

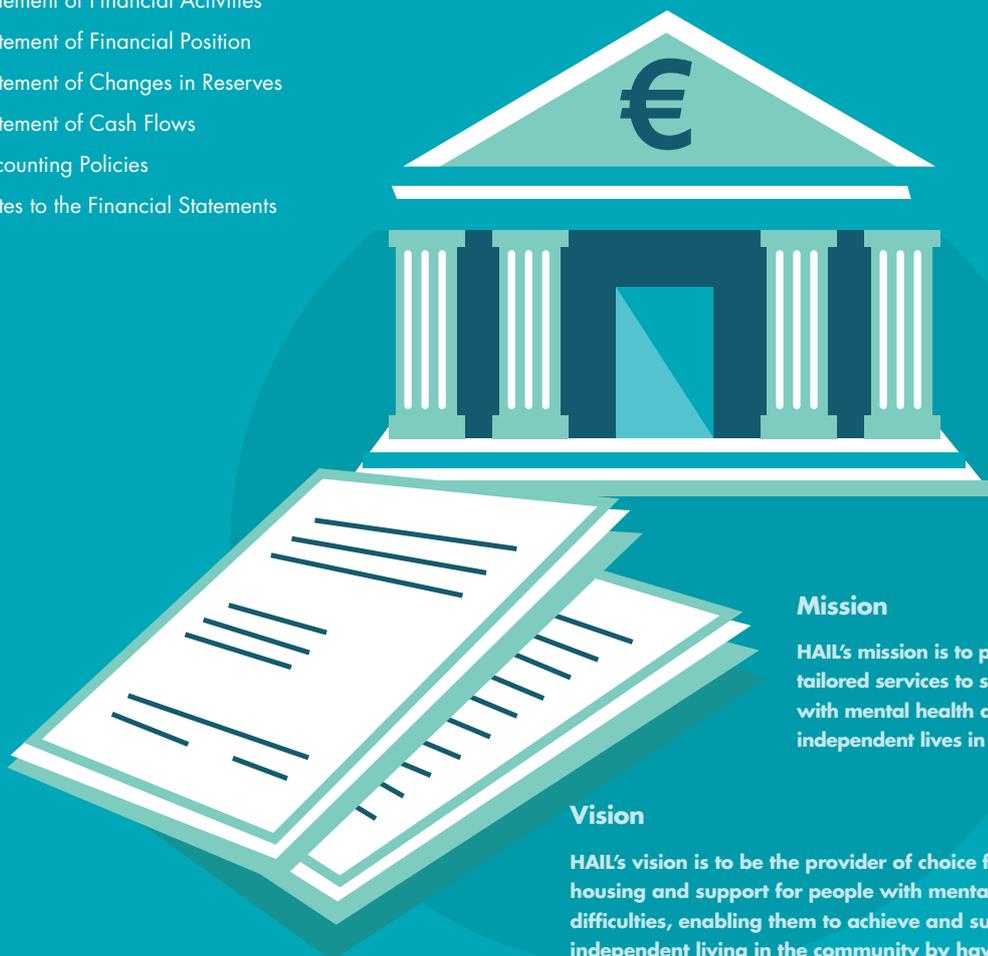


# Directors' Report and Financial Statements

For the Financial Year Ended 31 December 2018

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## 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

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

# Directors' Report



## Other Information

### Directors

Éanna McHugh (Chairman)  
Kenneth Carroll (Vice Chairman)  
Michael Hoey (Finance Director)  
Con Buckley  
Serena Condon  
Kieran Gallagher  
Michael Morris  
(Appointed 14th March 2018)  
Heather Musgrave  
(Appointed 20th March 2018)  
Kevin O'Sullivan  
(Appointed 31st May 2018)  
Keith Blizzard  
(Appointed 25th March 2019)

### Company Secretary

Cliodhna 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

### Auditors

Grant Thornton  
13 – 18 City Quay  
Dublin 2

### 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

### Solicitors

Ryans Solicitors  
46 Harrington Square  
Dublin 8

The Directors who are also the trustees for the purposes of charity law, present their report and the audited financial statements for the financial year ended 31 December 2018. 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 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102).

