



HAIL

Housing Association for Integrated Living

Directors' Report and Financial Statements

for the financial year ended 31 December 2019



About HAIL

Housing Association for Integrated Living (HAIL) is a registered charity in Ireland, and is a company limited by guarantee. It was founded in 1985 as a not for profit, Approved Housing Body (AHB). HAIL is governed by an independent Board of Directors who volunteer their expertise, services and time to ensure the highest quality standards of governance. The Board provides strategic direction, leadership and financial and risk management. It delegates day-to-day operations to the Chief Executive. The Board's commitment to governance is reflected in the emphasis on transparency, accountability, effectiveness and value for money in all aspects of HAIL's work.

HAIL provides exceptional quality social and affordable rented accommodation for people registered on local authority waiting lists, primarily those with mental health difficulties while supporting them to live in their homes.

Company Registration Number 109465

Registered Charity Number CRA 20013394

Charity Number CHY 6796

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Housing Association for Integrated Living

Directors' and Other Information

Directors

Michael Hoey (Chairman)
Michael Morris (Vice Chairman/Finance Director)
Con Buckley (Resigned 13th Feb 2020)
Kenneth Carroll (Resigned 6th Jan 2020)
Serena Condon (Resigned 22nd July 2019)
Kieran Gallagher
Eanna McHugh
Michael Morris
Heather Musgrave
Kevin O'Sullivan
Keith Blizzard (Appointed 25th March 2019)
Rose Marie Kennedy (Appointed 21st Oct 2019)
Jack Lee (Appointed 21st Oct 2019)
Josephine Ryan (Appointed 21st Oct 2019)

Chief Executive Officer

Martina Smith

Company Secretary

Clíodhna O'Leary

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

Independent Auditors

Grant Thornton
13-18 City Quay
Dublin 2

Bankers

Bank of Ireland
St. Stephens Green
Dublin 2

AIB Bank
Dame Street
Dublin 2

KBC Bank
Sandwith Street Upper
Dublin 2

Solicitors

Ryans Solicitors
46 Harrington Square
Dublin 8

Housing Association for Integrated Living

Directors' Report incorporating the Trustees' Report

The Directors who are also the trustees for the purposes of charity law, present their annual report and the audited financial statements for the financial year ended 31 December 2019. This report presents the information and disclosures required by a Directors' Report under the Companies Act 2014, together with the information required by the Charities Statement of Recommended Practice applicable to charities. The financial statements are prepared in accordance with 'FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council'.

The Directors have prepared a separate Annual Report for 2019. The Annual Report deals separately with performance, outcomes and impact of our work during 2019. A copy of the Annual Report is available on our web site www.hail.ie or you can contact the Registered Office for a copy.

About Us

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.

HAIL is a charity registered with the Charities Regulatory registered No. 20013394, and has been granted Charitable Tax Exemption by the Revenue Commissions 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

Our Mission

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

Our 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.

Our Values

- Equality of access to good quality housing
- Empowerment of people with mental health difficulties to achieve independent and integrated living
- Relationships built on respect and trust with our tenants, clients, partners and staff
- Outstanding services with innovation, passion and integrity
- Highest standards of organisational governance.

Principal activities and objectives

HAIL's principal activity is to provide housing and support to people with mental health difficulties.

HAIL is an Approved Housing Body with the Department of Housing, Planning, Community and Local Government and has attained certified body status with the Housing Finance Agency, providing accommodation and services in Dublin, Kildare, Wicklow, Louth, Laois, Offaly and Limerick. HAIL is a member of the Irish Council for Social Housing.

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: Eanna McHugh, Kenneth Carroll, Michael Hoey, Con Buckley, Kieran Gallagher, Michael Morris, Heather Musgrave and Kevin O'Sullivan. In addition Keith Blizzard was appointed 25th February 2019, Jack Lee was appointed 24th October 2019, Rose Marie Kennedy and Josephine Ryan were appointed on the 29th October 2019. Serena Condon resigned from the Board on the 13th August 2019. During the year Michael Hoey took over as Chairperson and Michael Morris as Vice Chair and Finance Director. A brief profile of the directors is available in our Annual report and on our web site www.hail.ie. The Board met eight times during 2019.

Clíodhna O'Leary is the Company Secretary.

Key Management Personnel

Martina Smith is the CEO and, as CEO, does not serve as a director. The Management Team consists of the CEO, Sandra Fox, Head of Support Services, Eiméar O'Hagan, Head of Housing and Property and Clíodhna O'Leary, Head of Finance.

The Board acknowledges with appreciation the committed work of our management team and staff. The staffing level at the end of December was twenty eight including three part-time. The gender split of the staff is seventeen female and eleven male.

