



**North & East**  
Housing Association

Building & Supporting Communities

## Annual Report and Financial Statements 2019





# CONTENTS

Who We Are:	4
Chairperson's & CEO Report	5
Vision, Mission & Values	6
Legal Status & Administrative Detail	7
Key Milestones 2019	8
Growth	8
Tenant Engagement	8
Property Services	9
Operating Model	10
Future Plans	10
Research Findings	11
Corporate Governance	12
Risk	13
Lobbying and Political Donations	13
Conflicts of Interest	13
North & East Housing Association Board Members	14
Directors' Responsibilities Statement	17
Statement on Relevant Audit Information	17
Companies Acts Responsibilities	18
Board Renewal	18
Finance Subcommittee	18
Development Subcommittee	18
Risk, Audit and Governance Subcommittee	19
Human Resources Subcommittee	19
Remuneration Committee	19
Board Meeting and Subgroup Attendance	19
Board Policies	20
Post Balance Sheet Events	20
Financial Review	20
Auditors	21
Report on the Audit of the Financial Statement	22
Statement of Comprehensive Income	25
Statement of Financial Position	26
Statement of Changes in Reserves	27
Statement of Cash Flows	28
Notes to the Financial Statements	29

# WHO WE ARE

North & East Housing Association is an Approved Housing Body (AHB) incorporated in 1993. It was established by a group of volunteers who recognised that the housing needs of communities in the North and East regions of Ireland were not being met adequately by the private market and Local Authority housing schemes. Since then, North & East has grown from a small voluntary organisation to a well-established social enterprise with housing management and tenant support systems appropriate to the needs of projects across 26 locations in eleven Local Authority jurisdictions. During this period of expansion, North & East has retained a focus on communities in the North and East region and maintained its commitment to keeping tenants at the heart of its work. North & East is primarily a general housing AHB but it also provides housing services to partners that focus on housing for people with specific needs.

*“While our growth plan is ambitious we must and will ensure that our tenants remain at the centre of what we do”*

## CHAIRPERSON'S REPORT 2019



On behalf of the Board of Directors I am delighted to present the Company's Annual Report and Financial Statements for 2019.

In 2019 North and East Housing continued to grow providing 57 high quality new homes across the region making further progress towards the strategic target of 700 homes by the end of 2020. It became clear to the board during the course of the year that the Strategic Plan 2016-2020 would be achieved across the three pillars of that plan. In view of this, we undertook a formal strategic review and now have developed the next Strategic Plan which sets out ambitious plans to continue our growth up to 1,100 homes in management by end of 2024.

To support this work and ensure continued good governance a number of appointments were made to the board and to subcommittees during the course of the year. We are committed to the continuous improvement of our governance structures and will during the course of 2020 have an independent performance evaluation undertaken of our board and subcommittees to assist us to identify areas for further improvement.

While our growth plan is ambitious we must and will ensure that our tenants remain at the centre of what we do. As part of our Tenant Engagement Strategy a survey was undertaken at the end of 2019. The results of this were very positive but we will learn from the survey results and strive to improve and innovate our services and engagement with our tenants. I would like to thank all our tenants who engaged with us in the survey and throughout the year.

**John Ryan, Chairperson**

## CHIEF EXECUTIVE'S REPORT



2019 saw another year of significant growth for North and East Housing with the provision of 57 new homes in counties Louth, Meath, Westmeath, Wicklow and Dublin.

The year also saw the launch of a Tenant Engagement Strategy 2019-2022. This strategy outlines our ambition to make tenant engagement more than just consultation and tenant participation but rather a two-way process involving tenants and NEHA in the sharing of ideas, enabling people to influence decisions regarding the management of their homes. This is our first such strategy that sets out realistic outcomes for a 3-year period.

We commenced the implementation of this strategy by conducting an independent survey, the head line results are included in this years Annual Report. I would like to thank our tenants who participated in the survey and Spark the Research Agency who conducted the survey. The results from the survey while positive have shown areas for learning that can be implemented going forward.

I would like to thank our committed staff across all our teams for their work during the course of the year and once again acknowledge the support I receive from our Board of Management.

**Vincent Keenan, CEO**

## VISION

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Our Vision is to provide high quality, secure and affordable housing, appropriate to the needs of families and individuals in the northern and eastern regions of Ireland. We support thriving communities through quality housing and continuing support for our tenants.

## MISSION

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We will continue to increase our housing stock, in partnership with local authorities, in response to problems of supply and affordability in the housing market. The increased scale of activity will allow us to invest in management systems and support the sustainability of our organisation. We will continue to focus on general housing needs but we will also seek opportunities to provide appropriate housing for older people and for people with special needs. We will explore opportunities to work with both community-based AHBs and AHBs whose main mission is to provide care to residents. We will continue to align our services with Government policy for Social and Affordable Housing.

## VALUES

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### Tenant Centred

We communicate with tenants in a clear and respectful way and ensure that their voice is heard throughout the organisation.

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We make our tenants aware of their rights and obligations as tenants.



### Trustworthy

We are committed to the highest standards of governance as an AHB and as a Registered Charity.

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We are careful stewards of our housing stock and are committed to high standards of accessibility and environmental sustainability.



### Collaborative

We work in partnership with Local Authorities, Government agencies, other housing associations, voluntary bodies and private developers who share our commitments and values

## LEGAL STATUS & ADMINISTRATIVE DETAIL

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North & East Housing Association (North & East) is a Company Limited by Guarantee, without a share capital under the Companies Act 2014. It was incorporated on 14 January 1993 and its registered number is 197791. North & East was granted charitable status for taxation purposes by the Revenue Commissioners. Our charity number is CHY 10970 and we are registered with the Charities Regulation Authority; number CRA 20029074. All income is exclusively used to promote the charitable objectives of the company. We are not obliged to comply with Statements of Recommended Practice (SORP 2014, FRS 102 - Statement of Recommended Practice for Social Housing Providers). Despite this, North & East has implemented many of the SORP recommendations in these financial statements where applicable.

