

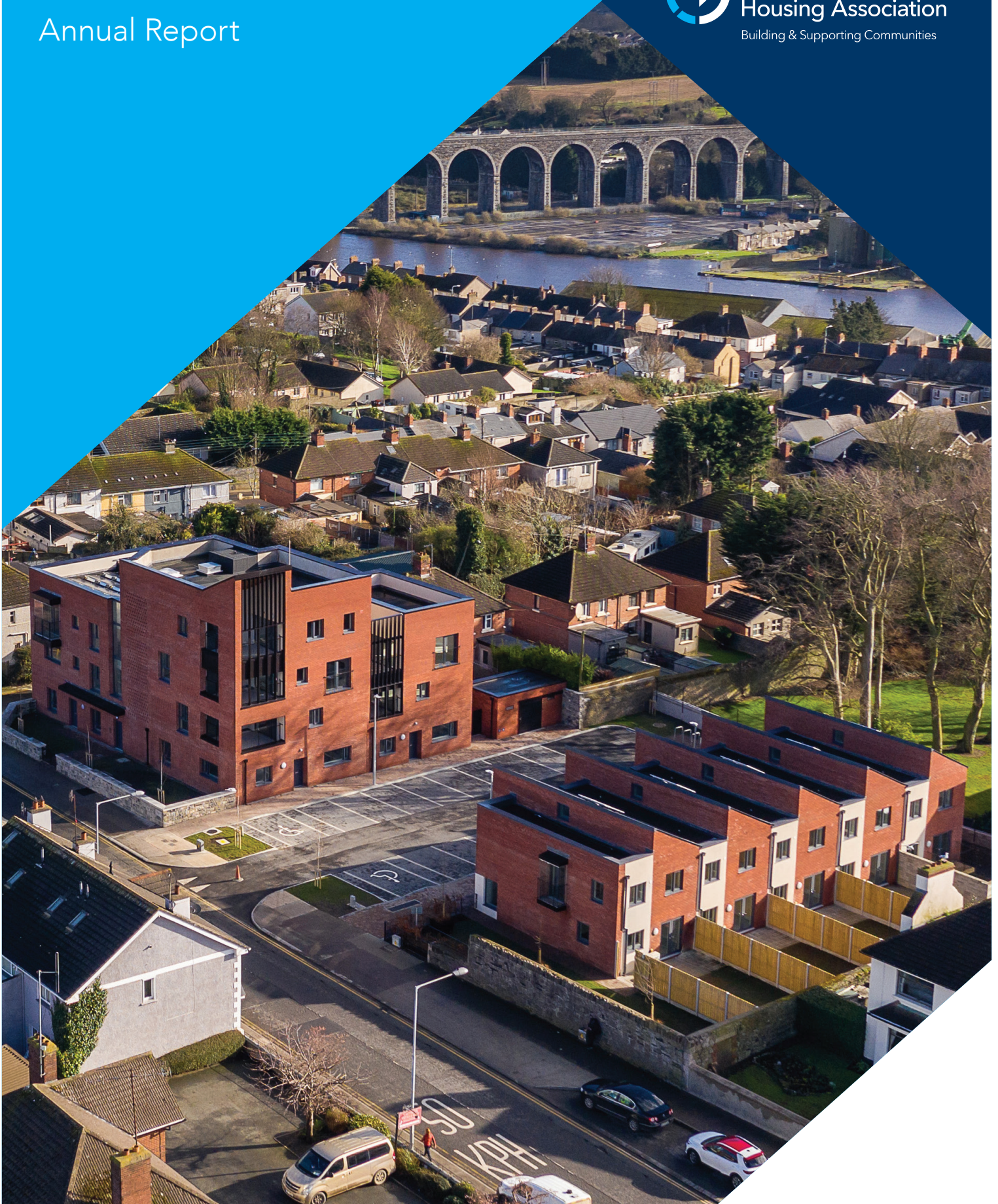
# 2020

## Annual Report



**North & East**  
Housing Association

Building & Supporting Communities



## **Introduction**

North & East Housing Association is an Approved Housing Body providing housing services for up to 700 homes in the north and east of Ireland. In 2020 we launched our Strategic Plan for 2020-2024.

The Plan prioritises delivering excellent tenant-centred services; providing high quality homes and supporting sustainable communities. The work we do is driven by our vision and mission. We continuously strive to be tenant-centred, highly trusted and transparent in our relationship with all of our stakeholders and to be known for the high quality of our homes and services. The ongoing performance of the business will drive and support these aims.

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## Chairperson's Report 2020

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The Board oversees the strategic development, governance and implementation of North & East's mission and vision.

I am delighted to have performed the role of Chairman of the Board over the past three years. In each of those years, I have had exciting news to share regarding the evolution of North & East. While this year has been very challenging due to the ongoing pandemic – North & East nonetheless delivered a number of important developments.

This Annual Report provides the opportunity to reflect back on our work over the last year and look to the year ahead. Highlights are summarised below.

### **Delivery of homes:**

- North & East delivered and allocated 78 new homes to those in need of housing including those for older people and those with mobility challenges.