Our continuing success and 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 operational management and decision making of the Company to the CEO and the management team.

Board Appointments

In line with good governance guidelines, HAIL has in place 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 complemented by a training and development programme on an ongoing basis for all directors.

HAIL has in place a recruitment policy to ensure that the Board is refreshed regularly, taking into consideration the skills and diversity of those already on the Board.

Code of Conduct and Conflicts of Interest

The Board has in place a number of key governance policy documents, all of which are reviewed on a regular basis. These include:

- Delegated authority and matters reserves for the Board
- Terms of Reference for each of the Board's Sub Committees
- 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 Committees

There are four subcommittees of the Board:

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 as well as the cost and cash flow implications of proposed acquisitions of properties. The committee advises the Board on appropriate levels of reserve funding to adequately maintain properties. During 2019 the committee met five times.

Support Services Sub-Committee

This committee has particular responsibility for the review, development and implementation of quality standards and best practice in the ongoing work of tenancy sustainment support to the Company's tenants and clients. This committee has responsibility for monitoring the health and safety elements of support operations and evaluating the capacity of the service to take on increased roles.

It considers strategic changes and new support delivery arrangements and makes recommendations to the Board. The committee ensures the Company remains up to date with and in a position to help shape housing with support policies into the future. During 2019 the committee met five times.

Finance Audit & Risk Sub-Committee

This committee reviews and monitors all aspects of the Company's financial performance. It controls, identifies and monitors 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 2019 the committee met six times.

A Subcommittee on Risk and its implications for HAIL also met twice.

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 Chairman in monitoring performance of the Board as a whole and of individual directors. It recommends the appointment of new directors and assists directors to understand their responsibilities and the expectations of them. The committee met once during 2019.

Review of Business and Future Developments

HAIL owns and manages 380 homes for social housing tenants, mainly in the greater Dublin area and the surrounding counties including Kildare, Laois and Offaly. In 2019 the Company spent €255K on day-to-day repairs, cyclical and void maintenance and commenced a planned maintenance programme spending a further €285K on the upgrade of tenants' homes. To ensure HAIL delivers value for money on its repairs and maintenance expenditure a joint procurement exercise commenced, in partnership with two other AHBs, for the delivery of the on-going maintenance function.

HAIL has annual service level agreements with the HSE and the Dublin Regional Homeless Executive to provide tenancy sustainment support to people with enduring mental health issues. This support is provided to organisations both for the Company's own tenants and those of local authorities, other AHBs and private tenancies. HAIL received €999k in 2019 (2018: €938K) under these service level agreements. This funding commitment ensured that in 2019 HAIL supported 256 tenants and 207 clients to live independently in their homes and integrate into the community. This service benefits tenants and clients by helping them remain in their own homes, understand their tenancy requirements, look after the everyday bills and get involved in their community. Many of HAILs tenants and clients have lived in congregated settings or have experienced homelessness and this service is invaluable in helping them to stay in their homes. In addition, that security of tenure can provide the additional benefits of improved wellbeing and mental health.

During 2019 HAIL completed an independent evaluation of the support services provided, demonstrating the Company's commitment to providing the best level of service possible. The results of the evaluation were published and launched in 2019. A copy of this evaluation is available on our website www.hail.ie.

All of the 21 new homes that were delivered in 2019 were allocated to tenants with enduring mental health issues who are supported by HAIL. A further 5 new homes, sourced in 2019, are due to be completed in the first quarter of 2020.

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 continues to pursue opportunities for partnership and collaboration with other organisations in order to deliver services to those that need them. HAIL is actively working with the HSE to expand the tenancy sustainment services, both within and outside the Company's current area of operation. Directors therefore anticipate that the number of homes in management and the tenancy sustainment provision will increase over the forthcoming years, in a wider area of operation.

Reserves have been built over the years to meet the expenditure required under the planned maintenance programme and to support the purchase of properties. Our Accumulated Funds reserve at the end of 2019 are €7,978K.

Financial Review

Results

There was a net income for the financial year of €508K (2018 €518K). The incoming resources includes the amortisation of local authority mortgages of €1,544K (2018 €1,474K) and the expenditure includes depreciation on properties of €999K (2018 €939K). Both the amortisation of mortgages income and the depreciation of properties charge are non-cash items. These two non-cash items account for €545K (2018 €535K) of the net income for the financial year.

Excluding these non-cash items the operating deficit for 2019 was €24K (2018 deficit €17K). This deficit was expected and had been approved by the Board as it is a result of an increase in our planned maintenance programme, which is supported by a stock condition survey carried out on 95% of our properties over the last 3 years.