The Directors have prepared a separate Annual Report for 2018. The Annual Report deals separately with performance, outcomes and impact of our work during 2018. 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.

# Directors' Report

## Key Governance and Management Personnel

### 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. HAIL 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 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.

### 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. In addition Michael Morris was appointed 14 March 2018, Heather Musgrave was appointed 20 March 2018 and Kevin O'Sullivan was appointed on 31 May 2018. Keith Blizzard was appointed 25 March 2019. A brief profile of the Directors is available in our Annual report and on our web site [www.hail.ie](http://www.hail.ie). The Board met seven times during 2018.

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 consist of the CEO, Sandra Fox, Head of Support Services, Paul Kelly, Housing and Properties Manager and Clíodhna 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 25 including two part-time – the gender split of the staff is sixteen female and nine 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 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. These 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 the Board is refreshed regularly, taking into consideration the skills and diversity of those already on the Board. There is also a training and development programme for Board Directors.

# Directors' Report

## Key Governance and Management Personnel

*Continued*



### 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 sub-committees 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, 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 2018 the committee met four 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.

This committee ensures that any new developments remain consistent with HAIL's mission. The committee evaluates service developments and funding arrangements in relation to mental health and social housing needs and considers developments and strategic changes to 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 2018 the committee met three times.

#### Finance Audit and Risk Sub-Committee

This committee reviews and monitors all aspects of the Company's financial performance. It controls, identifies, monitors 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 2018 the committee met seven times.

#### 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 2018.

# Directors' Report

## Review of Business and Future Developments

HAIL owns and manages 359 homes for social housing tenants mainly in the greater Dublin area and also in the surrounding counties including Kildare, Laois and Offaly. In 2018 the Company spent €201K on repairs and maintenance and commenced a planned maintenance programme committing a further €285K in 2018 to upgrading tenant's homes. To ensure HAIL delivers value for money on its repairs and maintenance expenditure a joint procurement exercise was commenced in partnership with two other AHBs for the delivery of the day to day 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 both for the Company's own tenants and those of local authorities and other AHBs. HAIL received €938k in 2018 (2017: €866K) under these service level agreements. This funding commitment ensured that in 2018 HAIL supported 242 tenants and 177 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 day to day bills and get involved in their community. Many of HAIL's tenants and clients would have lived in congregated settings or have experienced homelessness and this service is invaluable to helping them stay in their homes. In addition, there is the benefit of improved mental health and wellbeing that security of tenure can provide.

To demonstrate the Company's commitment to providing the best service possible, HAIL commenced an independent evaluation of the support service provided. The results of the evaluation will be available in early 2019. All of the 15 new homes that were delivered in 2018 were allocated to tenants with enduring mental health issues who are supported by HAIL. There were another 3 new homes sourced in 2018 to be occupied in the first half of 2019.

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. Our reserves at the end of 2018 are €4,072K.

# Directors' Report

## Financial Review



### Results

There was a net income for the financial year of €518K (2017 €662K). The incoming resources includes the amortisation of local authority mortgages €1,474K (2017 €1,402K) and the expenditure includes depreciation on properties of €939K (2017 €885K). Both the amortisation of mortgages income and the depreciation of properties charge are non-cash items. These two non-cash items account for €535K (2017 €517K) of the net income for the financial year. The net deficit for the financial year, excluding non-cash items, amounted to €17K (2017 surplus €145K). The main reason for the small deficit in the current year is the increase in the planned maintenance programme. €396K was spent on the planned maintenance programme in 2018 compared with €77K in 2017.