### **Working through the pandemic:**

- The North & East team swiftly adapted to remote working to ensure the ongoing provision of services to tenants.

### **Being recognised for excellence:**

- We are exceptionally proud of being awarded the 2020 Royal Institute of Architects in Ireland (RIAI) People's Choice Award for our development at Tooting Meadow, Drogheda.

### **Resourcing the organisation:**

- The Board has supported the expansion of the North & East team including with the key roles of Tenant Services and Engagement Manager and Development Manager as well as another four team members. Our thanks go to CEO, Vincent Keenan – his team and all of our partners and suppliers.

### **Governance, risk management and leadership:**

- Through 2020 and into 2021 we have added significant competency to our Board and Sub Committees. I wish to personally thank these professionals for their time, energy and support through 2020 – your volunteerism, selflessness and dedication is hugely appreciated.



**John Ryan, Chairperson**

# Chief Executive's Report

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2020 will remain long in our memories as we all dealt with the spread of the covid pandemic. At North & East, as a result of the contingency planning undertaken in 2018, we adapted quickly to remote working. This ensured that our tenants had a continuous, unbroken service throughout 2020 and into 2021.

I would like to pay tribute to everyone on our staff team. Thanks to their significant efforts, in 2020 we delivered and allocated 78 new homes to those in need of housing. This was facilitated by the work of our Health and Safety Committee, who oversaw the development of Safe Operating Procedures (SOPs) for staff, tenants and contractors. These procedures allowed the organisation to continue its essential work throughout the year.

The provision of 78 new homes was a record high output for North & East. But while numbers are important, it should also be noted that the quality of the homes provided during the year was exceptional. The standout developments were the sixteen 2-bed bungalows for older people - and people with mobility challenges - at Stradbally, County Laois, and the fifteen houses and apartments provided under our direct construction programme at Tooting Meadow, Drogheda. This latter development won the 2020 RIAI Public Choice Award.

These new homes have ensured that North & East has met the targets set in 2016 for the doubling of the number of homes under our management. In this same period (2016 – 2020), the turnover of the Association has tripled to €5.24 million. The growth trajectory is set to continue with our target to provide and develop a pipeline of 400 new homes by 2024. Although the ongoing pandemic has delayed some projects and impacted further opportunities, we will continue to work to meet the targets we have set.

While our development programme is crucial at North & East, we consider our tenant engagement programme to be as important, if not more so. Our tenant engagement programme puts the tenants at the centre of what we do. We were delighted to add Michele Ryan, (Tenant Services and Engagement Manager), and Pat Costello (Development Manager) to our management team this year. The appointment of these two experienced people has enhanced our ability to deliver on our current strategic plan. I would also like to acknowledge the four new recruits who onboarded with us during the year in very challenging circumstances. I wish them every success in the years ahead.

This annual report will detail more of the work undertaken in 2020 in the areas of asset management and tenant services. It will also outline the continued work of enhancing the governance, management, and performance of the organisation, with particular regard to IT and risk management.

I want to thank all my colleagues for their diligent hard work during this particularly challenging time. I would also like to acknowledge our local authority partners and our funders. I would specifically like to mention the Housing Finance Agency and the Department of Housing for their crucial support which allows us to fulfil the mission of North & East.



**Vincent Keenan, CEO**

## Vision

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

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

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

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

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

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

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

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.

<b>Registered Office</b>	287, Block G, Blanchardstown Corporate Park 2, D15 P229
<b>Auditors</b>	Crowe Ireland, Chartered Accountants & Statutory Auditors, Marine House, Clanwilliam Court, Dublin D02FY24
<b>Solicitors</b>	James A. Connolly & Co. 13 St. Andrew St. Dublin 2 Beauchamps, Riverside Two, Sir John Rogersons Quay, Dublin 2 Ryans, 46 Harrington St. Portobello, Dublin 8
<b>Bankers</b>	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 Housing Finance Agency (HFA), 46 St. Stephen's Green, Dublin 2
<b>Directors</b>	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 (resigned 22nd May 2020)</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</li><li>• Vince Harney (appointed 9th Nov 2020 )</li><li>• Rosalind Carroll (appointed 17th June 2021)</li><li>• Hugh Moulton (appointed 17th June 2021)</li></ul>
<b>Company Secretary</b>	<ul style="list-style-type: none"><li>• Barry Magee (resigned 22nd May 2020)</li><li>• Maurice O'Neill (appointed 22nd May 2020)</li></ul>

## Key Milestones 2020

For all of us, 2020 will forever be defined by the Covid-19 virus and the impact it had on our tenants, staff and other stakeholders. Thanks to the professionalism and preparedness of our staff we were able to deliver a record number of homes. Several **key projects** undertaken in 2020 are detailed below:

### Growth

The Association provided 78 new homes in 2020. Some of the key developments were as follows:

- **15 homes (general needs) acquired with CALF and HFA loan at Tooting Meadow, Scarlet St, Drogheda, Co. Louth.**



The development, located in the heart of the town, has transformed a derelict site into a mixed unit development of 15 homes. The original site housed a disused fire station. In 2015 Louth County Council tendered for the development of the site and North & East Housing Association won the tender to design and construct a new development. Given the regeneration objective for the site, the project required an innovative design solution that enhanced the streetscape of a neglected town centre site. The development demonstrates a strong partnership and collaborative approach to housing delivery on local authority lands, with an outcome that meets a mixed housing need in delivering both apartment and housing accommodation. In 2020 the development won the prestigious Royal Institute of the Architects of Ireland (RIAI) Public Choice Award.