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REGISTERED OFFICE	287, Block G, Blanchardstown Corporate Park 2, D15 P229
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AUDITORS	Crowe Ireland, Chartered Accountants & Statutory Auditors, Marine House, Clanwilliam Court, Dublin D02FY24
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SOLICITORS	James A. Connolly & Co. 13 St. Andrew St. Dublin 2 Beauchamps, Riverside Two, Sir John Rogersons Quay, D2
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BANKERS	Allied Irish Bank, Baggot St. Dublin 2 Bank of Ireland, Baggot St. Dublin 2 Ulster Bank, Blackrock, Co. Dublin Cuchullain Credit Union, The Ramparts, Dundalk, Co. Louth
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DIRECTORS	The Directors serving during the year and since year end were as follows; <ul style="list-style-type: none"> <li>• John Ryan (Chairperson)</li> <li>• John Cunniffe (Vice-Chairperson)</li> <li>• Barry Magee (Company Secretary)</li> <li>• Alan Ring (resigned 3rd Feb 2020)</li> <li>• Pat Lennon</li> <li>• Sean Staunton</li> <li>• Patricia Cleary</li> <li>• Maurice O'Neill</li> <li>• Áine Whelan (appointed 4th November 2019)</li> </ul>
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CEO	Vincent Keenan
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## KEY MILESTONES 2019

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A number of **key projects** were undertaken by the Association in 2019 and are detailed below:

### Growth

The Association provided 57 new homes in 2019. Some of the key developments were as follows:

- 35 homes (general needs) acquired with CALF and HFA loan at Rampart Green, Rathmullan Road, Co. Louth
- 12 homes (older persons) acquired with CALF and HFA loan at 1-12 Cassan Sraid, Commons Road, Navan Road, Co. Meath
- 2 homes acquired under Mortgage to Rent Scheme.
- 2 homes (general needs) acquired with CALF and HFA loan at An Rian, Termonfeckin Road, Drogheda, Co. Louth
- 6 units under the HAAS scheme.

### Tenant Engagement

In July North & East launched its first ever Tenant Engagement Strategy. This three year Strategy lays out commitments that we are making to engage, communicate and actively listen to the tenants of North & East allowing their experiences to effect the decisions made in all areas of the organisation.

One of the first objectives in the Strategy was to conduct the Association's first ever survey of our tenants to understand the baseline position when it comes to tenant experience and satisfaction. The Association appointed external Consultants *Spark* to conduct the survey and the main findings were as follows:

- 85% tenants are satisfied with the service provided by North & East
- the 2 most important services for North & East tenants are good quality Housing and being responsive to repair requests
- 35% would like to be more involved with NEHA with residents associations being the preferred method of involvement
- areas identified for improvement include repairs and communications.

Supported by the findings of the survey, North & East will develop an implementation plan for the Strategy in 2020.

Also, during the year, 15 estate community events were held including Easter, summer, and Christmas activities in partnership with our tenants and a number of residents' associations. 7 tenants were successful in their application to our Noel McArdle Education Bursary granted to support them in furthering their education.



**578**  
Homes in Management



**57**  
New Homes



**91%**  
repairs carried out on time

## Property Services

The property services team is responsible for the asset management of North and East's housing stock including technical oversight and due diligence of all new builds and acquisition.

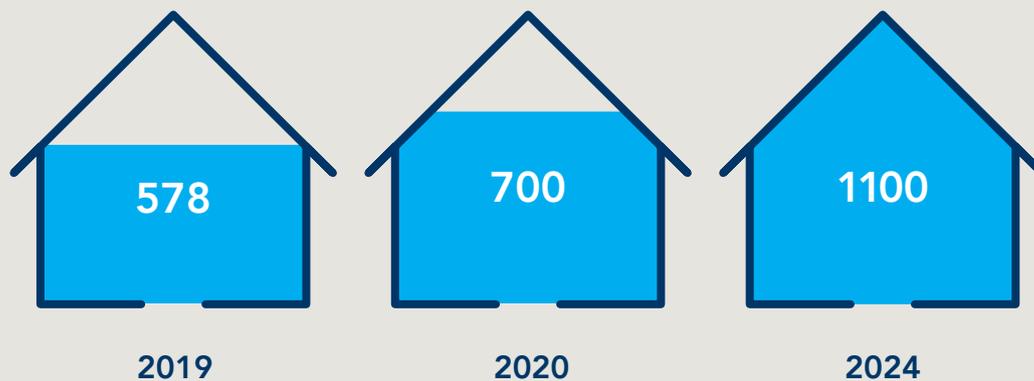
- Planned and cyclical maintenance programme completed including kitchen replacement, front door replacements, fencing replacement, periodic electrical inspections, fire detection systems servicing and boiler servicing.
- 10% stock condition surveys were completed in 2019 and data collated into 30 year planned programme.
- A Single Contractor for responsive repairs, void and select cyclical maintenance was procured in 2019 with contract to commence in quarter four 2020.
- North and East void standard was reviewed which included a tenant survey to guide us in how we shape the services we provide to our tenants.
- Technical oversight of 57 new homes including building surveys, clerk of works and snagging.

Launch of Tenant Engagement Strategy



Cassán Sráid, Commons Road, Navan, Co. Meath





### Planned increase in homes

## Operating Model

North & East continues to up-date business plans, asset management plans and review IT systems on an annual basis. In 2019 we continued to embed our new Housing Management system Civica Cx including the implementation of the latest upgrade in September. Work commenced on the development of the Tenant Portal which will go live in 2020. A tender was issued for the redevelopment of the North & East website and this work will be completed by September, 2020.

In 2019, our staff attended 34 separate training events ranging from conferences, CPD events, coaching and in house training organised to meet individual and collective training needs identified through the annual personal development programme undertaken with each staff member.

## Future Plans

The Board reviews progress against our current strategy 2016 – 2020 on an ongoing basis. They are satisfied with the delivery of the two main objectives which were to increase housing provision and to implement processes appropriate to that larger scale. In 2019, the Board commenced work on a new Strategic Plan for the period 2020 – 2024. This new Strategy renews our commitment to Growth and Tenant Engagement and will be published in 2020.