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 2018 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 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

In 2017 the Board reviewed and changed its policy on Reserves following the implementation of accounting policy FRS102. This has resulted in

HAIL's total income for the year is €4.2M and if we exclude the non cash amortisation of local authority mortgages of €1,474k, this equals €2.7M (2017 €2.5M). Our income of €2.7M is made up as follows:



<b>Rental Income</b>	<b>€1,204,497</b>
<b>Revenue Base Grants</b>	<b>€938,108</b>
<b>Payment and Availability</b>	<b>€463,244</b>
<b>Management and Maintenance Allowance</b>	<b>€59,187</b>
<b>Other Income</b>	<b>€8,826</b>
<b>Bank Interest</b>	<b>€3,034</b>

HAIL remains a people oriented company and values its employees highly. HAIL has a total expenditure of €3.6M and, if we exclude depreciation of €939k, net expenditure of €2.7M, €1.3M relates to payroll costs representing 48% of our costs, excluding depreciation. A breakout of our expenditure is as follows:



<b>Payroll Costs</b>	<b>€1,286,504</b>
<b>Repairs Service Charges and Maintenance of Properties</b>	<b>€708,670</b>
<b>Property Finance Costs</b>	<b>€302,966</b>
<b>Office Costs</b>	<b>€163,529</b>
<b>Other Costs</b>	<b>€115,804</b>
<b>Insurance</b>	<b>€57,056</b>
<b>Professional Fees/Evaluation etc</b>	<b>€44,912</b>
<b>Governance Costs</b>	<b>€13,691</b>

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

# Directors' Report

## Financial Review *Continued*

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 2018 the Company held reserves totalling €11.5M. (2017 €10.5M). This reflects the Company's continuing growth. These reserves at 31 December 2018 were split as follows:

	2018	2017
Development and Building Maintenance Reserve	€4,072K	€4,072K
Accumulated Funds Reserve	€7,470K	€6,423K

### Cash Balances

At the 31st December 2018 the Company held cash balances of €4.0M (2017 €3.5M). 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 the 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. 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 2018 the financial internal controls were subject to a review and audit carried out by an external organisation. No significant weaknesses in controls were identified and the recommendations made were fully implemented.

### 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 and reviewed at management and staff meetings for discussion and 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 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 2018 were:

- Organisational capacity and resources to deliver the Strategic Plan
- Funding of the support services by annual SLAs with the HSE and DRHE to ensure services can be maintained and to ensure our tenants and clients achieve and sustain independent living

# Directors' Report

## Financial Review *Continued*



- Capital financing for property purchase not being available and therefore unable to acquire the number of properties to deliver on our Strategic Plan
- Increase in running costs of the organisation not matched by income stream
- Staff retention and staff burnout
- Cyber treat or loss of IT systems
- The reclassification of Approved Housing Bodies as bodies controlled by government
- Risk to our reputation
- Risk of being the subject of a claim or proceedings due to some infringement of laws, regulations or Health and Safety.

Measures are in place to manage, control and mitigate these risks where possible. The implementation of controls and further mitigating actions are 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 2018 several scenarios were created to stress test the future plans culminating in a 'Perfect Storm' scenario. A plan was then put in place 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 (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 and 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.

### 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 with 30% of our properties surveyed. HAIL's policy is to complete a stock condition survey on 100% of its properties over 3 years. A detailed planned maintenance programme is in place and our Asset Management Strategy will be further revised following the outcome of the 2018 and 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 put in place to secure material compliance and the Company's relevant obligations;

# Directors' Report

## Financial Review *Continued*

- 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 of tenants, staff and the community. The Company is compliant with relevant environmental legislation.

### Health and 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.

### 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 2018 and 2017.

### Political Donations

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

### Auditors

The Board approved a change of auditors from Clifford Desmond & Associates to Grant Thornton during the year.

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

On behalf of the board

**Éanna McHugh** Director

**Michael Hoey** Director

Housing Association for Integrated Living

# Directors' Responsibilities Statement

For the Financial Year Ended 31 December 2018



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.