**78**  
New Homes



**Winner**  
RIAI Public Choice Award



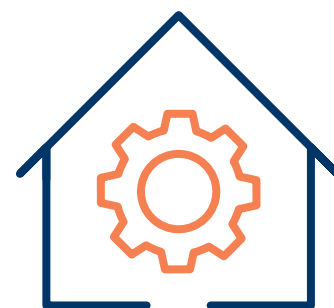
## Growth Continued

- **Our first partnership with Laois Co. Council resulted in the provision of 16 homes for elderly & special needs tenants in Stradbally.**

Court View, Stradbally is a high-quality development of 16 homes located in the centre of the town. North & East Housing Association proposed the site redevelopment as a turnkey construction development to Laois County Council. The Council agreed to support the development under a CALF/ HFA funded arrangement with the output objective of meeting high prevailing housing demand in the area for older person accommodation. The universal accessibility of the development has also readily and sustainably facilitated the accommodation of people with a secondary or primary physical and sensory disability.



**First Partnership**  
with Laois Co. Council



**656**  
Homes in Management

## Tenant Engagement

Covid-19 presented challenges for all of us in 2020. Designated an essential service under Government protocols, we successfully allocated 78 homes throughout the year. All were allocated following Government guidelines and under our Standard Operating Procedures using a mixture of in person visits where allowed and online support, including moving our Pre-tenancy course solely online. This ensured that new tenants got the information and induction they needed and also ensured we were able to fulfil our commitments and statutory obligations.

As lockdown took hold many of our on-site services (household visits and estate inspections) and community events were limited to ensure the safety of our tenants and our staff. However, this did not prevent the Tenant Services & Engagement team from maintaining close contact with our tenants. We increased online and telephone contact with those new and existing tenants and provided enhanced support to several more vulnerable tenants at risk of isolation. This meant that many issues that arose were quickly dealt with by the team, albeit remotely. It is an approach to communication and engagement which we will build upon in 2021 to help increase the number of tenants receiving one-to-one personal contact. Our upcoming Tenant Portal will play a big role in this.

The impact of the pandemic on household income was obviously an issue of concern for many of our tenants over the course of the year and the team engaged proactively, reviewing how we dealt with rent arrears and progressing interim rent reviews (thus avoiding escalation of debt management) for those tenants having difficulty paying their rent.

Similarly, we achieved positive outcomes during the year when dealing with Anti-Social Behaviour issues on our estates by working closely with Community Gardaí and encouraging our tenants to comply both with local restrictions and enacted legislation, thus helping them to stay safe at home and in the community.

In all of this, our approach to tenancy sustainment continued to be based upon building and maintaining a positive relationship between our tenants and our frontline housing officers. We also improved our working practices and developed ways in which we could remotely support our tenants, helping them to help themselves throughout the pandemic through community-based services.

In addition, while in-person tenant engagement activities were limited we did continue to produce our quarterly newsletter, providing our tenants with updates on a variety of issues from housing to planned maintenance programmes to staff changes. We redeveloped our website with increasing emphasis on visibility and accessibility for our tenants.

We also began fine-tuning the dedicated 'Tenant Voice' element of our newsletter and identifying other ways in which tenants can make their voices heard as well as becoming more involved in decisions that affect them. These developments will be embedded in the Tenant Engagement Action Plan early next year.

## 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 acquisitions. In 2020 we provided technical oversight of 78 new homes including building surveys, clerk of works and snagging.

Delivering a quality customer service to our tenants involves maintaining our homes to a good standard by delivering the completion of timely routine repairs, regular safety and servicing programmes, planned cyclical repairs, stock condition surveys, and planned programmes. In 2020 as a result of the pandemic, response repairs were restricted to emergency and essential works only for a portion of the year with planned maintenance works returning in the second half of the year. By year end 2020 we had completed the backlog of response repairs with planned and cyclical maintenance substantially completed.

Our planned and cyclical maintenance programme for 2020 included kitchen replacements, front door replacements, fencing replacement, periodic electrical inspections, fire detection systems servicing and heating servicing.

During the course of the year, we reviewed the long-term performance of our leased units to give us a better understanding of the asset performance of this stock and the investments required to bring these units in line with our own stock.

A significant achievement in 2020 was the appointment of a single contractor for all void, response and cyclical maintenance. This appointment has streamlined and improved the services we provide to our tenants and delivered efficiencies and value for money.

In 2020, we also began a process of reviewing our asset management policies, processes and procedures including our Asset Management Strategy to be adopted in 2021. The new Asset Management Strategy 2021-2024 will build on the success of the previous strategy setting out a strategic framework to provide an efficient, effective and economic service to our tenants while establishing a framework for meaningful engagement with our tenants across the property services function.