Brendan McGinley, Property Services Manager speaking at the ICSH Conference 2019



Jacek Maniak receiving his Education Bursary Award



## RESEARCH FINDINGS

Overall there are high levels of satisfaction with NEHA

The two most important services for tenants are:



**85%**  
satisfaction with the service provided



**96%**  
good quality housing



**93%**  
being responsive to day-to-day repairs

While satisfaction is high the research outlined 2 key areas for improvement:



**33%** see room for improvement in dealing with repairs

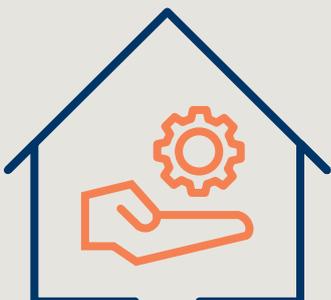
**72%** of the contact between tenants and NEHA is related to repairs



phone is the preferred type of communication

across all types of communication a quick response and a personalised approach is appreciated

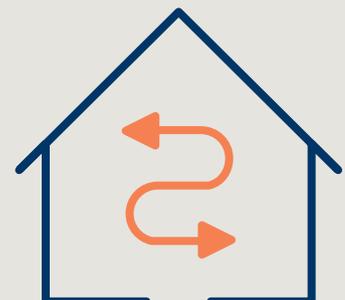
### Tenants - having your say



**35%**  
would like to be more involved



**60% | 40%**  
tenants | residents association meeting ratio



**75%**  
option of being involved in changes to procedures



**Launch of Tenant  
Engagement Strategy and  
first ever Tenant Survey**



**Development of  
New Strategic Plan for  
2020-2024**

## CORPORATE GOVERNANCE

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North & East Housing Association is governed by a Board of non-executive directors whose responsibilities are:

- Strategic direction
- Financial management
- Risk management
- Monitoring of performance
- Ensuring good governance.

The Board retains overall responsibility for the strategic direction and development of the organisation. The Board met 6 times in 2019. The Board delegates the day-to-day operation of the organisation to the CEO. The CEO is not a member of the Board. The CEO manages the operation of the charity with delegated responsibility to the staff team. North & East is committed to the highest standards of transparency, governance and accountability and confirms its compliance with all relevant frameworks.

- The Voluntary Regulation Code for Approved Housing Bodies;
- The Governance Code for the Community, Voluntary and Charitable Sector;
- The Housing Association Performance Management Guidelines (HAPM); and
- The Charities Regulatory Authority.

This provides reassurance for our funders regarding our financial stability and demonstrates a commitment to our tenants for the provision of the highest quality of service to them. We are committed to being open and transparent with tenants and stakeholders about the work of the organisation. Further information is available on the transparency page of our website, which you can find at:

<https://www.northandeast.ie/about-us/transparency>



**Turnover in 2019  
was €3.84**

compared to €3.16 in 2018



**Surplus in 2019  
was €331k**

compared to €166k in 2018



**Reserves in 2019  
were €2,650k**

compared to €2,320k in 2018

## Risk

A full review of the Association's Risk Register was undertaken in 2019 with input from staff and Board. In light of this review, a more comprehensive new format register was adopted by the Board in June 2019. Following on from discussions arising from the planning process for our new Strategic Plan, the Register was further reviewed by Managers and Board and a significant number of risks associated with growth were added in November. As part of our compliance work, a GDPR specific Register was also developed. Both registers are reviewed at every Risk, Audit & Governance Committee meeting and annually by the Board. In 2020, a new framework for overall risk management will be developed.

## Lobbying and Political Donations

There were no political donations in 2019, and as a result, no disclosures are required under the Electoral Act, 1997. As required under the Regulation of Lobbying Act 2015, North & East now records all lobbying activity and communications with Designated Public Officials (DPOs). It has made the returns and submissions required by the Act.

## Conflicts of Interest

The Board of North & East has a legal obligation to act in the best interests of the Association at all times and to avoid situations where there may be a potential conflict of interest. All new Board members fill in a Register of Interests form and sign a Declaration of Compliance with North & East's Conflict of Interest Policy. This declaration is renewed on an annual basis. Conflict of Interest is a standing item on the Agenda of each Board and committee meeting.

1 year anniversary, Emmet Street, Trim, Co. Meath



Rampart Green, Rathmullan Road, Drogheda, Co. Louth



## NORTH & EAST HOUSING ASSOCIATION BOARD MEMBERS

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### **John Ryan - Chairperson**

John Ryan (BSc PhD Dip IOD M Inst D) is a business advisor to both private sector and public-sector clients in areas such as business development, strategy and governance.

As a sustainability expert, he has knowledge and experience of various business excellence methods, management of change, policy and legislation and has international experience across multiple industries, organisational types and cultures.

He is also an experienced non-executive director (NED) and Chairman, both in the commercial and not for profit sectors. He served on the board of the business representative group, ISME, for over 10 years during which time he was Chairman of the Board and its Remuneration Committee. He currently sits on the Board of a number of private companies.

John has represented the Irish business community in key policy areas with the Irish Government such as job creation, and championed business strategy and governance. A Ministerial appointment to the Department of Jobs, Enterprise & Innovation's inaugural Small Business Forum (2011) he participated in the development of the Irish Government's first Action Plan for Jobs (published 2012).

### **John Cunniffe, Vice-Chairperson**

John is a Lecturer and an Asset Management Strategist. Having previously worked across several highly regulated industries managing property portfolios and facilities management his key focus has been on delivering resource management and innovative asset maximisation programmes that improve efficiency and effectiveness while minimising risk. He has a particular interest in promoting good governance, accountability and transparency having previously worked with a large international NGO.

### **Barry Magee BCL, BSc, LL.M, MSc, MA, FCI Arb. – Board Secretary**

Barry is a Solicitor with Fieldfisher LLP. He was previously the Chairperson of the Refugee Appeals Tribunal. Previous to this he held legal roles with an involvement in conveyancing, procurement and development with Dun Laoghaire/Rathdown Co. Council, the Railway Procurement Agency and the office of the Chief State Solicitors.

## NORTH & EAST HOUSING ASSOCIATION BOARD MEMBERS

*continued*

### **Maurice O'Neill – Board Member**

Maurice O'Neill (BSc Surveying, MBS, MSCSI, MRICS) is a Chartered Surveyor and Registered Valuer, with over 20 year experience in the Irish property market. Maurice joined TWM, a specialised property advisory firm, as an equity Director in 2014, to focus on developing valuation and advisory services.