On behalf of the board

**Éanna McHugh** Director

**Michael Hoey** Director

# 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 2018, 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 2018 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

# Independent Auditor's Report *Continued*

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 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.

# Independent Auditor's Report *Continued*

## 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 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 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 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

# Independent Auditor's Report *Continued*

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: 20 May 2019

## Housing Association for Integrated Living

## Statement of Financial Activities

For the Financial Year Ended 31 December 2018

	NOTE	RESTRICTED FUNDS €	UNRESTRICTED FUNDS €	2018 TOTAL €	2017 TOTAL €
<b>Income</b>					
Rental income		-	1,204,497	1,204,497	1,078,517
Amortisation of local authority mortgage loans		-	1,473,551	1,473,551	1,402,457
Rental payments from Local Authorities	1.	-	463,244	463,244	446,855
Management and maintenance allowance		-	59,187	59,187	59,187
Revenue based grants	2.	938,108	-	938,108	866,014
Bank interest		-	3,034	3,034	4,064
Other income		-	8,826	8,826	10,930
<b>Total Income</b>		<b>938,108</b>	<b>3,212,339</b>	<b>4,150,447</b>	<b>3,868,024</b>
<b>Expenditure</b>					
Housing management services	3.	57,634	2,689,046	2,746,680	2,389,805
Support services	4.	872,203	-	872,203	807,350
Governance	5.	7,062	6,629	13,691	8,774
<b>Total Expenditure</b>		<b>936,899</b>	<b>2,695,675</b>	<b>3,632,574</b>	<b>3,205,929</b>
<b>Net Income</b>					
		<b>1,209</b>	<b>516,664</b>	<b>517,873</b>	<b>662,095</b>
Accumulated funds at beginning of year		3,640	6,418,980	6,422,620	4,786,388
Transfer of property from the HSE	7.	-	300,000	300,000	185,000
Amortisation adjustment	11.	-	229,669	229,669	-
Transfer from unrestricted capital reserve	19.	-	-	-	789,137
<b>Accumulated Funds at End of Year</b>	18.	<b>4,849</b>	<b>7,465,313</b>	<b>7,470,162</b>	<b>6,422,620</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 (SOCl). The net income relates to continuing operations.

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

## Housing Association for Integrated Living

## Statement of Financial Position

As at 31 December 2018



	NOTE	2018 TOTAL €	2017 TOTAL €
<b>Fixed Assets</b>			
Tangible assets	7.	38,628,806	36,534,742
		<b>38,628,806</b>	<b>36,534,742</b>
<b>Current Assets</b>			
Debtors and prepayments	8.	233,678	128,373
Cash at bank		4,049,237	3,544,817
Financial - Prize Bonds		20,000	20,000
		<b>4,302,915</b>	<b>3,693,190</b>
<b>Current Liabilities</b>			
Creditors and accruals	9.	444,094	255,444
Capital assistance mortgage loans	10.	756,988	724,117
Capital loan and subsidy mortgage loans	11.	716,562	677,766
Bank loans	13.	130,093	71,047
Housing Finance Agency loans	14.	47,754	21,418
		<b>2,095,491</b>	<b>1,749,792</b>
<b>Net Current Assets</b>		<b>2,207,424</b>	<b>1,943,398</b>
<b>Total Assets Less Current Liabilities</b>		<b>40,836,230</b>	<b>38,478,140</b>
<b>Long Term Liabilities</b>			
Capital assistance mortgage loans	10.	16,065,909	14,683,999
Capital loan and subsidy mortgage loans	11.	10,609,924	10,625,067
Capital advance leasing facility	12.	903,939	783,467
Bank loans	13.	1,023,151	1,151,903
Housing Finance Agency loans	14.	691,578	739,517
		<b>29,294,501</b>	<b>27,983,953</b>
<b>Net Assets</b>		<b>11,541,729</b>	<b>10,494,187</b>
<b>Reserves</b>			
Development and maintenance reserve	16. & 17.	4,071,567	4,071,567
Accumulated funds	18. & 19.	7,470,162	6,422,620
<b>Total Reserves</b>		<b>11,541,729</b>	<b>10,494,187</b>