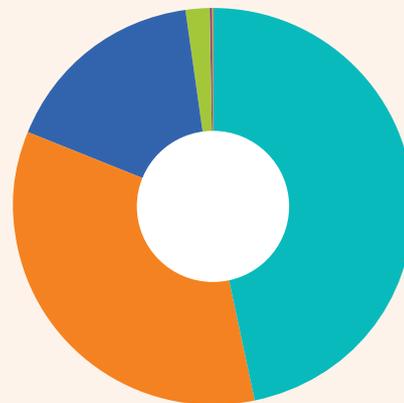
The deficit can be split between our restricted funds activities, mainly our support services, of €32K offset by a surplus in our housing section of €8K. The deficit on our support activities is mainly due to the allocation of the Senior Management and admin costs that are not financed by our funders.

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 that of our future tenants.

Income

HAIL's total income for the year is €4.4M which, if we exclude the non-cash amortization, this equals €2.9M (2018 €2.7M). Our income of €2.9M is made up as follows:

HAIL Income



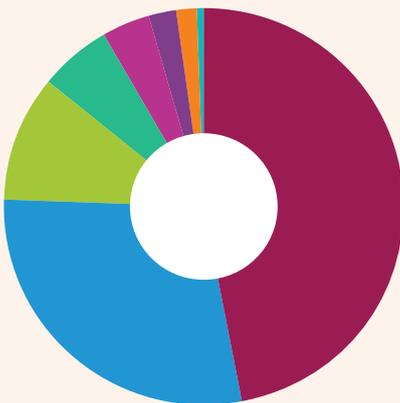
Rental income	€1,357,711
Revenue base grants	€999,945
Payment and availability income	€476,878
Management and maintenance allowance	€59,187
Other income	€2,617
Bank interest	€1,556

Expenditure

HAIL has a total expenditure of €3.9M which, if depreciation is excluded, equals net expenditure of €2.9M, of that, €1.4M relates to payroll costs representing 48% of our costs, excluding depreciation. We benchmark our staff payroll and remuneration against sector payroll reports – National Guide to Pay and Benefits in Community, Voluntary and Charitable Organisations.

A breakout of our expenditure is as follows:

HAIL Expenditure



Payroll costs	€1,385,315
Repairs and maintenance of properties including service charge	€835,450
Property finance costs	€305,211
Office costs	€165,406
Other costs	€120,469
Insurance	€65,700
Professional fees/evaluation etc	€44,202
Governance costs	€13,608

Funding

During 2019 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 Bank of Ireland and Allied Irish Banks to access private finance to continue to increase our housing stock as part of the Rebuilding Ireland Action Plan for Housing and Homelessness.

Reserves

At the 31 December 2019, the Company held reserves totalling €12.1M (2018 €11.5M). This reflects the Company's continuing growth. These reserves at 31 December 2019 were split as follows:

	2019	2018
Development & Building Maintenance Reserve	€4,072K	€4,072K
Accumulated Funds Reserve	€7,978K	€7,470K

Cash Balances

At the 31st December 2019, the company held cash balances of €3.8M (2018 €4.0M). The main reasons for holding these large cash balances is to meet future cash requirements to implement the company's programme of planned maintenance, to ensure the properties are maintained in a suitable condition, and to meet the requirement to repay Capital Advance Leasing Facility (CALF) loans, including the interest, in a bullet payment at the end of the term of the loans.

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. The Directors 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.

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 – organisational, strategic, governance, operational and financial. The identification and management of risk is an integral part of our business. Consequently the Risk Register is presented and reviewed at management and staff meetings for discussion and input from staff. In addition training for the staff and the Board was provided by an external consultant in 2019. The Finance, Audit and Risk Sub-Committee oversees the risk register seeking assurance that all mitigating actions are identified and are in operation 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 2019 were:

- Expansion of the organisation is not properly managed or controlled, either strategically or operationally.
- Non-compliance with relevant laws, regulations or health and safety regulations
- Support Services funding withdrawn or not renewed on an annual basis
- Failure to deliver housing growth programme

- Insufficient capacity and resources to deliver on the Strategic Plan
- Loss of income and rising costs.

Risk Register and Review Continued

Measures are in place to manage, control and mitigate these risks where possible. The implementation of controls and further mitigating actions is regularly monitored by the Board and the Finance Audit and Risk Sub Committee.

A 30 Year Financial Plan is prepared and reviewed by the Board and its Committees. During 2019, several scenarios were created to stress-test future plans, culminating in a 'Perfect Storm' scenario. A plan was then put in place, aligned to the risk register, to ensure that there are mitigating actions and key indicators to monitor any risks to the organisation.