*Dowdalls Crescent, Dundalk Co Louth*





**14 Covid related Standard Operating Systems developed to enable safe return to work**



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

## Operating Model

Ensuring business continuity was a critical part of our response to the Covid Pandemic and we greatly enhanced our continuity processes and procedures. Our staff moved quickly to a remote working model facilitated by the existing remote desktop functionality within our IT systems, meeting software and a sim-based phone system. This allowed the Association to maintain its core operational activities during the lockdown.

In 2020 North & East appointed an internal IT Officer for the first time to manage its IT systems. During the year, the Association undertook a comprehensive review and update of its IT and security policies and procedures. The Association also commenced work on upgrading its core IT systems to improve security, business continuity, improve remote working functionality and provide capacity for growth as the Association scales in line with the Strategic Plan. This work will be completed by mid-2021.

The implementation of the P&S lite asset management software module within our Housing management system was completed in 2020. Several new IT systems were initiated in 2020 including a new cloud-based meeting portal, risk management software and a new tenant portal. All are planned to go live in 2021.

During the year, the Association began developing our Value for Money (VFM) policy to assist us in embedding VFM principles in every part of the business. Our approach and culture of achieving VFM is to ensure our money is spent well and we optimise the use of our resources. We strive to achieve value for money in all our activities including tenant services, asset management and development, as well as our central services.

In 2020, our staff attended 31 separate training events (most of them held remotely) 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. Included in the training events was a programme of information and advice on Covid-19 especially in relation to returning to the workplace when allowed under Government guidelines.

## Future Plans

In 2020, North & East Housing Association launched a new Strategic Plan for 2020-2024, having effectively doubled our homes in management since 2016. The Strategy was developed with the assistance of a specialist consultant and included input and feedback from representatives of all our stakeholders.

This new Strategy outlines the Association's vision for the next five years with the overall objective of reaching 1,100 homes in management by 2024 while re-affirming its commitment to placing our tenants at the heart of our activities.

## Corporate Governance

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The Board of North & East is responsible for the effective governance of the Association and has ensured that the governance framework continues to evolve and reflect the changing external and internal economic, risk and regulatory environments. The Board of North & East constantly strives to improve its effectiveness, transparency and accountability and to this end undertook an external evaluation of its operations – described below.

The Board currently has 10 non-executive Directors who bring a broad range of skills, experience, and knowledge to their roles, including expertise in finance, business, HR, and governance. The Board has the collective skills to fulfil its responsibilities of overseeing the strategic direction of the Association.

During the year, the Board has been kept updated on, and provided oversight in relation to, the Group's compliance with all Regulatory bodies.

The Board retains overall responsibility for the strategic direction and development of the organisation and 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.

### Risk

In 2020 North & East appointed an internal Risk Officer and undertook a review and update of its Risk Management Framework. A new Risk Policy was drafted and work commenced with the Board on designing a new Risk Appetite Statement tailored to North & East's scale and approved housing body status. A review of the Association's Risk Register in line with the new policy was undertaken and implementation of new Risk Management software commenced to facilitate real-time risk management by risk owners and the production of high-level risk reporting. Work on embedding risk will continue into 2021 with risk training scheduled for all levels of the Association with the objective of embedding a risk aware culture within the Association.

### Lobbying and Political Donations

There were no political donations in 2020, 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 always act in the best interests of the Association 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.

## North & East Housing Association Board Members

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### John Ryan – Chairperson

John Ryan (BSc PhD Dip IOD M Inst D) is as 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 is Chairperson of the Association and sits on the Remuneration Committee.

### 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.

John is Vice-Chairperson to the Association, Chairperson of the Development Committee and sits on the Remuneration Committee.

### Maurice O'Neill – Board Secretary

Maurice O'Neill is a Chartered Surveyor and Registered Valuer, with over 20 years 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 and the Department of Education and Skills. Maurice is heavily involved in providing valuation and strategic advisory services 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 a former External Examiner in DIT. Maurice also holds a BSc Hons (Surveying) and an MBS by research.

Maurice is Secretary to the Board and sits on the Development Committee.

## North & East Housing Association Board Members

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### *Continued*

#### 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 who are 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 several NGOs in Ireland and Africa including Concern, Comhlamh and the Dublin Traveller Education Development Group. She also worked with Irish Aid and the United Nations Development Programme in Tanzania and Jamaica.

Patricia sits on the Finance, Development and Tenant Services & Engagement Committees.

#### Áine Whelan – Board Member

Áine Whelan (BComm, CIPD) is HR Mobility Manager with the 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 2020 and is Chairperson of the Tenant Services & Engagement and Remuneration Committees.



## North & East Housing Association Board Members

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### *Continued*

#### 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].

Pat is interim Chairperson of the Risk Audit & Governance Committee and sits on the Development and Tenant Services & Engagement Committee.

#### 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.

Sean is Chairperson of the Finance & Investment committee and also sits on the Risk, Audit & Governance Committee.