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

Approved by the board on 20 May 2019 and signed on behalf of the board by:

Éanna McHugh Director

Michael Hoey Director

## Housing Association for Integrated Living

**Statement of Changes in Reserves**

For the Financial Year Ended 31 December 2018

	<b>DEVELOPMENT &amp; BUILDING MAINTENANCE RESERVE €</b>	<b>BUILDING MAINTENANCE RESERVE €</b>	<b>ACCUMULATED FUNDS €</b>	<b>UNRESTRICTED CAPITAL RESERVE €</b>	<b>TOTAL €</b>
<b>At 1 January 2018</b>	<b>4,071,567</b>	<b>-</b>	<b>6,422,620</b>	<b>-</b>	<b>10,494,187</b>
Surplus from statement of financial activities	-	-	517,873	-	517,873
Amortisation adjustment (Note 11)	-	-	229,669	-	229,669
Transfer of property from the HSE	-	-	300,000	-	300,000
<b>At 31 December 2018</b>	<b>4,071,567</b>	<b>-</b>	<b>7,470,162</b>	<b>-</b>	<b>11,541,729</b>
<b>At 1 January 2017</b>	<b>2,400,000</b>	<b>1,671,567</b>	<b>4,786,388</b>	<b>789,137</b>	<b>9,647,092</b>
Surplus from statement of financial activities	-	-	662,095	-	662,095
Transfer of property from a local authority	-	-	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 2018



	NOTE	2018 TOTAL €	2017 TOTAL €
<b>Reconciliation of Net Outgoing Resources to Net Bank Position</b>			
<b>Net cash generated from operating activities</b>	21.	203,487	323,952
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	7.	(2,773,528)	(910,974)
Interest received		3,034	4,064
<b>Net Cash Outflow from Investing Activities</b>		<b>(2,770,494)</b>	<b>(906,910)</b>
<b>Cash Flows from Financing Activities</b>			
Bank loans received	13.	-	332,500
Housing Finance Agency loans received	14.	-	571,250
Interest paid		(85,086)	(67,579)
Repayment of bank loans	13.	(69,706)	(51,685)
Repayment of Housing Finance Agency loans	14.	(21,603)	(13,315)
CAS and CLSS Local authority loans received	10&11.	3,141,653	56,109
CALF Local authority capital advance loan received	12.	106,169	13,413
<b>Net Cash Inflow from Financing Activities</b>		<b>3,071,427</b>	<b>840,693</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>504,420</b>	<b>257,735</b>
Cash equivalents at the beginning of the year		3,544,817	3,287,082
<b>Cash at Bank at 31 December</b>		<b>4,049,237</b>	<b>3,544,817</b>

## Housing Association for Integrated Living

# 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'.

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 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 and 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 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 and fittings	20% Straight Line
Computer Equip	33⅓% Straight Line
Motor vehicles	20% Straight Line

## Housing Association for Integrated Living

**Accounting Policies** *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.

**Mortgage Loans from Local Authorities**

Mortgage loans are received from local authorities under Capital Assistance Scheme (CAS) and under Capital Loan and 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 Constitution of the Company.

## Housing Association for Integrated Living

# Accounting Policies *Continued*

### 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 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 economic 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.

