

# Annual Report 2021



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# Overview

## 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.

### Registered Office

287, Block G, Blanchardstown Corporate Park 2, D15 P229

### Solicitors

Beauchamps, Riverside Two, Sir John Rogersons Quay, Dublin 2  
Ryans, 46 Harrington St., Portobello, Dublin 8

### Bankers

Allied Irish Bank, 1-4 Lower Baggot St., Dublin 2  
Bank of Ireland, 50-55 Lower Baggot St., Dublin 2  
Ulster Bank, 27-35 Main St. Blackrock, Co. Dublin  
Housing Finance Agency (HFA), 46 St. Stephen's Green, Dublin 2

### External Auditors

Grant Thornton, 13-18 City Quay, Dublin Docklands, Dublin 2

### Internal Auditors

Mazars, 3 Harcourt Centre, Harcourt Road, St. Kevin's, Dublin 2

### Directors

The Directors serving during the year and since year end were as follows

John Ryan (Chairperson)\* | John Cunniffe (Chairperson)\*\*

Pat Lennon

Sean Staunton

Patricia Cleary

Maurice O'Neill

Áine Whelan

Vince Harney

Rosalind Carroll\*\*\*

Hugh Moulton\*\*\*

\*until 13.12.2021 | \*\*from 13.12.2021 | \*\*\*appointed 17.06.2021

# Introduction

North & East Housing Association exists 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. We are a values-based organisation and a not-for-profit business with social objectives, which means that every penny we make is reinvested in providing homes for those in need of housing.

## Values



### **Tenant Centered**

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.



### **Trustworthy**

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.



### **Collaborative**

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

# Chief Executive's Report



The continuing challenges of providing new homes and tenant services were very much to the forefront during 2021. Once again, our staff demonstrated significant flexibility and commitment to ensure we continued services to our existing tenants. This is no more clearly demonstrated than through the investment of just over €1 million across all our maintenance headings.

Once again, I would like to acknowledge the work of the organisations Health and Safety committee over the last two years in guiding us through the pandemic.

While 2021 saw a modest increase of new homes for North and East, the year also saw ongoing focus in developing the internal infrastructure required of an approved housing body. This saw investment in the development of an IT strategy/roadmap that lays out the critical path for the organisation over the next number of years. This together with ensuring easier access for tenants to services through our new tenant portal has progressed the modernisation of tenant facing services.

There is no doubt as we ended 2021, the environment we are now operating in is completely changed. There are many new challenges now facing us as an organisation and indeed as a society as we strive to meet the significant housing demand in Ireland. This will require us to review our strategic plans and adapt them and refocus to ensure we can make a significant contribution to *Housing for All* and to meet our own aims and objectives.

In addition, we also entered 2022 where the regulation of our sector has now been put on a statutory basis, this has led to the revision of the governance, financial and performance standards required for all approved housing bodies. In preparation for this we have redeveloped our Compliance function and appointed our first Compliance Officer.

I would like to welcome our new Chairperson John Cunniffe into his new role and our new board members Hugh Moulton, and Rosalind Carroll. I very much look forward to working with them in the years ahead.

Vincent Keenan, CEO

## Chairperson's Foreword



On behalf of the Board of Directors I am delighted to present the Annual Report for 2021, and I am honoured to assume the role of Chair for this wonderful organisation. Before I begin, I want to acknowledge the significant contributions of my predecessor, John Ryan, and express gratitude to all the dedicated chairpersons who have served before me. Their commitment and hard work have paved the way for our organisation's success, and I am humbled to follow in their footsteps.

As we reflect on the past year, it is evident that our organisation has evolved significantly during the pandemic. We have faced numerous challenges, but with the dedication and perseverance of our team, we have achieved remarkable progress. I commend every staff member for their tireless efforts in advancing our mission and making a positive impact in our communities.

I would like to extend a warm welcome to our two new board members, Rosalind Carroll and Hugh Moulton. Their expertise and experience in regulation, finance, law, governance and management, will undoubtedly enrich our discussions and decision-making processes. We are fortunate to have them join our team, and I am confident that their contributions will help drive our organisation forward in pursuit of our goals.

It is essential to acknowledge the government's Housing for All plan, which outlines an ambitious vision for addressing the housing needs of our society. As an organisation committed to making a difference, we fully support this plan and are eager to contribute to its realisation. Our board is committed to exploring new partnerships and opportunities that align with our mission, enabling us to maximise our impact and actively participate in the implementation of the Housing for All plan.

In addition to our commitment to the Housing for All plan, we value our engagement with various stakeholders. We recognise the importance of maintaining positive relationships with Local Authorities, Government department, statutory bodies, developers, and financial institutions. These collaborations enable us to leverage resources, access valuable expertise, and create sustainable solutions for our tenants and communities. We look forward to continuing these partnerships and fostering open and constructive dialogues that drive meaningful change.