Budget Control

Each year we prepare a three year forecast and 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. Quarterly Key Performance Indicators (KPIs) are reviewed by the Finance, Audit and Risk sub-committee and reported to the Board. KPIs are monitored against benchmarks set by the Housing Regulator and against sector averages. 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.

Impact of Coronavirus

On the 11th March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. Management is closely following the evolution of the pandemic and continuing to assess the effect it may have on the company. The Finance, Audit and Risk Committee of the Board has met twice in April 2020 to review the operational and financial effect on HAIL. The aim is to reduce as much as possible the impact this pandemic may have on the health, safety and wellbeing of our staff and on our tenants and clients. To this end, the staff of HAIL have adapted their ways of working to ensure that they keep in close contact with their clients and support them. The financial effect is being monitored closely, with monthly accounts and forecasts based on the latest information available. The Board and Management have assessed the risks to the income stream and have taken the decision to temporarily suspend the planned maintenance programme and to implement emergency maintenance only. This is implemented to respect the privacy of our tenants' homes and to comply with Government requirements for essential service only. The Directors are confident that the liquidity of HAIL is robust and will support the operations of the company.

Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in Ireland which could impact on HAIL's ability to deliver on its Strategic Plan. The duration of the COVID-19 outbreak and its overall effects cannot be determined with certainty. The Directors will continue to assess and monitor the risks and impact of COVID-19 on HAIL.

Future Plans

HAIL's strategic plan expired at the end of 2019. During 2019, the Board undertook a full review of its objectives and priorities for the next three years. This was facilitated by an external consultant and was completed in consultation with staff and the company's key stakeholders. The new strategic plan has been published and is now available on our website www.hail.ie.

The strategic priorities for the next three years are as follows:

1. Customers

- Continue to provide high quality homes for all our tenants
- Continue to provide specialist tenancy sustainment service to our tenants and clients with mental health issues, enabling mental health recovery and integration into the community

2. Growth

- Expand our model of housing and mental health tenancy sustainment services

3. Profile

- Be the recognised leading expert provider of housing with mental health tenancy sustainment services in Ireland

4. Organisation

- Continue to be an exceptionally well governed and managed organisation.

Upkeep of Housing Properties

The Company's policy is to maintain its housing properties to a very high standard. A rolling stock condition survey commenced in 2017 and completed in 2019. Over the three years, 95% of our properties have been surveyed. A detailed planned maintenance programme is in place and our Asset Management Strategy will be further revised following the outcome of the 2019 stock condition surveys. 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 two items, we confirm:

- appropriate arrangements or structures are in place to secure material compliance with the company's relevant obligations;
- a review of such arrangements and structures has taken place during the year.

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 for 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 and Safety Risk Register has been drawn up and is reviewed quarterly.

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.

Going Concern

The directors have a reasonable expectation that the company 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 concerning the adoption of the going concern basis can be found in accounting policies to the financial statements.

Post Balance Sheet Events

There were no other significant events affecting the Company since the year-end apart from the impact of the coronavirus as outlined above.

Research and Development

No research and development was undertaken by the Company in 2019 and 2018.

Political Donations

No political donations were made by the Company in 2019 and 2018.

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 2019.

Statement of Disclosure of Information to the Independent Auditors

Each of the persons who is a director at the date of the approval of these financial statements confirms that:

1. So far as the director is aware, there is no relevant audit information of which the auditors are unaware, and
2. The director has taken all steps that they ought to have taken as a director, in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

Independent Auditors:

The independent auditors, Grant Thornton, continue in office in accordance with section 383(2) of the Companies Act 2014.

On behalf of the board:

Michael Hoey
Director

Michael Morris
Director

Date: 25th May 2020

Directors' Responsibilities Statement

For the financial year ended 31 December 2019

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

Irish company law requires the directors to prepare the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of 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, of the profit or loss for that 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's financial statements and then apply them consistently;
- make judgments 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 profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be 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.

Michael Hoey

Director

Michael Morris

Director

Date: 25th May 2020



Independent auditor's report to the members of Housing Association for Integrated Living

Opinion

We have audited the financial statements of the Housing Association for Integrated Living ('the company'), which comprise the Statement of financial activities, the Statement of financial position, the Statement of changes in reserves, the Statement of cash flows for the financial year ended 31 December 2019, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, Housing Association for Integrated Living, financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its financial performance and cash flows for the financial period then ended; 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as

determined to be appropriate in the circumstances for the entity. 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 the 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

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, 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



Independent auditor's report to the members of Housing Association for Integrated Living (continued)

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.