#### Vince Harney MRICS MSCSI FCA CTA BFP BA (Hons.)

Vince Harney is a Chartered Surveyor, Registered Valuer, a Fellow of the Institute of Chartered Accountants and Chartered Tax Advisor in addition to being a Business Finance Professional. Vince has over 25 years experience in the Property Development and Construction sector spent in Ireland, The UK, Central and Eastern Europe and The Middle East

Vince is an experienced Commercial Finance Director and worked for Quinlan Private, Bovis Homes, Lordship and AMEC amongst others worldwide and more recently runs his own International Property advisory business- Anisorian.

Vince has worked with Large Investment funds and Large International Development companies. More recently his own practise is involved in providing Advice and assistance in Saudi Arabia and Abu Dhabi to Sovereign Wealth Funds. Vince has also worked with Housing Associations in the UK.

As an active member of the Royal Institute of Chartered Surveyors and Society of Chartered Surveyors in Ireland Vince presents CPD and courses on a variety of topics including Business Valuations and the Private Rented Sector. He has been a keynote presenter at the RICS Valuation conference and is also on the Sustainability Working Group of the SCSi. He also works part time for ECO UNESCO, the Youth Environmental Organisation based in Dublin.

Vince sits on the Remuneration Committee.

## 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 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.

### 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 rather than in pursuit of any personal or sectional interest.

# Directors' Responsibilities Statement

## Board Renewal

In 2020 the Board undertook an external review of its operation. The evaluation highlighted several strengths of the governance framework, including: the effectiveness of the Board and committee structure; and the strong breadth and depth of complementary skills and experience on each committee.

Areas for continuing focus and review included consideration of strengthening of stakeholder voice, development of an evaluation process for Board committees and a review of the Terms of Reference of several Board committees. A workplan has been developed arising from the evaluation and is overseen by the Risk Audit & Governance committee.

All members have access to the secretarial services of the Executive Officer and are supported to attend relevant training. New members undergo a tailored induction programme to ensure that they have good knowledge and understanding of the Association and its activities. They attend Board meetings and participate in site visits to build a deeper understanding of North & East homes and services as well as development schemes.

No remuneration is paid to non-executive directors for their services as Board Members. Directly incurred expenses are reimbursed, if claimed.

## 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.

1. Finance & Investment
2. Development & Property Services
3. Risk, Audit & Governance
5. Remuneration

In 2020 a new sub-committee for Tenant Services & Engagement was established to review the policy and performance of North & East's housing and tenant services ensuring all are in line with the Association's Strategic Plan and are centred on the needs of our tenants.

## Finance & Investment Sub-committee

The Finance & Investment sub-committee 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 & Investment sub-committee meets 4 times a year.

## Development & Property Services Sub-committee

The Development & Property Services sub-committee 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 & Property Services sub-committee meets 4 times a year.

# Directors' Responsibilities Statement

## Risk, Audit & Governance Sub-committee

The Risk, Audit & Governance sub-committee monitors all operational risk performance 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 4 times a year.

The committee also oversees the Association's Internal Audit programme. North & East's internal audit function is outsourced to Mazars and the annual programme seeks to address the key risks identified across the Association in several key areas. In 2020 internal audit was conducted on the following areas:

- Risk Management
- Financial budgeting and reporting
- Development processes
- Information Security Framework.

## Remuneration Committee

The remuneration committee meets to support the formulation and implementation of the NEHA remuneration philosophy and policies. It meets 4 times 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 & Property Services	Finance & Investment	Remuneration	Tenant Services
John Ryan	Yes	8 of 9				2 of 2	
Sean Staunton	Yes	9 of 9	4 of 4		4 of 4		
Barry Magee	Yes (to June 2020)	3 of 4	4 of 4				
Pat Lennon	Yes	9 of 9	3 of 4	3 of 4			2 of 2
John Cunniffe	Yes	8 of 9*		3 of 4			
Maurice O'Neill	Yes	9 of 9		4 of 4			
Patricia Cleary	Yes	8 of 9		3 of 4	3 of 4		1 of 2
Áine Whelan	Yes	9 of 9					1 of 2
Alan Ring	Yes (to Feb 2020)	1 of 1					
Vince Harney	Yes (co-opted on 9th Nov 2020)	2 of 2					
Evelyn Fitzpatrick	No				4 of 4		
Adrian Hanrahan	No			4 of 4			

\*attempted to join April mtg but remote connection failed.

The Board meets 6 times per year. However, 3 additional meetings were held in 2020 in response to the pandemic.

# Directors' Responsibilities Statement

## Board Policies

The Board considers and approves certain key policies and strategies relating to the financial framework and viability of the Association (including the 30-year Long Term Financial Plan, Treasury Management Policy, and the Budget) and other core areas (such as the Asset Management Strategy, Tenant Services & Engagement Strategy Risk Management Policy and the Health and Safety Policy).

In 2020 the Board reviewed the following policies:

- Risk policy
- Financial Policies & procedures
- Crisis Management policy
- Policy on entering partnerships with Third Party Organisations
- Directors Expenses policy
- Schedule of matters reserved for the Board
- Terms of Reference for Tenant Services & Engagement Committee
- Value for Money policy.