Our unwavering commitment to our mission, values, and vision remains at the core of everything we do. We are dedicated to delivering high-quality homes for our tenants, ensuring their safety, comfort, and well-being. By upholding our values of integrity, compassion, and inclusivity, we aim to create environments where individuals and families can thrive and build brighter futures. Delivering on our commitment to keep tenants at the heart of our activities and provide services in the way that best suits their individual circumstances.

Finally, I want to reaffirm our confidence in our ability to operate with strong governance and accountability. We hold ourselves to the highest standards, adhering to best practices and continuously seeking ways to improve our processes. By maintaining transparency, ensuring effective oversight, and embracing a culture of accountability, we can inspire trust and confidence among our stakeholders.

As we move forward into the future, I am filled with enthusiasm and optimism. Together, we will continue to make a difference in the lives of those we serve. Our collective efforts will pave the way for a more inclusive and sustainable future, where everyone has access to safe and affordable housing.

Thank you for your ongoing support and dedication. Let us embark on this journey together, united in our commitment to creating positive change.

John Cunniffe, Chairperson

## North & East at a Glance



Started by a  
Group of Friends



1993  
Incorporation Date



Registered  
Charity



Approved  
Housing Body



Voluntary  
Board



Works in  
Partnership



Tenant  
Centered

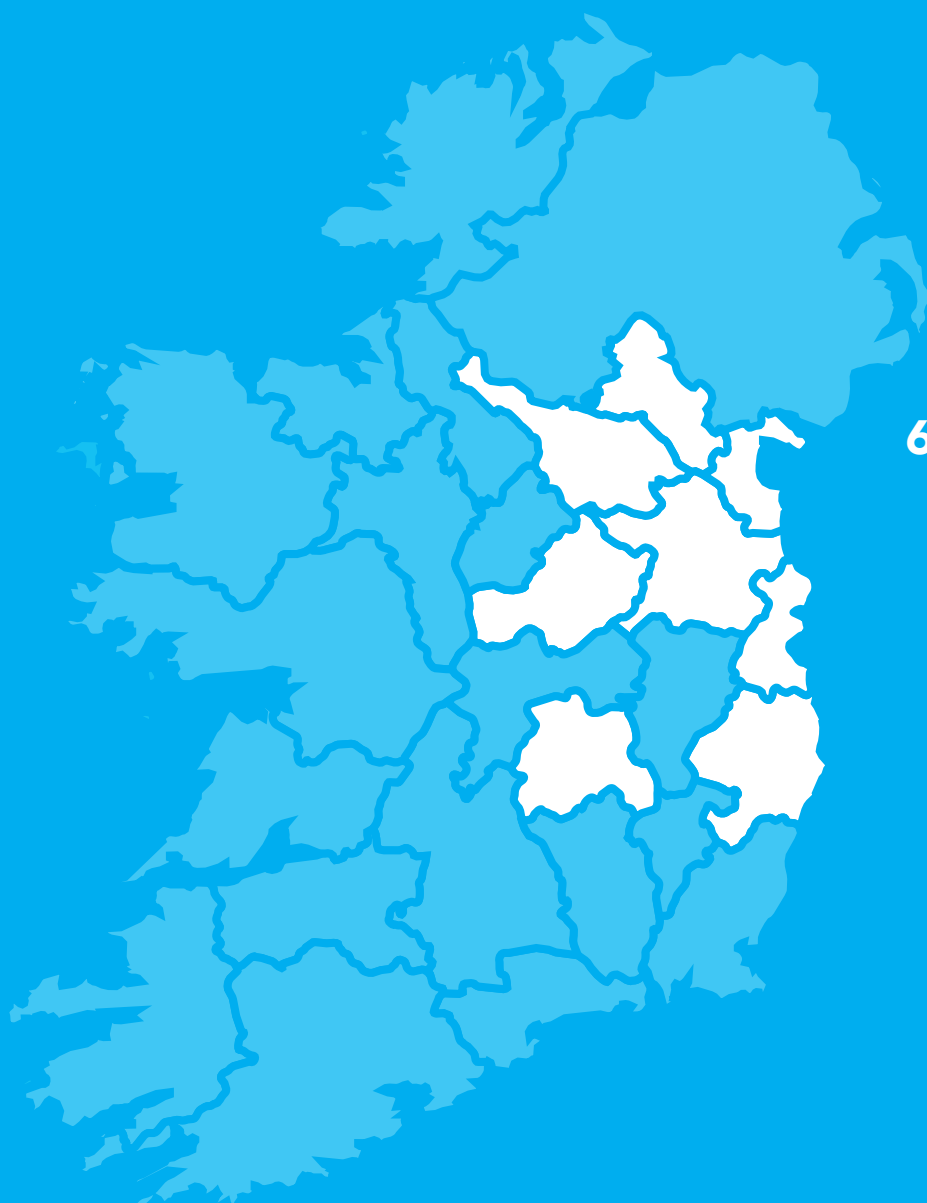


686  
Homes



20  
Staff

# Where we Operate



## 686 Homes

- 2 Cavan
- 6 Dublin City
- 3 Dun Laoghaire/Rathdown
- 93 Fingal
- 217 Louth
- 163 Meath
- 63 Monaghan
- 3 Wicklow
- 2 Westmeath
- 30 Laois
- 104 South Dublin

Our work in 2021 would not have been possible without the support of our partners, primarily our tenants and also the Department of Housing, Local Government and Heritage, the Housing Finance Agency, the Housing Agency and various local authority partners.





