial activities in the year which they fall due.

### GOVERNANCE COSTS

Governance costs represent direct expenditure and overhead costs on the strategic as opposed to the day to day management of the Company and on compliance with constitutional and statutory requirements.

### FOREIGN CURRENCIES

Revenues and costs arising from transactions denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the date on which the transaction occurred.

Assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling on the balance sheet date. The resulting gain or loss is dealt with in the statement of financial activities.

### ACCUMULATED FUNDS

The Company maintains and splits the funds it receives into the designated categories to which the funds have been assigned. The split is divided into Restricted Funds and Unrestricted Funds.

### RESTRICTED FUNDS

Income received, restricted to a specific purpose by the donor, is treated as restricted funds. Any unspent income is treated as restricted assets. The specific purpose must be within the objects of the Constitution of the Company.

### UNRESTRICTED FUNDS

These funds consist of all income, other than restricted income, received to advance the Company's work and objectives. Such income may be used to finance administrative expenses or may be used at the discretion of the Company for any purpose that is within the objects of the Memorandum of Association of the Company.

### FINANCIAL INSTRUMENTS

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial liabilities, including trade and other payables, bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the

**ACCOUNTING POLICIES** *CONTINUED*

facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year such as

establishing useful economies lives for depreciation purposes of fixed assets.

Disclosure of information about assumptions and other major sources of estimation uncertainty at the end of the reporting period enhances the relevance, liability and understandability of the information reported in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

### 1. RENTAL PAYMENTS FROM LOCAL AUTHORITIES

Rental payments from Local Authorities are received under Payment and Availability Agreements. Under a Payment and Availability agreement, the Company receives an availability payment from Local Authority. For this the Company undertakes to make the properties 'available' to people from local authority housing waiting lists. This payment is utilised to fund the repayment of the debt finance taken out on the properties being made available and to maintain the property to a very high standard.

	RESTRICTED FUNDS €	UNRESTRICTED FUNDS €	2017 TOTAL €	2016 TOTAL €
<b>2. REVENUE BASED GRANTS</b>				
<b>HSE:</b>				
– Mid Leinster Area Health Board	171,238	-	171,238	171,238
– East Coast Area	120,000	-	120,000	66,815
– Eastern Region	17,970	-	17,970	32,750
– Northern Area	98,394	-	98,394	-
– Dublin North Central	210,462	-	210,462	210,468
– Dublin Region Homeless Executive	230,908	-	230,908	230,908
– Genio Trust Slán Abhaile & Nat. Forensic MHS	10,792	-	10,792	227,350
– Louth County Council	6,250	-	6,250	-
– ESB - Energy for Generations Fund	-	-	-	5,000
	<b>866,014</b>	<b>-</b>	<b>866,014</b>	<b>944,529</b>

\* Dublin Region Homeless Executive part funds our In-House and Regional Mental Health Visiting Support Services to ensure homeless prevention, tenancy sustainment and resettlement supports.

### 3. HOUSING MANAGEMENT SERVICES COSTS

Payroll costs	50,535	454,815	505,350	397,331
Depreciation	-	926,326	926,326	857,048
Housing management related costs	-	148,891	148,891	109,655
Insurance	-	46,117	46,117	40,827
Repairs and maintenance of property	-	489,537	489,537	441,575
Legal & professional fees	-	16,043	16,043	16,350
Loan interest	-	81,090	81,090	52,792
Leasing costs	-	170,610	170,610	34,331
Sundry	-	5,841	5,841	3,634
	<b>50,535</b>	<b>2,339,270</b>	<b>2,389,805</b>	<b>1,953,543</b>

**NOTES TO THE FINANCIAL STATEMENTS *CONTINUED***  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	<b>RESTRICTED FUNDS €</b>	<b>UNRESTRICTED FUNDS €</b>	<b>2017 TOTAL €</b>	<b>2016 TOTAL €</b>
<b>4. SUPPORT SERVICES COSTS</b>				
Payroll costs	606,259	-	606,259	707,293
Support related costs	192,890	-	192,890	217,698
Insurance	875	-	875	4,366
Sundry	7,326	-	7,326	7,325
	<b>807,350</b>	<b>-</b>	<b>807,350</b>	<b>936,682</b>
<b>5. GOVERNANCE COSTS</b>				
Audit fee	3,847	1,923	5,770	6,300
Other board costs	1,000	2,004	3,004	3,332
	<b>4,847</b>	<b>3,927</b>	<b>8,774</b>	<b>9,632</b>

The Directors receive no remuneration for their services as directors of the Company

	<b>2017 €</b>	<b>2016 €</b>
<b>6. PARTICULARS OF EMPLOYEES</b>		
The average number of persons employed by the Company during the year was 21 (2016:20).		
Salaries	966,914	956,966
Social welfare costs	102,258	100,269
Pensions	42,437	47,389
	<b>1,111,609</b>	<b>1,104,624</b>

The number of employees with remuneration for the year falling within the rate bands:

€70,001 - €80,000	1	0
€80,001 - €90,000	1	1

Remuneration includes salary, pension and other benefits but excludes employer PRSI contributions. The remuneration of the CEO is noted in the €80,001 - €90,000 band.