Matters on which we are required to report by 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.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of the management and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement, management is

responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 their 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional skepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and



Independent auditor's report to the members of Housing Association for Integrated Living (continued)

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.

- 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 of 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 management.
- Conclude on the appropriateness of management's 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 they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence

obtained up to the date of the 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 a true and fair view.

The Auditor shall 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 may be identified during the audit.

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

This 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 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.

Noel Delaney FCA
for and on behalf of
Grant Thornton
Chartered Accountants
Statutory Audit Firm
13-18 City Quay
Dublin 2

Date: 25th May 2020

Statement of Financial Activities, incorporating the Income & Expenditure account for the Financial Year ended 31 December 2019

	Note	€ Restricted Funds	€ Unrestricted Funds	2019 € Total	2018 € Total
Income					
Rental income		-	1,357,711	1,357,711	1,204,497
Amortisation of local authority mortgage loans		-	1,544,066	1,544,066	1,473,551
Rental payments from Local Authorities Management & maintenance allowance	5.	-	476,878	476,878	463,244
Revenue based grants	6.	999,945	-	999,945	938,108
Bank interest		-	1,556	1,556	3,034
Other income		-	2,617	2,617	8,826
Total income		999,945	3,442,015	4,441,960	4,150,447
Expenditure					
Housing management services	7.	56,136	2,890,310	2,946,446	2,746,680
Support services	8.	974,162	-	974,162	872,203
Governance	9.	6,853	6,755	13,608	13,691
Total expenditure		1,037,151	2,897,065	3,934,216	3,632,574
Net income		(37,206)	544,950	507,744	517,873
Accumulated funds at beginning of year		4,849	7,465,313	7,470,162	6,422,620
Funds Transfer		32,357	(32,357)	-	-
Transfer of property from the HSE	11.	-	-	-	300,000
Amortisation Adjustment	15.	-	-	-	229,669
Accumulated funds at end of year	20.	-	7,977,906	7,977,906	7,470,162

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 (SOCi). The net income relates to continuing operations.

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

Statement of Financial Position as at 31 December 2019

	Note	2019 €	2018 €
Fixed Assets			
Tangible assets	11.	40,819,122	38,628,806
		40,819,122	38,628,806
Current Assets			
Debtors and prepayments	12.	644,566	233,678
Cash at bank		3,718,305	4,049,237
Financial – Prize Bonds		20,000	20,000
		4,382,871	4,302,915
Current Liabilities			
Creditors and accruals	13.	485,811	444,094
Capital assistance mortgage loans	14.	827,536	756,988
Capital loan & subsidy mortgage loans	15.	716,530	716,562
Bank loans	17.	138,727	130,093
Housing Finance Agency loans	18.	47,755	47,754
		2,216,359	2,095,491
Net Current Assets		2,166,512	2,207,424
Total Assets Less Current Liabilities		42,985,634	40,836,230
Long Term Liabilities			
Capital assistance mortgage loans	14.	18,183,109	16,065,909
Capital loan & subsidy mortgage loans	15.	9,893,426	10,609,924
Capital advance leasing facility	16.	1,118,613	903,939
Bank loans	17.	1,071,819	1,023,151
Housing Finance Agency loans	18.	669,194	691,578
		30,936,161	29,294,501
Net Assets		12,049,473	11,541,729
Reserves		€	€
Development & maintenance reserve	19.	4,071,567	4,071,567
Accumulated funds	20.	7,977,906	7,470,162
Total Reserves		12,049,473	11,541,729

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

Approved by the board on 25th May 2020
Michael Hoey
Director

and signed on behalf of the board by:
Michael Morris
Director

Statement of Changes in Reserves for the Financial Year ended 31 December 2019

	Development & Building Maintenance Reserve €	Accumulated Funds €	Total €
At 1 January 2019	4,071,567	7,470,162	11,541,729
Surplus from statement of financial activities	-	507,744	507,744
At 31 December 2019	4,071,567	7,977,906	12,049,473
	Development & Building Maintenance Reserve €	Accumulated Funds €	Total €
At 1 January 2018	4,071,567	6,422,620	10,494,187
Surplus from statement of financial activities	-	517,873	517,873
Amortisation adjustment (Note 15)	-	229,669	229,669
Transfer of property from a local authority	-	300,000	300,000
At 31 December 2018	4,071,567	7,470,162	11,541,729