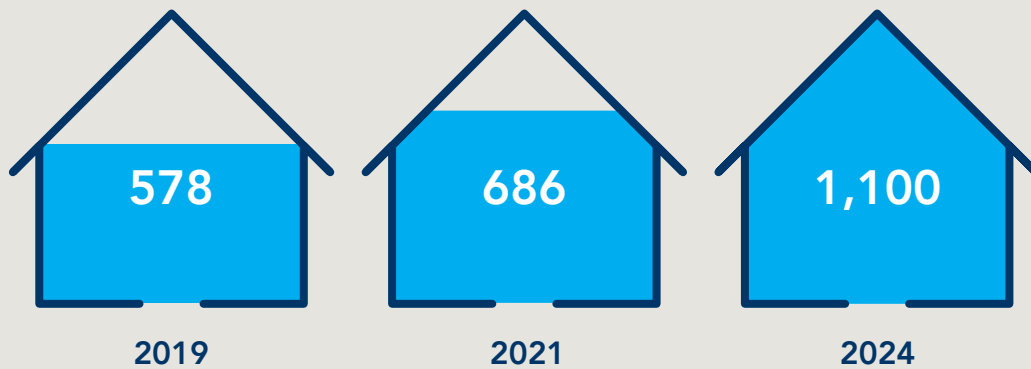
# Strategic Review

## Growth and Diversification

“North & East will increase its portfolio of housing units owned or leased from almost 600 in 2019 to 1,100 by the end of 2024.”

This Annual Report covers the period January – December 2021 and includes updates on the progress of the strategy for that period. While we report on the strategic priorities in our current Strategy 2020-2024, we recognise that the external environment has changed significantly since the development of the plan in 2020.

North & East welcomed the Government’s publishing of *Housing for All* in 2021. This set out the supply pathways for housing delivery of all tenure types, in sustainable communities, and by different housing providers and agencies. The pathways compliment the Association’s Strategy 2020 – 2024 in the areas of funding, contribution to social housing output, regeneration of existing buildings and places, to tenure provision for older persons and people with disabilities. In addition, pathway 1 places a significant focus on the supply of affordable housing models, of which cost rental provision is a key ingredient.



Planned Increase in Homes

Strategic Review ContinuedApproach to Delivery

“North & East will work with statutory, voluntary and private partners.”

North & East continued to build on its strategy objectives for the supply of older persons' accommodation, to accord with prevailing supply opportunities with local authority partners. During 2021, the Association was engaged in advancing the supply, under its direct construction programme, at two locations with initial local authority support. Direct construction initiatives continued to be advanced at three other local authority locations under the Capital Assistance Scheme.

In light of changing external environment we will be revisiting our Strategy in the coming months and will report on the updated Strategy in our Annual Report for 2022.

In terms of the Association's pipeline objective of an additional 400 homes to end of 2024, 2021 was an opportune time to build upon existing relationships, as well as to develop new supply relationships with housing providers, state agencies, and local authorities.

Following a stakeholder outreach in Q1 2021, key relationships were developed with additional housing providers. It is expected that this will assist in delivering the Association's key pipeline strategy targets, and in making the required approved housing body contribution to the plans laid out in *Housing for All*. New business development activity has been established with providers in the northeastern border counties and Dublin local authority areas. A supply partnership discussion was initiated with one new local authority area in late 2021.



Focus on:

## Clonshaugh Road

9 apartment properties of 1 & 2 bed configuration. A CALF and intended HFA funded scheme, supported by Dublin City Council, will see the turnkey delivery through Kavco Group of a single-phase delivery in October 2022.





Focus on:

# Abbey Road Duleek

22 bungalow properties of 1 & 2 bed universal access configuration. A Capital Advance Leasing Facility (CALF) and Housing Finance Agency (HFA) funded scheme, supported by Meath County Council, will see the turnkey delivery through Zilic Developments of a Phase 1 and 2 delivered in June and August 2022 respectively.



## Strategic Review Continued

North & East provided thirty homes to families in counties Laois and Monaghan in 2021. Direct and indirect delays associated with the pandemic led to a deferral to 2022 of delivery of forty homes across four other locations. New homes commenced at key locations including nine homes at Ballylynan, Co. Laois along with the delivery of twenty-two homes for older persons at Duleek Co. Meath and nine homes at Clonshaugh, Dublin 17.

In 2021 North and East also updated and expanded the development function policy and procedure suite. This will ensure good governance, best practice and regulatory framework principles and requirements are employed in the Association's development activities. This work is ongoing in 2022.

North & East developments continue to be built to the highest standards. We were entered for a number of awards which recognise the contribution to housing output and the development of sustainable communities in various local authority areas.