Maurice was the former Head of Professional Services at DTZ Sherry Fitzgerald (now Cushman & Wakefield), overseeing a large professional services team across four offices in Dublin, Cork, Limerick and Galway.

As well as handling large scale property and loan portfolio appraisals, Maurice has advised on the structuring of a range of investment and income sharing/joint venture agreements. Some of the clients Maurice has worked with include Tesco, Goldman Sachs, Kennedy Wilson, NAMA, AIB, Bank of Ireland, Ulster Bank, the OPW, the Department of Education and Skills. Maurice is heavily involved in providing valuation and strategic advisory service to a range of participants in the multi-unit housing sector.

As an active member of the SCSi, Maurice is regularly involved in the APC process and is an External Examiner in TU Dublin and Nottingham Trent University.

### **Patricia Cleary – Board Member**

Patricia worked for many years as CEO of HAIL, the Housing Association for Integrated Living. HAIL is primarily a special needs housing association providing housing and a specialist support service for people with an enduring mental health diagnosis.

During her time with HAIL the association increased its housing stock, using government grants, private finance and HFA funding. HAIL is now the leading provider of permanent Housing for people with a mental health need.

HAIL's specialist mental health support service has grown and now provides support to people in a range of housing tenures including local authority, private rented accommodation and to those with a mental health need exiting homeless services. HAIL also provides housing and support to people moving from mental health group homes and hostels.

Prior to her time with HAIL Patricia worked with a number of NGO's in Ireland and Africa including Concern, Comhlámh and the Dublin Traveller Education Development Group. She also worked with Irish Aid and the United Nations Development Programme in Tanzania and Jamaica.

## NORTH & EAST HOUSING ASSOCIATION BOARD MEMBERS

*continued*

### **Áine Whelan - Board Member**

Áine Whelan (BComm, CIPD) is HR Mobility Manager with Electricity Supply Board (ESB). She is an experienced HR executive working in the area for more than 25 years and brings with her a diversity of HR strategic and operational knowledge. Her areas of expertise include governance, business partnering, performance management & development and she has also provided HR advice on large scale IT projects. She seeks to make HR strategy both simple and inclusive and has a particular interest in learning & development. She has demonstrated her ability to successfully lead organisational change, working with multi-country HR teams delivering business results.

As well as her primary degree, Áine also holds two graduate diplomas in leadership and management from University of Limerick and in employment law from Dublin Business School. She was appointed to the board in 2019 and sits on the Tenant Services & Engagement Committee.

### **Pat Lennon - Board Member**

Pat Lennon, Barrister at Law, BA, H.dip Ed, B.Sc (hons) Psychology, B.Sc (Hons) Counselling & Psychotherapy. Member IACP, Ireland. Pat is a founder member and first Secretary of North & East and a former Chair of the Association. He retired from the Health Service Executive after thirty three years as a Community Welfare Officer [CWO] and eleven years as a Superintendent CWO. Pat is a founder member and first Chair of Dun Laoghaire Money Advice and Budgeting Service [MABS]. He was also the National Chair of S/Community Welfare Section of SIPTU [2005-2011].

### **Sean Staunton BA FCCA QFA - Board Member**

Sean is CEO of Progressive Credit Union. A Qualified Financial Adviser, Sean graduated from Dublin City University in 1997 with a BA in Accounting & Finance and has worked as an accountant with several major Irish plc's before embarking on a career in the credit union sector in 2003 having qualified with ACCA in 2001. Sean was appointed CEO of Progressive Credit Union in 2009. Sean serves on the Boards of several credit union related companies and is actively involved in the delivery of new products and services in the sector.

## DIRECTORS' RESPONSIBILITIES STATEMENT

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

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement on Relevant Audit Information

Each of the persons who are Directors at the time of the approval of this Directors' Report have confirmed that:

- The Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.
- So far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware.

## DIRECTORS' RESPONSIBILITIES STATEMENT

### Companies Acts Responsibilities

The directors also acknowledge and accept their personal overall responsibilities under the Companies Acts 1963 to 2014 as the organisation is established under these Acts. Each director will act, at all times, in the best interest of the organisation as a whole rather than in pursuit of any personal or sectional interest.

### Board Renewal

The Board conducts an annual review of its own performance and identifies any gaps in skills sets. New members with these skills are invited to join. All new Board members follow an induction programme which includes relevant training and a variety of activities and documents delivered over a period of time.

The aim of this induction process is to enable and empower new Board members to manage and direct the Organisation. No remuneration is paid to non-executive directors for their services as Board Members. Directly incurred expenses are reimbursed, if claimed. In 2020 the Board will undertake an external review of effectiveness and performance.

### Board Sub-Committees

The Board is supported by the following sub-committees all of which are advisory in nature and have written terms of reference which will be reviewed in 2020:

1. Finance
2. Development
3. Risk, Audit and Governance
4. Human Resources
5. Remuneration

### Finance Subcommittee

The Finance subcommittee reviews and monitors all aspects of the company's financial performance and controls. It makes recommendations to the Board on annual budgets, management accounts, annual financial statements and reports. The finance subcommittee meets 4 times a year.

### Development Subcommittee

The Development subcommittee considers and evaluates options regarding the purchase, building and management of housing stock and reports to the directors with recommendations. The committee considers the cost and cash flow implications of proposed acquisitions of stock. It advises the Board on appropriate levels of reserve funding to adequately maintain homes. The committee keeps itself informed of and evaluates changes in the delivery of social housing. The development subcommittee meets 3 times a year.

## DIRECTORS' RESPONSIBILITIES STATEMENT

### Risk, Audit and Governance Subcommittee

The Risk, Audit & Governance subcommittee monitors all operational risk performance and internal audit of the organisation. It liaises with the organisation's auditors. It reviews the Association's Risk Register at each meeting. This committee also oversees Board renewal and reviews all board policies prior to consideration by the Board. The committee meets 3 times a year.

### Human Resources Subcommittee

The Human Resources subcommittee deals with staff related issues in the organisation. It is also responsible for making recommendations on remuneration. The committee meets as required.