## Housing Association for Integrated Living

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2018

**1. 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.

	RESTRICTED FUNDS €	UNRESTRICTED FUNDS €	2018 TOTAL €	2017 TOTAL €
<b>2. Revenue Based Grants</b>				
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 Pilot Project	17,910	-	17,910	17,970
– CHO Area 9 - Slan Abhaile Project	115,992	-	115,992	98,394
– CHO Area 9 - Mental Health Tenancy Sustainment and Homeless Prevention	210,460	-	210,460	210,462
– CHO Area 7 - Project with Dublin Simon	27,600	-	27,600	-
– CHO Area 7 - Project with Ushers Island	15,000	-	15,000	-
Dublin Regional Homeless Executive	230,908	-	230,908	230,908
Genio Trust Slán Abhaile and Nat. Forensic MHS	-	-	-	10,792
Louth County Council	25,000	-	25,000	6,250
South Dublin County Council Social Grant	1,000	-	1,000	-
ESB – Energy for Generations Fund	3,000	-	3,000	-
	<b>938,108</b>	<b>-</b>	<b>938,108</b>	<b>866,014</b>
<b>3. Housing Management Services Costs</b>				
Payroll Costs	57,634	518,705	576,339	505,350
Depreciation	-	979,464	979,464	926,326
Housing Management Related Costs	-	125,086	125,086	148,891
Service Charges	-	222,301	222,301	213,171
Insurance	-	57,056	57,056	46,117
Repairs and Maintenance of Property	-	486,369	486,369	276,366
Legal and Professional Fees	-	8,084	8,084	16,043
Loan Interest	-	99,389	99,389	81,090
Leasing Costs	-	191,618	191,618	170,610
Sundry	-	974	974	5,841
	<b>57,634</b>	<b>2,689,046</b>	<b>2,746,680</b>	<b>2,389,805</b>

## Housing Association for Integrated Living

**Notes to the Financial Statements**For the Financial Year Ended 31 December 2018 *Continued*

	RESTRICTED FUNDS €	UNRESTRICTED FUNDS €	2018 TOTAL €	2017 TOTAL €
<b>4. Support Services Costs</b>				
Payroll costs	710,165	-	710,165	606,259
Support related costs	153,693	-	153,693	192,890
Insurance	-	-	-	875
Legal and Professional Fees	6,294	-	6,294	-
Sundry	2,051	-	2,051	7,326
	<b>872,203</b>	<b>-</b>	<b>872,203</b>	<b>807,350</b>
<b>5. Governance Costs</b>				
Audit fee	5,617	3,258	8,875	5,770
Other board costs	1,445	3,371	4,816	3,004
	<b>7,062</b>	<b>6,629</b>	<b>13,691</b>	<b>8,774</b>

The Directors receive no remuneration or reimbursements for their services as Directors of the Company (2017: €Nil).

**6. Particulars of Employees**

The average number of persons employed by the Company during the year was 24 (2017:21).

	2018 €	2017 €
Salaries	1,106,095	966,914
Social welfare costs	119,733	102,258
Pensions	60,676	42,437
	<b>1,286,504</b>	<b>1,111,609</b>
The number of employees with remuneration for the year falling within the rate bands:	<b>2018</b>	<b>2017</b>
€70,001 - €80,000	1	1
€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.

## Housing Association for Integrated Living

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2018 *Continued*

	PROPERTIES €	FURNITURE FITTINGS & LEASED ASSETS €	MOTOR VEHICLES €	TOTAL €
<b>7. Tangible Assets</b>				
At 1 January 2018	44,919,799	192,532	25,425	45,137,756
Purchases	2,773,528	-	-	2,773,528
Transfer from HSE (Note 17)	300,000	-	-	300,000
Disposals	-	-	-	-
<b>At 31 December 2018</b>	<b>47,993,327</b>	<b>192,532</b>	<b>25,425</b>	<b>48,211,284</b>
<b>Accumulated Depreciation</b>				
At 1 January 2018	8,533,431	56,870	12,713	8,603,014
Depreciation for year	939,413	34,966	5,085	979,464
Disposals	-	-	-	-
<b>At 31 December 2018</b>	<b>9,472,844</b>	<b>91,836</b>	<b>17,798</b>	<b>9,582,478</b>
<b>Net book value</b>				
At 31 December 2018	38,520,483	100,696	7,627	38,628,806
<b>At 31 December 2017</b>	<b>36,386,368</b>	<b>135,662</b>	<b>12,712</b>	<b>36,534,742</b>