The scheme at Court View, Stradbally, Co. Laois was shortlisted for the ICSH Community Housing Awards (Older Persons category). The scheme at Tooting Meadow, Scarlet Street, Drogheda, Co. Louth was shortlisted for the ICSH Community Housing Awards (Most Creative Supply category). The Tooting Meadow scheme also won the Best Housing Development award at the Chartered Institute of Housing (CiH) All Ireland awards.

## “North & East will manage our resources prudently and invest in its people.”

Our previous success – and our success going forward – is based on the hard work and commitment of our staff. To be an employer of choice we continue to invest in our systems and give people options in where, when and how they work. We need the right people, with the right skills in the right roles.

We have invested in wellbeing at work to support staff with any issues they may find challenging in general, or with the ongoing challenges of the pandemic in particular. All colleagues have access to an Employee Assistance Programme which provides confidential support to employees and their families including counselling, financial, legal and career advice via a 24-hour helpline.

We continue to offer opportunities for personal growth and career development within the organisation and support staff seeking to move onto different or more senior roles within North & East.

We are continuously working on plans to develop organisational capability now and for the future and we have invested in the skills and structure of our Corporate Services and ICT Teams to support this. The investment in technology continues and will enable us to better deliver services to our customers as a strong, resilient and innovative business. In the coming years we will develop and implement an ambitious HR Strategy.



Focus on:

## Our Digital Strategy and Cyber Security

North & East's ability to digitise and provide alternatives to face-to-face services is not just for the pandemic. It is part of our longer-term strategy to make it easier for our colleagues to work effectively and for our tenants to access our services. We recognise that our colleagues having the right digital tools to do their jobs, fully integrated systems and access to good data goes hand-in-hand with providing the right digital services for tenants.

North & East has established strong IT partnerships with our third-party IT providers and consultants, resulting in enhanced IT awareness & knowledge benefiting the organisation, our staff, and our tenants. In 2021 working alongside these key partners, the Association progressively moved forward with implementing new IT systems, structures, and policies relative to the Association's purpose, requirements, and current scale.

Following on from an internal audit on IT in 2020, North & East conducted a full review of our contract and services with our IT Providers and subsequently implemented the following key deliverables:

- New HP DL 360 primary server deployed at Viatel Data Centre with capacity for expansion & scalability
- Redeployment of the HP DL 380 server as backup / failover at Webworld Data Centre
- Unified Threat Management (VPN) – Watchguard UTM, deployed at both DC's
- New Remote Desktop server installed as business continuity solution
- 2FA – Multi Factor Authentication in place on VPN, RDS & public facing applications.

In addition to new infrastructure / hardware deployed in 2021, North & East also introduced the following software / technical solutions:

- Digital / Paperless Meetings Software – Decision Time
- Risk Management Software – Decision Time
- Cx Tenant Portal – Live Deployment
- Barcoded Rent Statements – Facility for making rent payments via Payzone
- Brixx Financial forecasting software.

With the introduction of Watchdog firewall and VPN solution, secure remote communication is enabled between the primary and secondary data centres (Viatel and Webworld). The implementation of the above has introduced more robust disaster recovery / business continuity safeguards in the case of:

- Cyber-attacks
- Natural disasters
- Hardware failure
- Ransomware attacks.

Overall, we now have a coherent plan about where we want to go in terms of IT systems. This plan will meet current and future needs, maximise available resources, and provide a secure and flexible working environment. It will take into account increased cyber security threats, societal change (remote working), which will improve productivity and enable the ability to scale as needed.

Strategic Review ContinuedTenant and Property Services

“North & East will continue to place tenants at the heart of its activities, and we will invest in management capacity and quality procedures to meet the needs of tenants and their communities.”

Supporting tenants is at the heart of what we do. For North & East this means developing more ways for tenants to have a voice in the development of our strategies and services. Their support and feedback help us design tailored services and to develop policies that meet their needs.

2021 was another year dominated by responding to, and living with, the covid pandemic. Our initial response to the pandemic saw us focus on maintaining emergency and critical services and supporting vulnerable residents. However, during 2021, during the times when restrictions were lessened, core services were mobilised for our tenants while our workforce shifted between remote and office-based work.

This gave us the opportunity to think differently about our relationship with our tenants, and how we could develop and enhance efficient communications with them using a variety of methods.

The cornerstone of our relationship with our tenants is laid down in our Tenant Charter which aims to ensure that everyone living in or working at North & East Housing shares the responsibility for maintaining a culture of respect, safety, equity and inclusiveness. The Charter reflects our company's values: Tenant Centred, Trustworthy, and Collaborative. It communicates our commitment to service and sets out accountabilities for tenants and employees. It confirms our intention to embed high quality customer service across our enterprise and is underwritten by our staff, our contractors, and their sub-contractors.

Out of this commitment we developed our Tenant Communications Protocol. This protocol acknowledges that effective and varied communication is important to ensure that North & East tenants are well informed and know how to engage with us and that any barriers to such communication are identified and removed.