## Financial Review

Turnover was €5.2m in 2020 compared to €3.8m in 2019 reflecting increased rental income and the impact of increased payment and availability income from new housing additions. Rental income increased by €296k in 2020 and payment & availability income increased by €1.09m.

North & East generated a surplus of €248k in 2020 compared to €331k in 2019. The surplus for 2020 is inclusive of income reversal provisions of €115k including the introduction of a bad debt provision against rental income, anticipated rental income refunds due to the impact of Covid-19 and P&A refund. The management and Board expect North & East to maintain an operating surplus year on year going forward.

Operating Expenses were €4.2m in 2020 compared to €3.1m in 2019 reflecting a €312k increase in expenditure on repairs and maintenance, €149k increase in other direct costs, €147k increase in salaries and training, €375k increase in depreciation due to increased stock and €91k increase in other overheads. The key drivers of increasing expenditure include the direct costs of managing additional stock, scaling operations, improved governance, oversight, and assurance initiatives.



**Turnover in 2020  
was €5.2m  
compared to €3.8 in 2019**



**Fixed assets  
of €56.2m in 2020  
compared to €39.6m in 2019**

## Directors' Responsibilities Statement

At the 31st of December 2020 North & East had fixed assets of €56.2m compared to €39.6m in 2019 reflecting ownership of 378 housing units and 2 office units. The Association also leases and manages another 278 housing units. Homes in management increased by 78 units in 2020 from 578 in 2019 to 656 and the Association is managing a healthy development pipeline to meet the targets within the 2020-24 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.

North & East held Reserves of €2.9m at the end of 2020 compared to €2.7m in 2019 with the Association maintaining supporting cash and deposits of €3m at the end of 2020. The Association maintains a designated reserve (sinking fund) of €1.6m in 2020 up from €1.2m in 2019 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 not caused a negative impact to the company's financial position in 2020 but the company's ability to deliver full services has been reduced as a result of restrictions. At the time of approving the financial statements, there is uncertainty regarding how the balance sheet may be impacted based on events to date – in particular the delivery of new housing units. The full impact will not become clear until after the lifting of restrictions 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.

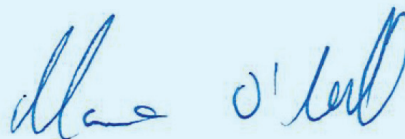
### The report was reviewed by the Board and signed on its behalf:

Chairperson:



Date: 17 June 2021

Secretary:



Date: 17 June 2021

# Independent Auditors' Report

## 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 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of changes in reserves, the Statement of Cash Flows 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 2020 and of its surplus for the year 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. In connection with our audit of the financial statements, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# 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. In connection with our audit of the financial statements, 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.



## Respective responsibilities and restrictions on use

### Responsibilities of directors

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.

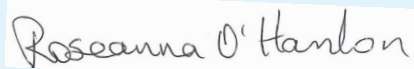
### Auditors' responsibilities for the audit of the financial statements

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.

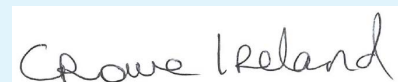
A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/Auditing\\_standards](https://www.iaasa.ie/Publications/Auditing_standards). This description forms part of our Auditors' report.

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

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. In connection with our audit of the financial statements, 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 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 members, as a body, 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

Clanwilliam Place

Dublin 2

Date: 17 June 2021

# Statement of Comprehensive Income

for the year ended 31 December 2020

	Note	2020 €	2019 €
Turnover	4	5,244,175	3,841,275
Operating costs		(4,175,288)	(3,119,984)
<b>Surplus on ordinary activities before interest</b>	5	<b>1,068,887</b>	721,291
Interest receivable		1,033	886
Interest and financing costs	7	(822,374)	(391,420)
<b>Surplus for the year</b>		<b>247,546</b>	330,757

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019: €NIL).

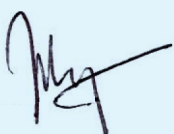
The notes on pages 30 to 43 form part of these financial statements.

# Statement of Financial Position

as at 31 December 2020

	Note	2020 €	2019 €
<b>Fixed assets</b>			
Tangible Fixed assets	9	56,183,127	39,648,702
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	1,367,845	2,944,033
Cash at bank and in hand		3,002,445	2,396,729
		<u>4,370,290</u>	<u>5,340,762</u>
Creditors: amounts falling due within one year	11	<u>(2,931,168)</u>	<u>(2,122,237)</u>
<b>Net current assets</b>		<u>1,439,122</u>	<u>3,218,525</u>
<b>Total assets less current liabilities</b>		<u>57,622,249</u>	<u>42,867,227</u>
Creditors: amounts falling due after more than one year	12	<u>(54,723,763)</u>	<u>(40,216,287)</u>
<b>Net assets</b>		<u>2,898,486</u>	<u>2,650,940</u>
<b>Reserves</b>			
Income and expenditure reserve		<u>2,898,486</u>	<u>2,650,940</u>
<b>Total reserves</b>		<u>2,898,486</u>	<u>2,650,940</u>

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

Director: 

Director: 

Date: 17/6/2021

Date: 17/6/2021

The notes on pages 30 to 43 form part of these financial statements.