**NOTES TO THE FINANCIAL STATEMENTS *CONTINUED***  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	PROPERTIES €	FURNITURE FITTINGS & COMPUTER EQUIPMENT €	MOTOR VEHICLES €	2016 TOTAL €
<b>7. TANGIBLE ASSETS</b>				
At 1 January 2017	43,838,267	192,275	25,425	44,055,967
Purchases	896,532	14,442	-	910,974
Transfer from Local Authorities (Note 18)	185,000	-	-	185,000
Disposals	-	(14,185)	-	(14,185)
<b>At 31 December 2017</b>	<b>44,919,799</b>	<b>192,532</b>	<b>25,425</b>	<b>45,137,756</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 January 2017	7,648,231	35,014	7,628	7,690,873
Depreciation for year	885,200	36,041	5,085	926,326
Disposals	-	(14,185)	-	(14,185)
<b>At 31 December 2017</b>	<b>8,533,431</b>	<b>56,870</b>	<b>12,713</b>	<b>8,603,014</b>
<b>NET BOOK VALUE</b>				
At 31 December 2017	36,386,368	135,662	12,712	36,534,742
<b>At 31 December 2016</b>	<b>36,190,036</b>	<b>157,261</b>	<b>17,797</b>	<b>36,365,094</b>

	2017 €	2016 €
<b>8. DEBTORS &amp; PREPAYMENTS (AMOUNTS FALLING DUE WITHIN ONE YEAR)</b>		
Deposits / costs incurred on properties	49,120	8,561
Amount owed by Genio Trust	-	69,356
Prepayments	58,535	32,576
Sundry debtors	20,718	7,298
<b>Total debtors and prepayments</b>	<b>128,373</b>	<b>117,791</b>
<b>9. CREDITORS AND ACCRUALS (AMOUNTS FALLING DUE WITHIN ONE YEAR)</b>		
Social welfare costs	26,371	23,994
Sundry accruals	187,014	99,864
VAT	3,279	33,999
Creditors	38,780	26,043
<b>Total creditors and accruals</b>	<b>255,444</b>	<b>183,900</b>

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED* FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

### 10. CAPITAL ASSISTANCE MORTGAGE LOANS

Local authorities provide mortgage loans to the Company under the Capital Assistance Scheme (CAS). The capital repayments and interest payable on these mortgage loans are fully waived, provided the Company complies with the terms of the Scheme and the mortgage deed agreement with the local authority.

There is a contingent liability to repay these mortgage loans in the event of the terms of the Scheme or the mortgage deed agreement not being complied with.

Loans advanced by local authorities to the Company have a twenty-year repayment period for those loans advanced prior to 2002, and a thirty year repayment period for those loans advanced post 2002.

In compliance with FRS 102 and the best practice under the UK housing SORP the CAS mortgages are amortised over the life of the mortgage.

The Local Authority has legal charges registered against the mortgage properties.

No mortgage loans were redeemed in 2017 or in 2016. Loans prior to this date were redeemed and are no longer registered against properties because the terms of the mortgage deed have been fully complied with.

Details of mortgage loans repayable by the Company under CAS are:

	2017 €	2016 €
<b>GROSS</b>		
At 1 January	20,560,578	16,507,952
Additional loans	56,109	4,052,626
<b>At 31 December</b>	<b>20,616,687</b>	<b>20,560,578</b>
<b>AMORTISATION</b>		
At 1 January	4,483,880	3,833,589
Credited to statement of financial activities	724,691	650,291
<b>At 31 December</b>	<b>5,208,571</b>	<b>4,483,880</b>
<b>NET BOOK VALUE</b>		
Within 1 year	724,117	723,105
After 1 year	14,683,999	15,353,593
<b>At 31 December</b>	<b>15,408,116</b>	<b>16,076,698</b>

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED* FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

### 11. CAPITAL LOAN & SUBSIDY SCHEME LOANS

Local authorities provide mortgage loans to the Company under the Capital Loan and Subsidy Scheme (CLS). The capital repayments and interest payable on these mortgage loans are fully subsidised by the Department of Housing, Planning and Local Government, provided the Company complies with the terms of the Scheme and the mortgage loan agreement.

There is a contingent liability to repay these mortgage loans in full in the event of the terms of the Scheme or the mortgage loan agreement not being complied with.