We continued to use a range of methods to provide information to our tenants which take account of individual needs and preferences. This includes written and electronic communication as well as making personal contact. The ongoing pandemic focused our attention on our digital offering and in 2021 we revamped and enhanced our website. This included a dedicated Tenant Zone which housed the newly launched Tenant Portal. This web-based application offers our tenants a range of self-service opportunities (which we outline below). Going forward we will look to further develop the functionality of the portal and enable tenants to access even more information on a 24/7 basis.

Strategic Review Continued

To achieve our aim of always offering the highest standard of service we continued the practice of conducting tenant surveys. We were heartened by the positive feedback for our responsive repairs service. We achieved an overall satisfaction rating of 93%. And our allocations process came out with an equally impressive rating of 99% satisfaction.

Rent collection remains an essential part of the interactions with our tenants and over the past 2 years we were acutely aware that a number of our tenants faced financial difficulties and hardships because of the pandemic. Helping tenants avoid falling into arrears was a key priority and Covid-19 brought financial challenges to many households. We signposted tenants to support services that could help them. We also remain focused on the longer term goal of embedding a culture of timely rent payments with our tenants by offering them a range of methods for paying their rent including by standing order and through the household budget scheme. Again we intend to broaden this range even further in the future with the introduction of a Payzone option.

North & East's most recent survey of tenants highlighted that the two most important services for North & East tenants are good quality Housing and being responsive to repair requests. The Property Services Team is responsible for managing the repairs and planned and cyclical maintenance undertaken by the Association. We aim to provide our tenants with homes that are safe, secure, well-maintained and which take account of their current and future needs.



Focus on:

## Tenant Portal

The North & East Tenant Portal is a complete self-service solution providing our tenants with 24/7 access to manage aspects of their tenancy online. Cross device, cross browser compatibility allows tenants access to the portal from their laptops, PC's, or smartphones.

### Once registered tenants can

- Log a repair
- Check the status of their repairs
- Download rent statements
- View recent rent payments
- Check the balance on their accounts.

While not replacing traditional means of communication the portal is an important advance in increasing convenience and transparency for our tenants allowing them to access information that is important to them at a time that suits them.

## Our Repairs Service at a Glance



**€1,037,381**  
Spent on Repairs and Maintenance



**97%**  
Repairs Carried Out on Time



**979**  
Requested Repairs Carried Out on our Homes

**35%**  
Planned Maintenance

**26%**  
Voids



**17%**  
Cyclical Maintenance

**22%**  
Response Repairs



**93%**  
Tenant Satisfaction with Repairs



**€330**  
Average Cost of Repairs



Strategic Review ContinuedTaking our Homes into the Future

North & East's Asset Management Strategy was reviewed and updated in 2021. The Strategy builds on the success of the previous strategy by setting out a framework to provide an efficient, effective, and economic service to our tenants whilst at the same time establishing a framework for meaningful engagement with our tenants across the property services function. The Strategy sets out our approach to ensuring we continue to develop new homes to a high standard and manage and maintain our existing property assets.

A key element of our Asset Management Strategy is reviewing annual responsive repairs and expenditure to highlight repairs trends to inform decisions on planned maintenance and to take a 'Spend to Save' strategy where it is deemed economically advantageous.

North & East sees the value in capturing and managing the right data to support our business and inform the asset management decisions we make. We believe that developing deep understanding of all aspects of our asset management adds great value and insight into our operations. Ensuring that effective system and processes are in place puts us in a strong position to shape services, enhance value for money and ultimately support us to make the right decisions.

Diagnosing repairs accurately plays an important part in delivering an effective repair service. Poorly diagnosed repairs can lead to, increased number of variations or cancellations, repeated visits to the property and escalated costs.

We see more opportunities to be innovative in the delivery of our asset management services, particularly with the implementation of further module enhancements to our Housing and Asset Management IT system, which is essential to realise our vision for the asset management services. These enhancements will provide increased efficiency, productivity and streamline the services we provide to our tenants.

Moving forward we acknowledge that our connection with our tenants is critical to the success of the Association. This is particularly true during a challenging time like the Covid 19 Pandemic. The pandemic affected the way we interact with our tenants; maintenance service, property inspections and stock condition surveys being restricted during this time.

This expedited the digital transformation vision for North & East around the services we provide to our tenants in terms of asset management and housing services. The pandemic created many challenges, but also acted as a catalyst for much innovation. We remain committed to utilising this learning in the coming years.

# Governance Review

“North & East will continue to maintain standards of excellence in governance.”

## Board & Committee Structure

### Board

Responsible for our long-term success, providing leadership and direction, setting the strategy and overseeing its implementation and making sure only acceptable risks are taken. It establishes organisational culture and values and is responsible for financial performance and corporate governance.