	2018 €	2017 €
<b>8. Debtors and Prepayments (Amounts Falling Due within One Year)</b>		
Deposits / costs incurred on properties	65,255	49,120
Prepayments	74,529	58,535
Rent Arrears	22,273	20,718
Sundry debtors	71,621	-
<b>Total Debtors and Prepayments</b>	<b>233,678</b>	<b>128,373</b>
<b>9. Creditors and Accruals (Amounts falling due within one year)</b>		
Social welfare costs	31,400	26,371
Sundry accruals	345,288	187,014
Deferred Income	28,000	-
VAT	11,657	3,279
Creditors	27,749	38,780
<b>Total Creditors and Accruals</b>	<b>444,094</b>	<b>255,444</b>

## Housing Association for Integrated Living

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2018 *Continued***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 2018 or in 2017. 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:

	<b>2018</b> €	<b>2017</b> €
<b>Gross</b>		
At 1 January	20,616,687	20,560,578
Additional loans	2,171,769	56,109
<b>At 31 December</b>	<b>22,788,456</b>	<b>20,616,687</b>
<b>Amortisation</b>		
At 1 January	5,208,571	4,483,880
Credited to statement of financial activities	756,988	724,691
<b>At 31 December</b>	<b>5,965,559</b>	<b>5,208,571</b>
<b>Net Book Value</b>		
Within 1 year	756,988	724,117
After 1 year	16,065,909	14,683,999
<b>At 31 December</b>	<b>16,822,897</b>	<b>15,408,116</b>

## Housing Association for Integrated Living

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2018 *Continued***11. Capital Loan and 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>2018</b> €	<b>2017</b> €
<b>Gross</b>		
At 1 January	18,417,280	18,417,280
Additions	969,884	-
<b>At 31 December</b>	<b>19,387,164</b>	<b>18,417,280</b>
<b>Amortisation</b>		
At 1 January	7,114,447	6,436,681
Amortisation Adjustment	229,669	-
Credited to statement of financial activities	716,562	677,766
<b>At 31 December</b>	<b>8,060,678</b>	<b>7,114,447</b>
<b>Net book value</b>		
Within 1 year	716,562	677,766
After 1 year	10,609,924	10,625,067
<b>At 31 December</b>	<b>11,326,486</b>	<b>11,302,833</b>

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 the prior years'.

## Housing Association for Integrated Living

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2018 *Continued***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, 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:

	<b>2018</b> €	<b>2017</b> €
<b>Gross</b>		
At 1 January	745,579	732,166
Additions	106,169	13,413
<b>At 31 December</b>	<b>851,748</b>	<b>745,579</b>
<b>Interest Accrued</b>		
At 1 January	37,888	24,377
Interest Accrued during the year	14,303	13,511
<b>At 31 December</b>	<b>52,191</b>	<b>37,888</b>
<b>Total CALF liability</b>		
<b>At 31 December</b>	<b>903,939</b>	<b>783,467</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	1,222,950	942,135
Loans received during the year	-	332,500
Repayments during the year	(69,706)	(51,685)
<b>Balance at 31 December</b>	<b>1,153,244</b>	<b>1,222,950</b>
Repayable within 1 year	130,093	71,047
Repayable after 1 year	1,023,151	1,151,903
<b>Balance at 31 December</b>	<b>1,153,244</b>	<b>1,222,950</b>

## Housing Association for Integrated Living

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2018 *Continued***14. 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:

	<b>2018</b> €	<b>2017</b> €
Balance at 1 January	760,935	203,000
Loans received during the year	-	571,250
Repayments during the year	(21,603)	(13,315)
<b>Balance at 31 December</b>	<b>739,332</b>	<b>760,935</b>
Repayable within 1 year	47,754	21,418
Repayable after 1 year	691,578	739,517
<b>Balance at 31 December</b>	<b>739,332</b>	<b>760,935</b>