### Remuneration Committee

The remuneration committee meets to undertake a remuneration review once per year.

### Board Meeting and Subgroup Attendance

The table below lists all Directors of North & East and non-board subgroup members who served throughout the year. Their record of attendance at board meetings and board subgroup meetings is outlined below:

Name	Board Member	Board Meetings	Risk, Audit & Governance	Development	Finance
John Ryan	Yes	4 of 6			
Sean Staunton	Yes	4 of 6	3 of 3		
Barry Magee	Yes	4 of 6	2 of 3	1 of 3	
Pat Lennon	Yes	6 of 6	1 of 3	1 of 3	
John Cunniffe	Yes	4 of 6		2 of 3	
Maurice O'Neill	Yes	6 of 6		2 of 2	
Patricia Cleary	Yes	5 of 6		3 of 3	4 of 4
Áine Whelan	Yes	1 of 1			
Alan Ring	Yes	4 of 6			4 of 4
Evelyn Fitzpatrick	No				3 of 4
Adrian Hanrahan	No			2 of 2	

The board met three times other than normal board meetings to develop the 2020-24 strategic plan.

The Remuneration sub-committee met once during the year. The Human Resource sub-committee did not meet during 2019.

# DIRECTORS' RESPONSIBILITIES STATEMENT

## Board Policies

The Board has in place a comprehensive set of policies that are reviewed every 2 years by the Risk, Audit & Governance Committee. These are then reviewed by the full board. In 2019 the Board reviewed the following policies:

- Risk policy
- Treasury Policy
- Reserves Policy
- Conflict of Interest Policy
- Code of Conduct Policy
- Data Protection Policy
- Hospitality & Gift Policy.

## Post Balance Sheet Events

In the first half of 2020, the Covid 19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28 March 2020, all "non essential" businesses were ordered to close temporarily.

This has had a negative impact on the company since the year end and the company's ability to deliver services has reduced as a result. At the time of approving the financial statements, there is uncertainty regarding how the balance sheet may be impacted based on events since the year end and as a result an estimate of its financial effect cannot be made.

There were no other significant subsequent events up to the date of signing the report that require disclosure or adjustment to the financial statements.

## Financial Review

Turnover was €3.84m in 2019 compared to €3.16m in 2018 reflecting increased rental income and the impact of increased payment and availability income from new housing additions. Rental income increased by €229k in 2019 and payment & availability income increased by €405k.

North & East generated a surplus of €331k in 2019 compared to €166k in 2018. The surplus for 2019 is inclusive of a reduction in bank loan interest due to the reversal of a prior year accrual for a bank loan break charge of €77k. Other loan interest increased by €208k during the year as new loans were drawn down to fund new developments. The management and Board expect North & East to maintain an operating surplus year on year going forward.

Administrative Expenses were €3.1m in 2019 compared to €2.7m in 2018. At 31st December 2019, North & East had fixed assets of €39.6m compared to €29.0m in 2018 reflecting ownership of 302 housing units and 2 office units.

Homes in management by North & East increased by 57 units in 2019 from 521 in 2018 to 578 and the Association is managing a healthy development pipeline to meet its targets within the strategic plan. The Association maintains four regionally distributed offices, its head office in Blanchardstown (leased) and three adapted residential properties on estates, two are owned and one leased.

## DIRECTORS' RESPONSIBILITIES STATEMENT

North & East held Reserves of €2,650k at the end of 2019 compared to €2,320k in 2018 with the Association maintaining supporting cash and deposits of €2,397k at the end of 2019. The Association maintains a designated reserve (sinking fund) of €1,238k in 2019 up from €910k in 2018 as a contingency reserve for any exceptional unbudgeted repairs to properties that may arise.

In the first half of 2020, the Covid-19 virus spread worldwide and the Irish government issued guidance and subsequent restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, North & East in compliance with these guidelines moved to a virtual working environment and has taken the necessary contingency measures to sustain essential activities and continue business operations as normal where feasible.

The restrictions have caused some negative impact on the company since the year end and the company's ability to deliver services has been temporarily reduced as a result. At the time of approving the financial statements, there is uncertainty regarding how the balance sheet may be impacted based on events since the year end and going forward. The Board has been provided with comprehensive Covid-19 impact analysis and financial projections that provide comfort concerning the Association's financial viability and ability to continue necessary operations over the next twelve months. This will be subject to continued ongoing review while this current situation continues.

### Auditors

The Auditors Crowe Ireland are eligible and have expressed a willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

**The report was reviewed by the Board and signed on its behalf:**

Chairperson



Date: 22 June 2020

Secretary



Date: 22 June 2020

# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Opinion

We have audited the financial statements of North and East Housing Association Limited by Guarantee (the 'company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Statement of Recommended Practice (SORP): Accounting by Registered Social Housing Providers, Update 2018 FRS102.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and Statement of Recommended Practice (SORP): Accounting by Registered Social Housing Providers, Update 2018 FRS102; 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 Auditors' responsibilities 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, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISA (Ireland) 570 requires 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.

# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Companies Act 2014

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

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

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, and the financial statements are in agreement with the accounting records.

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

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

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Respective responsibilities and restrictions on use

### Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to 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.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our Auditors' Report.

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

This report is made solely to the company's shareholders 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders for our audit work, for this report, or for the opinions we have formed.



for and on behalf of



Chartered Accountants & Statutory Audit Firm

Marine House

Dublin 2

Date: 23 June 2020

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Note	2019 €	2018 €
Turnover	4	<b>3,841,275</b>	3,158,751
Operating costs		<b>(3,119,984)</b>	(2,733,283)
<b>Surplus on ordinary activities before interest</b>	5	<b>721,291</b>	425,468
Interest receivable		<b>886</b>	2,446
Interest and financing costs	7	<b>(391,420)</b>	(262,285)
<b>Surplus for the year</b>		<b>330,757</b>	165,629

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: €NIL).