<u>Risk &amp; Governance</u>	<u>Finance, Investment &amp; Audit</u>	<u>Development &amp; Property Services</u>	<u>Tenant Services &amp; Engagement</u>	<u>People Resource</u>
Provides assurance to the Board on the effectiveness of the Association’s risk, regulation and governance control frameworks.	Provides assurance to the Board on the effectiveness of the Association’s internal control frameworks, treasury management, financial reporting and accounting issues.	Oversees the development strategy for the Association and the implementation of policies and procedures based on best practice for the management of the Association’s properties.	Oversees the Tenant Engagement Strategy and the implementation of Housing and Tenant Services policies ensuring they are centred on the needs of our tenants.	Oversees the HR Strategy and monitors and evaluates strategic HR actions and policies.

## Governance Review Continued

North & East recognises excellence in governance as a priority to its continuing success. The Board works to protect and grow the business, while overseeing our performance. In 2021 we continued to operate in an era of uncertainty and ongoing change both in a global sense in terms of the ongoing pandemic and in a local sense in terms of the continued pressure on housing provision in the country. Expectations will continue to increase on housing Associations, and they will need to continue to evolve to meet them. However, uncertainty does not mean sitting back and hoping for the best. Planning is key to everything. We believe our governance structure in place will enable North & East to plan wisely and plan for a range of plausible futures.

We have ambitious plans outlined in our Strategy 2020-2024. It lays out what we want to achieve by 2024 and how we will achieve it. The Strategy is supported by robust business and financial plans - all of which continue to evolve as they are implemented. We believe that what we do in the coming years will lay the foundations for North & East's long-term success.

As well as a broad range of skills and experience, the Board's decisions are informed by expertise and scrutiny from its supporting committee structure which ensures the Board has the necessary insight, challenge and assurance to make the best decisions. Our committees include Board members as well as independent experts, who bring an external view and specialist skills. The committees covered Risk & Governance, Finance, Investment & Audit, Development & Property Services, Tenant Services and Engagement and People Resources.

The Board and the committees are supported by a suite of policies and procedures which provide a formal, structured framework for decision-making. These are regularly reviewed and updated. In 2021 the Board reviewed and updated eight policies and developed a new policy relating to business continuity as part of the development of an overarching Business Continuity framework including IT Incident Assessment and Management, Crisis Management and Communications and Business Recovery (Annual failover/DR drill).

During 2021, board governance structures were reviewed as part of the ongoing internal audit programme with the outcomes further building on the recommendations introduced by the external review carried out in the previous year by independent experts. Included in both were recommendations for changes to the structure of a number of Board committees and updated Terms of Reference. Both of these were completed during the year. This was supported by the introduction of a skills and competencies review, through which the Board and Committees assessed their abilities to fulfil their roles and considered what training might be required to support Board and Committees to refresh their skills and knowledge.

In December 2021, after four years of successfully chairing the board, John Ryan left his post. John Cunniffe, who joined the board in 2016, and who previously served in the role of Vice-Chairperson, took up the role of Chairperson.



Focus on:

## Risk Management

The delivery of our strategic priorities and the sustainable growth of our business is dependent on effective risk management. We regularly face business uncertainties and our structured approach to risk management helps us to mitigate key risks and embrace opportunities when they arise. The Board is accountable for effective risk management, agreeing the principal risks facing our business and ensuring these are managed effectively. The Board also has responsibility for defining our risk appetite (i.e. the amount of risk we are willing to take in pursuit of achieving our strategic priorities).

Our Risk & Governance Committee provides oversight over our risk management framework on behalf of the Board. This includes monitoring of strategic risks, internal controls, and actions to mitigate risk. Our Risk Officer ensures that risk management is considered at all levels, through implementation of our business plan, projects and operationally. The more risk aware we are, the more effective we can be at mitigating significant risks before they materialise.

In 2021 North & East conducted a comprehensive risk training programme tailored to North & East's scale and approved housing body status at Board, risk owner and staff levels. A review and realignment of the Association's risk appetite statement was undertaken by the Board. A new risk management software called "Decision Time" was implemented to streamline workloads, facilitate real-time risk management by risk owners and the production of high-level risk reporting. A comprehensive peer review and update of the risk register commenced during the year. Ongoing work on embedding a risk culture in the Association will continue into 2022.

To provide external assurance that our risk management structures, and internal control processes are operating effectively the Board completed its initial programme of internal audits with audits in the areas of GDPR and Compliance. A new internal audit programme has now commenced.

We remain committed to improving and embedding a mature risk culture that helps us to grow and become a more sustainable and resilient business. Our overall risk management framework will help us to better manage our risks, secure the right opportunities and deliver sustainable strategic priorities.

### Risk Oversight



Governance Review Continued

Board People

The Board of North & East comprises 10 non-executive members from a variety of backgrounds 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.