**15. Financial Instruments****Financial Assets**

Cash at bank	4,049,237	3,544,817
Financial assets measured at amortised cost	159,149	69,838
	<b>4,208,386</b>	<b>3,614,655</b>
<b>Financial Liabilities</b>		
<b>Financial Liabilities Measured at Amortised Cost</b>	<b>(3,169,552)</b>	<b>(2,993,146)</b>

Financial assets measured at amortised cost comprise deposits, rent in arrears and sundry debtors.

Financial liabilities measured at amortised cost comprise sundry accruals, creditors, capital advance leasing facility, bank loans and housing finance agency loans.

**16. Development and 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.

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

## Housing Association for Integrated Living

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2018 *Continued***17. 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 built 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.

In 2017 this reserve was designated as a Development and Building Maintenance reserve. The balance in the building maintenance reserve of €1,672K was transferred to the newly established Development and Building Maintenance reserve.

	<b>2018</b> €	<b>2017</b> €
Balance at 1 January	-	1,671,567
Transfer to Development and building maintenance reserve	-	(1,671,567)
<b>Balance at 31 December</b>	<b>-</b>	<b>-</b>

**18. Accumulated Funds**

Balance at 1 January	6,422,620	4,786,388
Surplus from statement of financial activities	517,873	662,095
Amortisation adjustment	229,669	-
Transfer of Property from HSE	300,000	-
Transfer from unrestricted capital reserve	-	974,137
<b>Balance at 31 December</b>	<b>7,470,162</b>	<b>6,422,620</b>
Restricted reserve	4,849	3,640
Unrestricted reserve	7,465,313	6,418,980
<b>Balance at 31 December</b>	<b>7,470,162</b>	<b>6,422,620</b>

**19. Unrestricted Capital Reserve**

Balance at 1 January	-	789,137
Transfer to accumulated funds	-	(789,137)
<b>At 31 December</b>	<b>-</b>	<b>-</b>

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.

**20. 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	191,660	191,660
Repayable between two and five years	766,640	766,640
Repayable in five years or more	2,615,207	2,810,799
	<b>3,573,507</b>	<b>3,769,099</b>

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2018 *Continued*



21. Net Cash Generated from Operating Activities	2018 €	2017 €
<b>Cash Flows from Operating Activities</b>		
Surplus for the financial year	517,873	662,095
<b>Adjustments for:</b>		
Depreciation of tangible assets 7.	979,464	926,326
Amortisation of Local Authorities mortgage loans	(1,473,551)	(1,402,457)
Increase in CALF interest accrued 12.	14,303	13,511
Increase in debtors	(105,305)	(10,582)
Interest paid	85,087	67,579
Interest received	(3,034)	(4,064)
Increase in creditors	188,650	71,544
<b>Net Cash Generated from Operating Activities</b>	<b>203,487</b>	<b>323,952</b>

## 22. Capital Commitments and Contingent Liabilities

There were capital commitments at 31 December 2018 of €35,000 regarding Property Deposits (2017 – €30,000)

There were capital commitments committed to but not contracted or provided for at 31 December 2018 €350,000 (2017 - €Nil).

There were no contingent liabilities outstanding at 31 December 2018 (2017-nil) other than the contingent liabilities outstanding on the CAS and CLS loans (See notes 10&11).

## 23. 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 (2017: €Nil).

## 24. Comparatives

Comparative figures have been reclassified to reflect current year presentation.

## 25. Taxation

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

## 26. 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.

## 27. Related Party Transactions

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

## 28. Post-Balance Sheet Events

There were no post-balance sheet events affecting the Company's position at the year end.

## 29. Approval of Financial Statements

The financial statements were approved by the board of Directors on 20 May 2019.



**HAIL**

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