The notes on pages 20 to 32 form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	2019 €	2018 €
<b>Fixed assets</b>			
Tangible fixed assets	9	39,648,702	29,024,365
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	2,944,033	313,581
Cash at bank and in hand		2,396,729	2,373,444
		5,340,762	2,687,025
Creditors: amounts falling due within one year	11	(2,122,237)	(1,858,565)
<b>Net current assets</b>		3,218,525	828,460
<b>Total assets less current liabilities</b>		42,867,227	29,852,825
Creditors: amounts falling due after more than one year	12	(40,216,287)	(27,532,642)
<b>Net assets</b>		2,650,940	2,320,183
<b>Reserves</b>			
Income and expenditure reserve	15	2,650,940	2,320,183
<b>Total reserves</b>		2,650,940	2,320,183

The financial statements were approved and authorised for issue by the board:

Director   
Date: 22 June 2020

Director   
Date: 22 June 2020

The notes on pages 20 to 32 form part of these financial statements.

## STATEMENT OF CHANGES IN RESERVES

for the year ended 31 December 2019

	Statement of Comprehensive Income €	Total Reserves €
At 1 January 2019	2,320,183	2,320,183
<b>Comprehensive income for the year</b>		
Surplus for the year	330,757	330,757
<b>At 31 December 2019</b>	<b>2,650,940</b>	<b>2,650,940</b>

for the year ended 31 December 2018

	Statement of Comprehensive Income €	Total Reserves €
At 1 January 2018	2,154,554	2,154,554
<b>Comprehensive income for the year</b>		
Surplus for the year	165,629	165,629
<b>At 31 December 2018</b>	<b>2,320,183</b>	<b>2,320,183</b>

## STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	2019	2018
	€	€
<b>Cash flows from operating activities</b>		
Surplus for the financial year	330,757	165,629
<b>Adjustments for:</b>		
Depreciation of tangible assets	746,876	562,339
Interest paid	391,420	262,285
Interest received	(886)	(2,446)
Increase in debtors	(2,630,452)	(73,431)
(Decrease)/increase in creditors	(490,044)	2,848,769
<b>Net cash (used in) generated from operating activities</b>	<b>(1,652,329)</b>	<b>3,763,145</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(11,386,138)	(8,291,515)
Sale of tangible fixed assets	14,925	-
Interest received	886	2,446
<b>Net cash used in investing activities</b>	<b>(11,370,327)</b>	<b>(8,289,069)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(158,840)	(150,074)
Other new loans	13,596,201	5,290,366
Interest paid	(391,420)	(262,285)
<b>Net cash generated from financing activities</b>	<b>13,045,941</b>	<b>4,878,007</b>
<b>Net increase in cash and cash equivalents</b>	<b>23,285</b>	<b>352,083</b>
Cash and cash equivalents at beginning of year	2,373,444	2,021,361
<b>Cash and cash equivalents at the end of year</b>	<b>2,396,729</b>	<b>2,373,444</b>
<b>Cash and cash equivalents at the end of year comprise:</b>	<b>2,396,729</b>	<b>2,373,444</b>
Cash at bank and in hand	2,396,729	2,373,444

The notes on pages 20 to 32 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 1. General information

North and East Housing Association is a company limited by guarantee, without a share capital, incorporated in Ireland on 14 January 1993, registered number 197791. The registered address is Unit 287, Block G, Blanchardstown Corporate Park 2, Dublin 15. The company has been granted charitable status, for taxation purposes by the Revenue Commissioners and has a charity number CHY 10970. The principal activity of the company is the delivery of high quality homes, comprehensive housing management services and tenant supports.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

In preparing the financial statements, the company has referred to guidance included within the following Statements of Recommended Practice (SORP): Accounting by Registered Social Housing Providers, Update 2018 FRS 102. The Company has adopted best practice to the extent that requirements contained within the aforementioned SORPs are applicable to the company.

The following principal accounting policies have been applied:

### 2.2 Going concern

For the continuing delivery of its development programme the company is dependent on continued debt funding from the Housing Finance Agency (HFA), Capital Advance Leasing Facility (CALF), Service Level Agreement (SLA) and Payment and Availability agreements.

The company meets its day to day working capital requirements through accumulated reserves, bank and other debt. The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### 2.3 Turnover

#### Rental Income

Rental income represents rent receivable from tenants during the year.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## Government grants

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the income statement over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the income statement as the related expenditure is incurred.

## Management and maintenance subsidies

Management and maintenance subsidies are payable annually by local authorities to the company in respect of projects completed under the Capital Loan and Subsidiary Scheme.

Management and maintenance subsidies are received from Dundalk Town Council, Meath County Council, Louth County council and South Dublin County Council.

## Lease income

Lease income is received as Payment and Availability from County Councils.

## 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold property	2% straight line
Plant & machinery	15% straight line
Office equipment	15% straight line
IT equipment	25% straight line
Assets under the course of construction	Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

## 2.5 Housing loans

Specific loans are advanced by the Housing Finance Agency (HFA) and by the Department of the Housing, Planning and Local Government under the Capital Advance Leasing Facility (CALF), subject to the terms of individual loan agreements. Interest and capital repayments are required to be made in respect of these loans. Mortgage loans are also held with Bank of Ireland and Ulster Bank.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

## 2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## 2.10 Functional and presentation currency

The company's functional and presentational is euro (€).

## 2.11 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## 2.12 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

## 2.13 Pensions

### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

## 2.14 Employee Benefits

When employees have rendered service to the company, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

## 2.15 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 3. Judgments in applying accounting policies 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.

### (a) Establishing lives for depreciation purposes of land and freehold buildings

Long lived assets, consisting primarily of land and freehold buildings, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The Directors regularly review the assets residual values and the useful lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation charge for this period. Details of the useful lives is included in the accounting policies.

### (b) Provisions

The amounts recognised as a provision are management's best estimate of the amount required to settle present obligations at the Balance Sheet date. The outcome depends on future events which are by their nature uncertain. In assessing the likely outcome, management bases its assessment on historical experience and other factors that are believed to be reasonable in the circumstances.

### (c) Going Concern

During the first quarter of 2020, The Covid 19 pandemic has spread worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "non essential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus.

Like many companies, North and East Housing Association is exposed to the effects of the Covid 19 pandemic. The company continues to operate during this period, where possible. The Directors have prepared budgets and cash flows for a period of at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern.