Biographies of our Board members are available on our website  
<https://www.northandeast.ie/about-us/our-people>



John Ryan, Vice- Chairperson



John Cunniffe, Chairperson



Maurice O'Neill, Secretary



Rosalind Carroll



Sean Staunton



Áine Whelan



Hugh Moulton



Vince Harney



Patricia Cleary



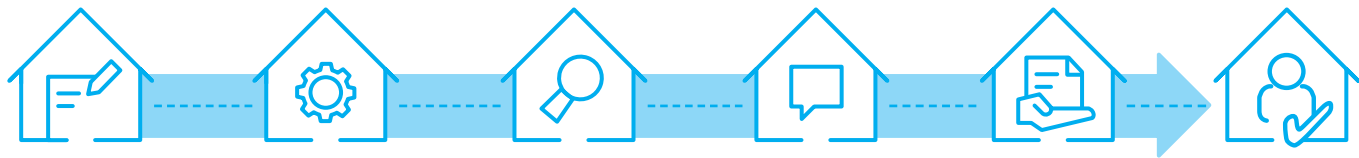
Pat Lennon

Governance Review Continued

The Risk & Governance Committee is responsible for evaluating the structure, size, composition and successional needs of the Board and its Committees and making recommendations on same, with due regard for Board diversity. In 2021 the Committee continued to lead the Board refreshment process ensuring that the composition of the Board and its Committees has the correct balance of skills, knowledge and experience.

During the year two new members were appointed to the Board: Rosalind Carroll and Hugh Moulton. Rosalind is Chief Executive of the Personal Injuries Assessment Board (PIAB). She brings significant housing and leadership experience in addition to having established the Regulation Office to provide for first formal Regulation of Approved Housing Bodies sector in Ireland. Hugh is a practising civil law barrister and Fellow of the Chartered Institute of Certified Accountants with extensive banking and financial services experience at a senior manager level.

Process for New Board Members' Induction



<u>Assessment</u>	<u>Requirement</u>	<u>Search</u>	<u>Screening &amp; Interview</u>	<u>Information gathering</u>	<u>Appointment</u>
Board undertook a skills survey of existing members to identify gaps in Board and committee skills.	From this the Board identified a need for expertise in the Regulatory and Financial and Legal areas.	The Committee used a variety of methods to identify new board members such as use of specialist agencies, networking contacts and advertising on social media sites.	Candidates CVs were reviewed and a shortlist of candidates were interviewed.	Prospective members attended a number of Board meetings and were provided with information regarding the organisation.	Candidates were formally appointed at the AGM and began their Induction process.

All new Board members follow an induction programme which includes a variety of briefing documents and activities delivered over a period of time. The latter include familiarisation tours of a number of our developemnts and opportunities to be briefed by the CEO on different aspects of the Association's business. All Board members have access to relevant training programmes and their ongoing training requirements are kept under review.

Governance Review ContinuedBoard Attendance 2021

<u>Name</u>	<u>Board Member</u>	<u>Board Meetings</u>	<u>Risk &amp; Governance</u>	<u>Finance, Investment &amp; Audit</u>	<u>Development &amp; Property Services</u>	<u>Tenant Services &amp; Engagement</u>	<u>People Resources</u>
John Ryan	Yes	5 of 6					2 of 4
Sean Staunton	Yes	6 of 6	6 of 6	4 of 4			
Pat Lennon	Yes	6 of 6	6 of 6		6 of 6	4 of 4	
John Cunniffe	Yes	6 of 6			6 of 6		4 of 4
Maurice O'Neill	Yes	6 of 6			6 of 6		
Patricia Cleary	Yes	6 of 6		3 of 4	5 of 6	3 of 4	
Áine Whelan	Yes	6 of 6				3 of 4	4 of 4
Vince Harney	Yes	5 of 6					2 of 3
Rosalind Carroll	Yes	3 of 3					
Hugh Moulton	Yes	3 of 3					
Evelyn Fitzpatrick	No	N/A		4 of 4			
Adrian Hanrahan	No	N/A			5 of 6		
Barry Magee	No	N/A	6 of 6				

## Governance Review Continued

### Lobbying and Political Donations

There were no political donations in 2021. 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.

### Regulation

North & East is an approved housing body and as such North & East adopted and supported the Voluntary Regulation Code for Approved Housing Bodies in Ireland and will now fully engage with the recently established Approved Housing Bodies Regulatory Authority (AHBRA). As a registered Charity the Association is fully compliant with the requirements of the Charity Regulator.

Cognisant of the increasing regulatory requirements of the sector, the Association appointed its first Compliance Officer in 2021 with responsibility for identifying, advising, monitoring and reporting on compliance for the Association.

### Accounting Records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Unit 287, Block G, Blanchardstown Corporate Park 2, Dublin 15.

### Events since the End of the Year

There have been no significant events affecting the Company since year end. The Company directors continue to monitor and assess the impact of the Covid 19 pandemic and related restrictions on the Company.

### Future Developments

The Company plans to continue its present activities.



Governance Review Continued

**Research and Development Activities**

There were no research and development activities during the year.

**Statement on Relevant Audit Information**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- 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 auditor is aware of that information.

**Branches Outside the State**

There are no branches of the company outside the State.

**Auditor**

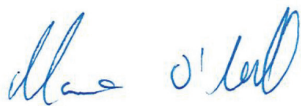
On 9 March 2022, Crowe Ireland resigned as auditors of the company and Grant Thornton were appointed.