Reconciliation of Net Outgoing Resources to Net Bank Position

	Notes	2019 €	2018 €
Net cash generated from operating activities	22.	(260,934)	203,486
Cash flows from investing activities			
Purchase of tangible fixed assets	11.	(3,232,051)	(2,773,528)
Interest received		1,556	3,034
Net cash outflow from investing activities		(3,230,495)	(2,770,494)
Cash flows from financing activities			
Bank loans received	17.	129,500	-
Interest paid		(81,086)	(85,086)
Repayment of bank loans	17.	(72,198)	(69,706)
Repayment of Housing Finance Agency loans	18.	(22,383)	(21,603)
CAS & CLSS Local authority loans received	14 & 15.	3,015,284	3,141,653
CALF Local authority capital advance loan received	16.	191,379	106,169
Net cash inflow from financing activities		3,160,497	3,071,427
Net (decrease)/increase in cash and cash equivalents		(330,932)	504,420
Cash equivalents at the beginning of the year		4,049,237	3,544,817
Cash at bank at 31 December		3,718,305	4,049,237

Notes to the Financial Statements for the Financial Year Ended 31 December 2019

1 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.

2 Accounting Policies

2.1 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'.

The company meets the definition of a public benefit entity as defined by S34 of FRS102. Compliance with the Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2019) 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.

2.2 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.

2.3 Tangible fixed assets and depreciation:

All tangible and fixed assets are recorded at cost

All properties are held 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 & Computer Equip.	-	20%	Straight Line and 33 $\frac{1}{3}$ % Straight Line
Motor vehicles	-	20%	Straight Line

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

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.

2.4 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.

2.5 Operating Leases: Lessee

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

2.6 Finance Leases:

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 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.

2.8 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.

2.9 Foreign currencies:

The financial statements are presented in Euro, which is the charity's functional and presentation currency, and is denoted by the symbol "€".

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.

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

2.10 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.

2.11 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.

2.12 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 Constitution of the Company.

2.13 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.

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.

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 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.

3. 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

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

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.

4. Statement of Financial Activities for the financial year ended 31 December 2018

	€ Restricted Funds	€ Unrestricted Funds	2018 € Total
Income			
Rental income	1,204,497	-	1,473,551
Amortisation of local authority mortgage loans	-	1,473,551	1,473,551
Rental payments from Local Authorities	-	463,244	463,244
Management & maintenance allowance	-	59,187	59,187
Revenue based grants	938,108	-	938,108
Bank interest	-	3,034	3,034
Other income	-	8,826	8,826
Total income	938,108	3,212,339	4,150,447
Expenditure			
Housing management services	57,634	2,689,046	2,746,680
Support services	872,203	-	872,203
Governance	7,062	6,629	13,691
Total expenditure	936,899	2,695,675	3,632,574
Net income	1,209	516,664	517,873
Accumulated funds at beginning of year	3,640	6,418,980	6,422,620
Transfer of property from the HSE	-	300,000	300,000
Amortisation Adjustment	-	229,669	229,669
Transfer from unrestricted capital reserve	-	-	-
Accumulated funds at end of year	4,849	7,465,313	7,470,162

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

5. Rental Payments from Local Authorities

Rental payments from Local Authorities are received under Payment and Availability Agreements between the Company and the Local Authorities. For these rental payment 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.

6. Revenue based grants

	Restricted Funds €	Unrestricted Funds €	2019 €	2018 €
HSE: – CHO Area 7 – Mental Health Tenancy Sustainment and Homeless Prevention	171,238	-	171,238	171,238
– CHO Area 6 – Forensic Projects	120,000	-	120,000	120,000
– CHO Area 8 – Portlaoise/Midlands Project	47,940	-	47,940	17,970
– CHO Area 3 – Limerick Project	60,000	-	60,000	-
– CHO Area 9 – Slán Abhaile Project	115,992	-	115,992	115,992
– CHO Area 9 Mental Health Tenancy Sustainment and Homeless Prevention	210,460	-	210,460	210,460
– CHO Area 7 Project with Ushers Island	17,400	-	17,400	42,600
Dublin Regional Homeless Executive	230,915	-	230,915	230,908
Genio Trust Slán Abhaile & Nat. Forensic MHS	-	-	-	-
Louth County Council	25,000	-	25,000	25,000
Dublin Bus	1,000	-	1,000	-
South Dublin County Council Social Grant	-	-	-	1,000
ESB – Energy for Generations Fund	-	-	-	3,000
	999,945	-	999,945	938,108

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

7. Housing management services costs

	Restricted Funds €	Unrestricted Funds €	2019 Total	2018 Total
Payroll costs	56,136	505,224	561,360	576,339
Depreciation	-	1,041,734	1,041,734	979,464
Housing management related costs	-	126,234	126,234	125,086
Service Charges	-	295,824	295,824	222,301
Insurance	-	65,700	65,700	57,056
Repairs and maintenance of property	-	539,626	539,626	486,369
Legal & professional fees	-	14,306	14,306	8,084
Loan interest	-	104,381	104,381	99,389
Leasing costs	-	191,658	191,658	191,618
Sundry	-	5,623	5,623	975
	56,136	2,890,310	2,946,446	2,746,680