On this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

The financial statements have been prepared on a going concern basis.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 4. Turnover

An analysis of turnover by class of business is as follows:

	2019	2018
	€	€
Rental income from tenants	1,738,152	1,509,500
Management and maintenance subsidy	197,729	149,224
Payment and availability income	1,891,402	1,485,897
Grant Income	13,992	14,130
	<b>3,841,275</b>	<b>3,158,751</b>

All turnover arose in Ireland.

## 5. Surplus for the year

The surplus for the year is stated after charging/(crediting):

	2019	2018
	€	€
Depreciation of tangible fixed assets	746,876	562,339
Government grant amortisation	(410,537)	(364,429)
Operating lease rentals	979,579	876,445
Defined contribution pension cost	17,831	13,533
Auditors' remuneration	8,571	8,326

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Administration staff	5	5
Housing services staff	6	6
Management	4	4
	<b>15</b>	<b>15</b>

Staff costs, include directors' remuneration, were as follows:

### Key management personnel

Key management personnel include the Chief Executive, Chief Financial Officer, Property Service Manager, and Tenant Engagement Services Manager for whom the total remuneration cost was €291,669 (2018: €273,329) which includes pension contributions of €11,263 (2018: €9,858).

The Board received no remuneration in respect of the current or previous financial year.

## 7. Interest and financing costs

	2019	2018
	€	€
Other loan interest payable	346,071	138,007
Bank loan interest payable	45,349	124,278
	<b>391,420</b>	<b>262,285</b>

## 8. Taxation

As a result of the company's charitable status, no charge to corporation tax arises under the provision of Section 207 of the Taxes Consolidation Act 1997.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 9. Tangible fixed assets

	Freehold property €	Plant & machinery €	Office equipment €	IT equipment €	Assets under the course of construction €	Total €
<b>Cost or valuation</b>						
At 1 January 2019	31,119,724	12,576	158,492	127,290	2,337,772	33,755,854
Additions	11,362,492	302	968	20,675	1,701	11,386,138
Disposals	-	-	-	-	(14,925)	(14,925)
At 31 December 2019	42,482,216	12,878	159,460	147,965	2,324,548	45,127,067
<b>Depreciation</b>						
At 1 January 2019	4,591,918	11,224	100,267	28,080	-	4,731,489
Charge for the year	699,088	312	13,563	33,913	-	746,876
At 31 December 2019	5,291,006	11,536	113,830	61,993	-	5,478,365
<b>Net book value</b>						
At 31 December 2019	37,191,210	1,342	45,630	85,972	2,324,548	39,648,702
At 31 December 2018	26,527,806	1,352	58,225	99,210	2,337,772	29,024,365

The directors have carried out a review of the property portfolio and they are of the opinion that it is not worth less than the amount stated on the balance sheet.

## 10. Debtors

	2019 €	2018 €
Trade debtors	2,845,812	206,802
Other debtors	313	995
Prepayments and accrued income	97,908	105,784
	<b>2,944,033</b>	<b>313,581</b>

The trade debtors include CALF claims of €2.5m from a County Council in relation to three developments.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 11. Creditors: Amounts falling due within one year

	2019	2018
	€	€
Bank loan (see note 13)	277,256	277,249
Other loans (see note 13)	576,692	187,916
Trade creditors	25,357	127,754
Taxation and social insurance	42,621	79,438
Other creditors	13,625	7,752
Accruals	501,610	523,627
Deferred income (see note 20)	652,167	621,720
Tenants deposits	32,909	33,109
	<b>2,122,237</b>	<b>1,858,565</b>

The trade debtors include CALF claims of €2.5m from a County Council in relation to three developments.

## 12. Creditors: Amounts falling due after more than one year

	2019	2018
	€	€
Loans owed to credit institutions (see note 13)	1,754,494	1,913,341
Other loans (see note 13)	22,364,035	9,156,610
Deferred income (see note 20)	16,097,758	16,462,691
	<b>40,216,287</b>	<b>27,532,642</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 13. Loans

Analysis of the maturity of loans is given below:

	2019	2018
	€	€
<b>Amounts falling due within one year</b>		
Bank loans	277,256	277,249
Other loans	576,692	187,916
	<b>853,948</b>	465,165
<b>Amounts falling due 2-5 years</b>		
Bank loans	1,108,999	1,108,998
Other loans	2,306,768	751,663
	<b>3,415,767</b>	1,860,661
<b>Amounts falling due after more than 5 years</b>		
Bank loans	645,495	804,343
Other loans	20,057,267	8,404,947
	<b>20,702,762</b>	9,209,290
	<b>24,972,477</b>	11,535,116

### Other loans

Included in other loans is amounts owing to the HFA of €14,417,303 (2018: €4,697,893) and CALF of €8,523,424 (2018: €4,646,633).

Housing loans provided by the Housing Finance Agency (HFA) are for 30 year loans with 10 year fixed rates. The interest rate payable on these loans is 2.5% per annum. These loans are subject to capital and interest repayments.

Concessionary CALF loans are for terms between 20-30 years and these are repayable at the end of the term of the loans. The CALF loans are subject to interest at 2% per annum calculated by way of simple interest. Thus the interest is calculated and payable on the CALF loans principal alone. Interest on the CALF loans accrues on an ongoing basis but is only due for payment at the end of the term of the loan.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 14. Security and charges relating to bank borrowings

Ulster Bank loans of €1,180,141 are secured by a series of first legal mortgage charges over 17 residential units at Moneymore, Drogheda, Co. Louth and 1 residential unit at Cedarvale, Althumney Woods, Navan, Co. Meath.

Bank of Ireland loans of €851,609 are secured by a first legal mortgage and charge over 17 units at Stamanaran, Blackrock, Co. Louth.

## 15. Reserves

The Income and Expenditure reserve represents cumulative surpluses and deficits recognised in the Income Statement. All approved Housing Bodies are required to designate elements of their income and expenditure reserve for the long term systematic repair and refurbishment of housing stock which is known as a sinking fund. For the purposes of SORP Accounting by registered social housing providers, such designations are considered to be an internal matter and therefore are not to be disclosable in the primary statements.