# Statement of Changes in Reserves

for the year ended 31 December 2020

	Statement of Comprehensive Income €	Total Reserves €
At 1 January 2020	2,650,940	2,650,940
<b>Comprehensive income for the year</b>		
Surplus for the year	247,546	247,546
<b>At 31 December 2020</b>	<b>2,898,486</b>	<b>2,898,486</b>

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>

The notes on pages 30 to 43 form part of these financial statements.

# Statement of Cash Flows

for the period ended 31 December 2020

	2020	2019
	€	€
<b>Cash flows from operating activities</b>		
Surplus for the financial year	247,546	330,757
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,121,954	746,876
Interest paid	822,374	391,420
Interest received	(1,033)	(886)
Decrease/(increase) in debtors	1,576,188	(2,630,452)
Decrease in creditors	(78,042)	(490,044)
<b>Net cash generated from (used in) operating activities</b>	<b>3,688,987</b>	<b>(1,652,329)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(18,073,231)	(11,386,138)
Sale of tangible fixed assets	416,852	14,925
Interest received	1,033	886
<b>Net cash used in investing activities</b>	<b>(17,655,346)</b>	<b>(11,370,327)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(166,818)	(158,840)
Other new loans	15,561,267	13,596,201
Interest paid	(822,374)	(391,420)
<b>Net cash generated from financing activities</b>	<b>14,572,075</b>	<b>13,045,941</b>
<b>Net increase in cash and cash equivalents</b>	<b>605,716</b>	<b>23,285</b>
Cash and cash equivalents at beginning of year	2,396,729	2,373,444
<b>Cash and cash equivalents at the end of year</b>	<b>3,002,445</b>	<b>2,396,729</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,002,445	2,396,729
	<b>3,002,445</b>	<b>2,396,729</b>

The notes on pages 30 to 43 form part of these financial statements.

# Notes to the Financial Statements

for the period ended 31 December 2020

## 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 period ended 31 December 2020

## 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.

Housing properties are properties available for rent, which are held at cost less depreciation. Housing properties under the course of construction are also stated at cost. The cost of housing properties includes the cost of acquiring land and buildings, the cost of construction and any capitalised interest. Interest incurred on a loan financing a development is capitalised up to the date of the practical completion of the scheme.

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:

Housing properties	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.

# Notes to the Financial Statements

for the period ended 31 December 2020

## 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.

## 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.



# Notes to the Financial Statements

## for the period ended 31 December 2020

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.

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 period ended 31 December 2020

## 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 housing properties

Long-lived assets, consisting primarily of land and housing properties, 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) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an on going basis.

### (d) Going Concern

During the first half of 2020, the Covid 19 pandemic spread worldwide. The 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 period ended 31 December 2020

## 4. Turnover

An analysis of income is as follows:

	2020	2019
	€	€
Rental income from tenants	2,034,477	1,738,152
Management and maintenance subsidy	220,898	197,729
Payment and availability income	2,982,222	1,891,402
Grant Income	6,578	13,992
	<b>5,244,175</b>	<b>3,841,275</b>

All income arose in Ireland.

## 5. Surplus for the year

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

	2020	2019
	€	€
Depreciation of tangible fixed assets	1,121,954	746,876
Government grant amortisation	(411,249)	(410,537)
Operating lease rentals	987,201	979,579
Defined contribution pension cost	21,665	17,831
Auditors' remuneration	9,217	8,571

# Notes to the Financial Statements

for the period ended 31 December 2020

## 6. Employees

Staff costs were as follows:

	2020	2019
	€	€
Wages and salaries	781,478	683,220
Social insurance costs	86,381	74,657
Cost of defined contribution scheme	21,665	17,831
	<b>889,524</b>	<b>775,708</b>

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

	2020	2019
	No.	No.
Administration staff	6	5
Housing services staff	7	6
Management	4	4
	<b>17</b>	<b>15</b>

### Staff remuneration

The number of employees whose total employee benefits (excluding employers pension contributions) are over €70,000 is:

#### 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 €294,809 (2019: €291,669) which includes pension contributions of €11,992 (2019: €11,263).

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

## 7. Interest and financing costs

	2020	2019
	€	€
Other loan interest payable	714,889	346,071
Bank loan interest payable	107,485	45,349
	<b>822,374</b>	<b>391,420</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 period ended 31 December 2020

## 9. Tangible fixed assets

	Land and housing property €	Plant & machinery €	Office equipment €	IT equipment €	Assets under the course of construction €	Total €
<b>Cost or valuation</b>						
At 1 January 2020	42,482,216	12,878	159,460	147,965	2,324,548	45,127,067
Additions	17,986,381	-	2,167	13,961	70,722	18,073,231
Disposals	-	-	-	-	(416,852)	(416,852)
Transfers between classes	1,800,394	-	-	-	(1,800,394)	-
At 31 December 2019	62,268,991	12,878	161,627	161,926	178,024	62,783,446
<b>Depreciation</b>						
At 1 January 2020	5,291,006	11,536	113,830	61,993	-	5,478,365
Charge for the year on owned assets	1,072,551	346	13,831	35,226	-	1,121,954
At 31 December 2019	6,363,557	11,882	127,661	97,219	-	6,600,319
<b>Net book value</b>						
At 31 December 2020	55,905,434	996	33,966	64,707	178,024	56,183,127
At 31 December 2019	37,191,210	1,342	45,630	85,972	2,324,548	39,648,702

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

	2020 €	2019 €
Trade debtors	1,089,520	2,845,812
Other debtors	876	313
Prepayments	876	53,628
Accrued income	218,550	44,280
	<b>1,367,845</b>	<b>2,944,033</b>

The trade debtors include CALF claims of €734,559 from two County Council's in relation to two developments.