8. Support services costs

	Restricted Funds €	Unrestricted Funds €	2019 Total	2018 Total
Payroll costs	823,955	--	823,955	710,165
Support related costs	147,984	-	147,984	173,693
Legal and Professional Fees	-	-	-	6,294
Sundry	2,223	-	2,223	2,051
	974,162	-	974,162	872,203

9. Governance costs

	Restricted Funds €	Unrestricted Funds €	2019 Total	2018 Total
Audit fee	5,538	3,687	9,225	8,875
Other board costs	1,315	3,068	4,383	4,816
	6,853	6,755	13,608	13,691

The Directors receive no remuneration or reimbursements for their services as directors of the Company (2018: €Nil).

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

10. Particulars of employees

The average number of persons employed by the Company during the year was 25 (2018:24).

	2019	2018
	€	€
Salaries	1,186,869	1,106,095
Social welfare costs	128,239	119,733
Pensions	70,207	60,676
	1,385,315	1,286,504

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

	2019	2018
€70,001 – €80,000	2	2
€80,001 – €90,000	-	-
€90,001 – €100,000	1	1

Remuneration includes salary, pension and other benefits but excludes employer PRSI contributions. The remuneration of the CEO is noted in the €90,001 - €100,000 band.

11. Tangible assets

	Properties	Furniture Fittings & Leased Assets/ Computers	Motor Vehicles	Total
	€	€	€	€
Cost				
At 1 January 2019	47,993,327	192,532	25,425	48,211,284
Purchases	3,214,912	17,139	-	3,232,051
At 31 December 2019	51,208,239	209,671	25,425	51,443,335
Accumulated depreciation				
At 1 January 2019	9,472,844	91,836	17,798	9,582,478
Depreciation for year	998,855	37,794	5,085	1,041,734
At 31 December 2019	10,471,699	129,630	22,883	10,624,212
Net book value				
At 31 December 2019	40,736,540	80,041	2,542	40,819,122
At 31 December 2018	38,520,483	100,696	7,627	38,628,806

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

12. Debtors & prepayments (Amounts falling due within one year)

	2019	2018
	€	€
Deposits / costs incurred on properties	406,703	65,255
Prepayments	85,815	74,529
Rent Arrears	62,848	22,273
Sundry debtors	89,200	71,621
Total debtors and prepayments	644,566	233,678

13. Creditors and accruals (Amounts falling due within one year)

	2019	2018
	€	€
Social welfare costs	33,475	31,400
Sundry accruals	383,792	345,288
Deferred Income	39,405	28,000
VAT	9,476	11,657
Creditors	19,663	27,749
Total creditors and accruals	485,811	444,094

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

14. 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 2019 or in 2018. Some loans have been redeemed because the period of the loan has expired and the terms of the scheme and mortgage deed have been fully complied with the Local Authority legal charge against these loans.

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

	2019	2018
	€	€
Gross		
At 1 January	22,788,456	20,616,687
Additional loans	3,015,284	2,171,769
At 31 December	25,803,740	22,788,456
Amortisation		
At 1 January	5,965,559	5,208,571
Credited to statement of financial activities	827,536	756,988
At 31 December	6,793,095	5,965,559
Net book value		
Within 1 year	827,536	756,988
After 1 year	18,183,109	16,065,909
At 31 December	19,010,645	16,822,897

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

15. 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:

	2019	2018
	€	€
Gross		
At 1 January	19,387,164	18,417,280
Additions	-	969,884
At 31 December	19,387,164	19,387,164
Amortisation		
At 1 January	8,060,678	7,114,447
Amortisation Adjustment	-	229,669
Credited to statement of financial activities	716,530	716,562
At 31 December	8,777,208	8,060,678
Net book value		
Within 1 year	716,530	716,562
After 1 year	9,893,426	10,609,924
At 31 December	10,609,956	11,326,486

The final cost of the loan for the development in Avondale which had been carried out in partnership with Co-Operative Housing Ireland (formerly NABCO) was agreed during the year. The amortisation adjustment relates to adjustments relate to the prior years.

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

16. 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, as a 'bullet' repayment, 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:

	2019	2018
	€	€
Gross		
At 1 January	851,748	745,579
Additions	191,379	106,169
At 31 December	1,043,127	851,748
Interest Accrued		
At 1 January	52,191	37,888
Interest Accrued during the year	23,295	14,303
At 31 December	75,486	52,191
Total CALF liability		
At 31 December	1,118,613	903,939

17. 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.