Of the total reserves of €2,650,940 (2018: €2,320,183) held at the Balance Sheet date, North & East internally designate €1,238,280 (2018: €910,865) as a designated reserve for repairs and refurbishment of housing stock.

## 16. 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 exceeding €1 towards the assets of the company in the event of liquidation.

## 17. Capital commitments

At the financial year end date the company had entered into contracts for future capital expenditure amounting to €20,000,000.

## 18. Pension costs

The company operates a defined contribution scheme, 'Pension Scheme Fund', for its employees. The scheme is externally financed in that the assets of the scheme are held separately from those of the company in an independently administered fund. The contributions made in the financial year amounted to €17,831 (2018: €13,533).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 19. Other securities and charges

The local authorities have legal charges registered against the properties financed under the CAS scheme. When the twenty or thirty year period of the scheme expires and the terms of the loan agreements have been complied with, the local authority will release the legal charge of the property and the Approved Housing Body (AHB) becomes the legal owner of the property. AHB is then obliged to ensure the property continues to be properly maintained and the property is let to meet social housing needs at reasonable rents. Accordingly, charges are registered against the following properties;

- Lands in Kells, Co. Meath
- Premises at Bective House, Beaufort Place, Navan, Co. Meath
- Apartments at Woodford, Wheaton Hall, Drogheda, Co. Louth
- Apartments at The Beech, Athlumney Wood, Navan, Co. Meath
- Apartment at Malton House, Custom House Square, Mayor Street Lower, IFSC, Dublin 1
- Forster Lawn, Lucan, Co. Dublin
- Apartment at An Grianan Fidh, Aiuens Village, Sandyford, Dublin 18
- Apartment at The Oval, Tullyvale, Druid Valley, Cabinteely, Dublin 18
- Property at Drummartin Terrace, Goatstown, Dublin 14
- Property at St Ultan's Terrace, Abbey Road, Navan, Co. Meath
- Premises at Servite Priory, Kiltipper Road, Tallaght, Dublin 24

The Housing Finance Agency PLC (HFA) holds security over the following premises;

- Property at Bective Place, Kells, Co. Meath
- Property at Moulden Bridge, Rathoath, Co. Meath
- Property at Dun Saithne Road, Flemington Lane, Balbriggan, Co. Dublin
- Property at Woodgate, Ballycullen road, Knocklyon, Dublin 16
- Property at The Grove, Sevitt Hall, Bettystown, Co. Meath
- Property at Knightwood, Matthews Lane, Drogheda, Co. Meath
- Property at The Lane, Foxlodge, Rathoath, Co. Meath
- Property at Bellgree Drive, Tyrellstown, Mulhuddart, Dublin 15
- Property at Priory Lodge, Sheetland Road, Drogheda, Co. Louth
- Property at Bathe Abbey, Navan Road, Dunleek, Co. Meath
- Property at Gleann Alainn, Tullyallen, Drogheda, Co. Louth
- Property at Milrace, Trim, Co. Meath
- Property at Ardmore Rise, Ardmore, Bettystown, County Meath
- Property at Barrack Road, Kilnaleck, Co. Cavan
- Property at Hampton Green, Balbriggan, Co. Dublin
- Property at The Drive, Riverbank Drogheda, Co. Louth
- Property at Rampart Green, Rathmullen Road, Drogheda, Co. Louth
- Property at Golden Ridge, Rush, Co. Dublin
- Property at Golden Close, Rush, Co. Dublin
- Property at Crumlin Village, St. Agnes Crescent, Dublin 12
- Property at Stonebridge, Kells, Co. Meath
- Property at Rochford Park, Lucan, Co. Dublin
- Property at Capel Grove, Chapel Gate, Tankardstown, Naul Road, Balbriggan, Co. Dublin
- Property at Scarlet Street, Drogheda, County Louth
- Property at Commons Road, Navan, Co. Meath
- Property at Swords Manor, Swords, Co. Dublin
- Property at An Rian, Termonfeckin Road, Drogheda, Co. Louth.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 20. Deferred income

### 20.1 Description

Deferred income represents government grants. These grants represents loans made to the company from Capital Loan and Subsidy Scheme (CLSS) and Capital Assistance Scheme (CAS). No capital or interest repayments are required to be made on these loans provided the company complies with certain specific requirements set out by the local authorities over the properties for which housing loans have been provided for.

In accordance with the accounting policy, government grants are recognised based on the accruals model. These grants, which are for the purchase of the freehold property, are recognised over the useful life of the freehold property, which is fifty years. There are no unfulfilled conditions or contingencies attaching to these grants.

### 20.2 Analysis of the movements on government grants

	2019	2018
	€	€
Government grants: revenue	331,939	294,045
Government grants: capital	16,417,985	16,790,366
	<b>16,749,925</b>	17,084,411
<b>Capital</b>		
At 1 January	16,790,366	14,322,743
Grants received during the financial year	38,156	2,832,052
Amortisation in the financial year	(410,537)	(364,429)
<b>At 31 December</b>	<b>16,417,985</b>	16,790,366

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

## 21. Commitments under operating leases

The Company did not enter into any new operating leases during the year.

At 31 December 2019 the company had future minimum lease payments under non cancellable operating leases as follows:

	2019	2018
	€	€
Not later than 1 year	<b>1,011,750</b>	1,011,750
Later than 1 year and not later than 5 years	<b>3,932,891</b>	3,965,053
Later than 5 years	<b>12,772,660</b>	13,752,248
	<b>17,717,301</b>	<b>18,729,051</b>

## 22. Controlling party

The Members of North and East Housing Association Company Limited by Guarantee are considered to be the ultimate controlling party.

## 23. Post balance sheet events

In the first half of 2020, the Covid 19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28 March 2020, all "non essential" businesses were ordered to close temporarily.

This has had a negative impact on the company since the year end and the company's ability to deliver services has reduced as a result. At the time of approving the financial statements, there is uncertainty regarding how the balance sheet may be impacted based on events since the year end and as a result an estimate of its financial effect cannot be made.

There were no other significant subsequent events up to the date of signing the report that require disclosure or adjustment to the financial statements.

## 24. Approval of financial statements

The board of directors approved these financial statements for issue on **22nd June 2020**.





# North & East Housing Association

Building & Supporting Communities

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