In compliance with FRS 102 and the best practice under the UK housing SORP the CLS mortgages are amortised over the life of the mortgage.

The Local Authority has legal charges registered against the mortgage properties.

Details of mortgage loans repayable by the Company under CLS are:

	<b>2017</b>	<b>2016</b>
	€	€
<b>GROSS</b>		
At 1 January	18,417,280	18,417,280
<b>At 31 December</b>	<b>18,417,280</b>	<b>18,417,280</b>
<b>AMORTISATION</b>		
At 1 January	6,436,681	5,758,915
Credited to statement of financial activities	677,766	677,766
<b>At 31 December</b>	<b>7,114,447</b>	<b>6,436,681</b>
<b>NET BOOK VALUE</b>		
Within 1 year	677,766	677,766
After 1 year	10,625,067	11,302,833
<b>At 31 December</b>	<b>11,302,833</b>	<b>11,980,599</b>

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED* FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

### 12. CAPITAL ADVANCE LEASING FACILITY

Capital advance payments of up to 30% of the acquisition of properties are available from the Department of Housing, Planning and Local Government under the Capital Advance Leasing Facility (CALF). The capital advance is repayable at the end of the approved period of the advance usually a twenty-five year period. Interest is payable on the principal amount only at 2% per annum. This interest is accrued for the duration of the CALF and payable at the end of the twenty-five year period.

Details mortgage loans received by the Company under CALF are:

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
<b>GROSS</b>		
At 1 January	732,166	399,031
Additions	13,413	333,135
<b>At 31 December</b>	<b>745,579</b>	<b>732,166</b>
<b>INTEREST ACCRUED</b>		
At 1 January	24,377	14,417
Interest Accrued during the year	13,511	9,960
<b>At 31 December</b>	<b>37,888</b>	<b>24,377</b>
<b>TOTAL CALF LIABILITY</b>		
<b>At 31 December</b>	<b>783,467</b>	<b>756,543</b>

### 13. BANK LOANS

The Company's bank loans are secured by fixed charges on 15 specific housing properties. Interest and capital repayments are required to be made in respect of these loans in accordance with the mortgage agreement.

Balance at 1 January	942,135	649,663
Loan received during the year	332,500	329,000
Repayments during the year	(51,685)	(36,528)
<b>Balance at 31 December</b>	<b>1,222,950</b>	<b>942,135</b>
Repayable within 1 year	71,047	48,019
Repayable after 1 year	1,151,903	894,116
<b>Balance at 31 December</b>	<b>1,222,950</b>	<b>942,135</b>

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED* FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

### 14. HOUSING FINANCE AGENCY LOANS

The Company has Certified Body status with the Housing Finance Agency (HFA).

The loans are secured by fixed charges on specific housing properties.

Details of loans repayable to the HFA are:

	2017	2016
	€	€
Balance at 1 January	203,000	-
Loan received during the year	571,250	203,000
Repayments during the year	(13,315)	-
<b>Balance at 31 December</b>	<b>760,935</b>	<b>203,000</b>
Repayable within 1 year	21,418	5,316
Repayable after 1 year	739,517	197,684
<b>Balance at 31 December</b>	<b>760,935</b>	<b>203,000</b>

### 15. DEVELOPMENT & BUILDING MAINTENANCE RESERVE

The Board reviewed and changed its policy on Reserves following the implementation of FRS102. The Company has amalgamated the Building maintenance reserve and the Development fund reserve. This amalgamated reserve is cash backed. The reserve will facilitate the Company in purchasing and maintaining properties and is a sinking fund for the planned maintenance programme to maintain properties to a very high standard and meet the long-term refurbishment of the properties.

Balance at 1 January	2,400,000	2,400,000
Transfer from Building maintenance reserve	1,671,567	-
<b>Balance at 31 December</b>	<b>4,071,567</b>	<b>2,400,000</b>

### 16. Building maintenance reserve

The Company had a building maintenance reserve to meet the planned maintenance programme to maintain the properties to the very highest standards and to meet the long-term refurbishment of the properties. This reserve was build up on an annual basis by transferring 20% of our rental income into this reserve until 2015. Following the introduction of FRS102 in 2016, expenditure on the planned maintenance programme was required to be written off in the Statement of Financial Activities each year.

This reserve is now being re designated as a Development and Building maintenance reserve and transferred to that reserve.