# Notes to the Financial Statements

for the period ended 31 December 2020

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

	2020	2019
	€	€
Bank loan (see note 13)	277,256	277,256
Other loans (see note 13)	659,025	576,692
Trade creditors	117,230	25,357
Taxation and social insurance	72,062	42,621
Other creditors	12,286	13,625
Accruals	868,234	501,610
Deferred income (see note 20)	892,166	652,167
Tenants deposits	32,909	32,909
	<b>2,931,168</b>	<b>2,122,237</b>

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

	2020	2019
	€	€
Loans owed to credit institutions (see note 13)	1,587,676	1,754,494
Other loans (see note 13)	37,842,969	22,364,035
Deferred income (see note 20)	15,293,118	16,097,758
	<b>54,723,763</b>	<b>40,216,287</b>

# Notes to the Financial Statements

for the period ended 31 December 2020

## 13. Loans

Analysis of the maturity of loans is given below:

	2020	2019
	€	€
<b>Amounts falling due within one year</b>		
Bank loans	277,256	277,256
Other loans	659,025	576,692
	<b>936,281</b>	853,948
<b>Amounts falling due 2-5 years</b>		
Bank loans	1,108,999	1,108,999
Other loans	2,636,100	2,306,768
	<b>3,745,099</b>	3,415,767
<b>Amounts falling due after more than 5 years</b>		
Bank loans	478,677	645,495
Other loans	35,206,869	20,057,267
	<b>35,685,546</b>	20,702,762
	<b>40,366,926</b>	24,972,477

### Other loans

Included in other loans is amounts owing to the HFA of €25,451,178 (2019: €14,417,303) and CALF of €13,050,816 (2019: €8,523,424). Of the CALF loans, €734,559 relates to CALF claims raised during the year from two County Council's which have been reclassified from Assets under Construction.

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 period ended 31 December 2020

## 14. Security and charges relating to bank borrowings

Ulster Bank loans of €1,092,201 are secured by a series of charges over various assignments and 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 €772,731 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 €2,898,486 (2019: €2,650,940) held at the Balance Sheet date, North & East internally designate €1,640,343 (2019: €1,238,280) 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 €6,900,000.

## 18. Pension commitments

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 €21,665 (2019: €17,831).



# Notes to the Financial Statements

for the period ended 31 December 2020

## 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

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

# Notes to the Financial Statements

## for the period ended 31 December 2020

- Property at Commons Road, Navan, Co. Meath
- Property at Swords Manor, Swords, Co. Dublin
- Property at An Rian, Termonfeckin Road, Drogheda, Co. Louth
- Property at Termon River, Baltray Road, Drogheda, Co. Louth
- Property at Ashfield Drive, Balbriggan, Co. Dublin
- Property at Doirin Alainn, Ballylinan, Co. Laois
- Property at Dwindall's Crescent, Dundalk, Co. Louth
- Property at Harbour Grove, Point Road, Dundalk, Co. Louth
- Property at Court View, Main Street, Stradbally, Co. Laois
- Property at The Hermitage, Dublin Road, Co. Laois
- Property at Marlton Demesne, Wicklow Town, Co. Wicklow
- Property at Carrig Mhor, Clonmellon, Co Westmeath
- Property at The Park, Lakepoint Park, Mullingar, Co. Westmeath
- Property at The Crescent, Graigavern Lodge, Ballybrittas, Co. Laois
- Property at Willowdale, Dundalk, Co. Louth
- Property at Seabury Lawns, Mornington, Co. Meath.

## 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

The grants transferred during the year relate to the transfer of a premises to the Peter McVerry Trust and the cancellation of a housing project in Saltown, Co. Louth.

# Notes to the Financial Statements

for the period ended 31 December 2020

## 21. Commitments under operating leases

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

At 31 December 2020 the company had future minimum lease payments due under non cancellable operating leases for each of the following periods:

	2020	2019
	€	€
Not later than 1 year	1,011,750	1,011,750
Later than 1 year and not later than 5 years	3,900,641	3,932,891
Later than 5 years	11,790,388	12,772,660
	<b>16,702,779</b>	<b>17,717,301</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

There were no significant subsequent events, with the exception of the ongoing impact of the Covid 19 pandemic which the company is managing, and which commenced before the balance sheet date, 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 17 June 2021.





**North & East**  
Housing Association

Building & Supporting Communities

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