	2019	2018
	€	€
Balance at 1 January	1,153,244	1,222,950
Loans received during the year	129,500	-
Repayments during the year	(72,198)	(69,706)
Balance at 31 December	1,210,546	1,153,244
Repayable within 1 year	138,727	130,093
Repayable after 1 year	1,071,819	1,023,151
Balance at 31 December	1,210,546	1,153,244

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

18. Housing Finance Agency loans

The Company has Approved Housing 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:

	2019	2018
	€	€
Balance at 1 January	739,332	760,935
Loans received during the year	-	-
Repayments during the year	(22,383)	(21,603)
Balance at 31 December	716,949	739,332
Repayable within 1 year	47,755	47,754
Repayable after 1 year	669,194	691,578
Balance at 31 December	716,949	739,332

19. Development & building maintenance reserve

The Board reviewed and changed its policy on Reserves following the implementation of FRS102. In 2017 the Company amalgamated the Building maintenance reserve and the Development fund reserve. This amalgamated reserve is cash backed. The reserve 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. The reserve will also be used to support the purchase of properties.

	2019	2018
	€	€
Balance at 1 January	4,071,567	4,071,567
Balance at 31 December	4,071,567	4,071,567

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

20. Accumulated funds

	2019	2018
	€	€
Balance at 1 January	7,470,162	6,422,620
Surplus from statement of financial activities	507,744	517,873
Amortisation adjustment	-	229,669
Transfer of Property from HSE	-	300,000
Balance at 31 December	7,977,906	7,470,162
Restricted reserve	(32,357)	4,849
Unrestricted reserve	8,010,263	7,465,313
Balance at 31 December	7,977,906	7,470,162

21. 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:

	2019	2018
	€	€
Repayable in one year	191,664	191,664
Repayable between two and five years	766,656	766,656
Repayable in five years or more	2,423,547	2,615,187
	3,381,847	3,573,507

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

22. Net cash generated from operating activities

		2019 €	2018 €
Cash flows from operating activities			
Surplus for the financial year		507,744	517,873
Adjustments for:			
Depreciation of tangible assets	11.	1,041,734	979,464
Amortisation of Local Authorities mortgage loans		(1,544,066)	(1,473,551)
Increase in CALF interest accrued	16.	23,295	14,303
Increase in debtors		(410,888)	(105,305)
Interest paid		81,086	85,086
Interest received		(1,556)	(3,034)
Increase in creditors		41,717	188,650
Net cash generated from operating activities		(260,934)	203,486

23. Analysis of changes in net debt

	At 1 January 2019 €	Cash Flows €	At 31 December 2019 €
Cash at bank and in hand	4,049,237	(330,932)	3,718,305
Debt falling due within one year	(1,651,397)	(79,151)	(1,730,548)
Debt falling due after more than one year	(29,294,501)	(1,641,660)	(30,936,161)
	(26,896,661)	(2,051,743)	(28,948,404)

24. Capital commitments and contingent liabilities

There were capital commitments at 31 December 2019 of €232,000 regarding Property Deposits (2018 – €62,800).

There were capital commitments committed to but not contracted or provided for at 31 December 2019 €1,577,000 (2018 - €350,000).

There were no contingent liabilities outstanding at 31 December 2019 (2018-nil) other than the contingent liabilities outstanding on the CAS and CLS loans (See notes 10&11).

Notes to the Financial Statements for the Financial Year Ended 31 December 2019 (Continued)

25. Pension commitments

The Company operates a defined contribution pension scheme for all employees. Contributions to the scheme are charged to the statement of financial activities in the year which they fall due. The charge for the period is shown in Note 6 of the financial statements and at the period end there were unpaid contributions amounting to €Nil (2018: €Nil).

26. Taxation

The Company has been granted charitable status by the Revenue Commissioners (CHY 6796).

27. Company status

The Company is limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeds €1 towards the assets of the company in the event of liquidation.

28. Related party transactions

There were no related party transactions during the year or in the previous year.

29. Post-Balance Sheet Events

The worldwide pandemic COVID 19 which has affected Ireland since March 2020 did not exist at the year end and has no impact on the figures reported.

Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in Ireland which could impact on HAIL's ability to deliver on its Strategic Plan. The duration of the COVID-19 outbreak and its overall effects cannot be determined with certainty. The Directors will continue to assess and monitor the risks and impact of COVID-19 on HAIL.

30. Approval of financial statements

The financial statements were approved by the board of directors on 25th May 2020.

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HAIL

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