Balance at 1 January	1,671,567	1,671,567
Transfer to Development and Building maintenance reserve	(1,671,567)	-
<b>Balance at 31 December</b>	<b>-</b>	<b>1,671,567</b>

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED* FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17. ACCUMULATED FUNDS	2017	2016
	€	€
Balance at 1 January	4,786,388	4,118,469
Surplus from statement of financial activities	662,095	667,919
Transfer from unrestricted capital reserve	974,137	-
<b>Balance at 31 December</b>	<b>6,422,620</b>	<b>4,786,388</b>
Restricted reserve	3,640	358
Unrestricted reserve	6,418,980	4,786,030
<b>Balance at 31 December</b>	<b>6,422,620</b>	<b>4,786,388</b>
<b>18. UNRESTRICTED CAPITAL RESERVE</b>		
Balance at 1 January	789,137	789,137
Transfer to accumulated funds	-	-
<b>At 31 December</b>	<b>789,137</b>	<b>789,137</b>

Properties were transferred to HAIL from Offaly County Council and the HSE in 2017.

The balance of this reserve at 31 December 2017 has been transferred to the Accumulated funds reserve as a result of the Board's reclassification of reserves.

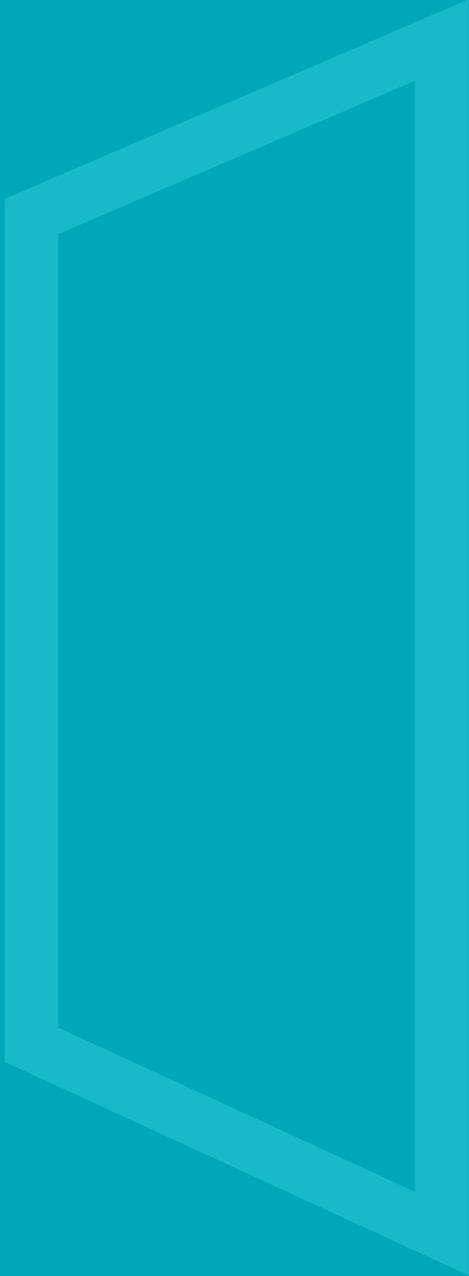
### 19. LEASES

The Company leases 19 apartments under three operating leases from National Asset Residential Property Services Limited (NARPS) which is a non-related party. The lease contracts are for twenty years and six month periods. The operating leases payable are as follows:

Repayable in one year	111,852	111,852
Repayable between two and five years	447,408	447,408
Repayable in five years or more	1,584,141	1,695,993
	<b>2,143,401</b>	<b>2,255,253</b>

**NOTES TO THE FINANCIAL STATEMENTS *CONTINUED***  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

		<b>2017</b>	<b>2016</b>
		€	€
<b>20.</b>	<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	Surplus for the financial year	662,095	667,919
	<b>ADJUSTMENTS FOR:</b>		
	Depreciation of tangibles <b>7.</b>	926,326	857,048
	Amortisation of Local Authorities mortgage loans	(1,402,457)	(1,328,057)
	Increase in CALF interest accrued <b>12.</b>	13,511	9,960
	(Increase)/Decrease in debtors	(10,582)	48,096
	Interest paid	67,579	42,832
	Interest received	(4,064)	(14,609)
	Increase in creditors	71,544	39,946
	<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>323,952</b>	<b>323,135</b>
<b>21.</b>	<b>CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES</b>		
	There were capital commitments at 31 December 2017 €30,000 (Property deposits) (2016 – €0)		
	There were no contingent liabilities outstanding at 31 December 2016 (2015-nil) other than the contingent liabilities outstanding on the CAS and CLS loans (See notes 8&9).		
<b>22.</b>	<b>TAXATION</b>		
	The Company has been granted charitable status by the Revenue Commissioners (CHY 6796).		
<b>23.</b>	<b>RELATED PARTY TRANSACTIONS</b>		
	There were no related party transactions during the year or in the previous year.		
<b>24.</b>	<b>POST BALANCE SHEET EVENTS</b>		
	There were no post balance sheet events affecting the Company at the year end.		
<b>25.</b>	<b>APPROVAL OF FINANCIAL STATEMENTS</b>		
	The financial statements were approved by the board of directors on 12 March 2018.		



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