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

**This report was approved by the board on and signed on its behalf.**



John Cunniffe  
Director



Maurice O'Neill  
Director

# Directors' Responsibilities Statement

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

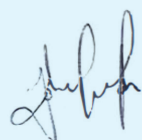
In preparing these financial statements, the directors are required to:

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

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

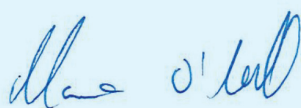
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## On behalf of the board



John Cunniffe  
Director

Date: 17 June 2022



Maurice O'Neill  
Director

Date: 17 June 2022

# Financial Review

In line with North & East's financial policy and best practice, the Association rotates its external audit partners every five years. Following a tender process in 2021 the Association appointed Grant Thornton as its auditors for the period 2021-25. The 2021 financial statements were audited by Grant Thornton, the first year of the new audit cycle. We would like to take this opportunity to thank our previous auditors Crowe for their exceptional professional services and support over the previous five years.

Turnover was €6m in 2021 compared to €5.2m in 2020 reflecting increased rental income and the full annualised impact of increased payment and availability income from new housing additions. Rental income increased by €120k in 2021 and payment & availability income increased by €657k.

North & East generated a surplus of €215k in 2021 compared to €248k in 2020. The surplus for 2021 represents a positive result given the challenges experienced with delayed development projects and continued remote working due to Covid-19 restrictions.

Administrative Expenses were €4.8m in 2021 compared to €4.2m in 2020 reflecting a €162k increase in staff related costs due to new hires and pay increments, €254k increase in expenditure on repairs and maintenance, €55k increase in other direct costs, €247k increase in depreciation due to increased stock and €111k decrease in other overheads. The key drivers of increasing expenditure include the direct costs of managing additional stock, increased maintenance including high void expenditure in the year, increased staffing and IT investment.

At the 31st of December 2021 North & East had fixed assets of €59.3m compared to €56.2m in 2020 reflecting ownership of 414 housing units and 2 office units. The Association also leases and manages another 272 housing units. Homes in ownership increased by 30 units in 2021 from 656 in 2020 to 686 being impacted by delays in delivery of development units due to Covid-19. The Association is managing a 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.



**€6m**  
Turnover in 2021  
compared to €5.2m in 2020



**€59.3m**  
Fixed Assets in 2021  
compared to €56.2m in 2020

Financial Review Continued

North & East held Reserves of €3.1m at the end of 2021 compared to €2.9m in 2020 with the Association maintaining supporting cash and deposits of €3.6m at the end of 2021. The Association maintains a designated reserve (sinking fund) of €1,6m as an internal contingency reserve for any exceptional unbudgeted repairs to properties that may arise.

Due to the Covid-19 virus, the Irish government issued guidance and subsequent restrictions on the movement of people designed to slow its spread. North & East has maintained compliance with these guidelines during 2021, operating 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 2021 but the company's ability to deliver full services has been reduced as a result. At the time of approving the financial statements, restrictions have been lifted and the Association is gradually returning to a more normal working environment. The Global pandemic is still impacting supply chains which have been further impacted by the war in Ukraine restricting energy supplies and increasing inflation. There is uncertainty regarding how the balance sheet may be impacted by these external events going forward, in particular the delivery of new housing units and inflation driven price increases impacting cost management and future expansion. The Board will conduct a strategic review in 2022 and take due consideration of recent events within its planning process.

# Independent Auditor's Report

TO THE MEMBERS OF NORTH & EAST HOUSING ASSOCIATION CLG

## Opinion

We have audited the financial statements of North & East Housing Association Limited, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity for the financial year ended 31 December 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion, North & East Housing Association Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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 the date 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.

Independent Auditor's Report Continued

TO THE MEMBERS OF NORTH & EAST HOUSING ASSOCIATION CLG

**Other information**

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

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

We have nothing to report in this regard.

**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

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

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

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

Independent Auditor's Report Continued

TO THE MEMBERS OF NORTH & EAST HOUSING ASSOCIATION CLG

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

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Responsibilities of the auditor for the audit of the financial statements**

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report Continued

TO THE MEMBERS OF NORTH & EAST HOUSING ASSOCIATION CLG

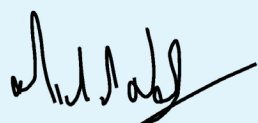
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The Auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

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

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Nolan

for and on behalf of

**Grant Thornton**

Chartered Accountants

Statutory Audit Firm

Cork

Date: 28 July 2022



# Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 €	2020 €
Turnover	6,028,455	5,244,175
<b>Gross profit</b>	<b>6,028,455</b>	5,244,175
Administrative expenses	<b>(4,782,917)</b>	(4,175,288)
<b>Operating profit</b>	<b>1,245,538</b>	1,068,887
Other interest receivable and similar income	96	1,033
Interest payable and similar charges	<b>(1,030,176)</b>	(822,374)
<b>Profit before taxation</b>	<b>215,458</b>	247,546
<b>Profit for the financial year</b>	<b>215,458</b>	247,546

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

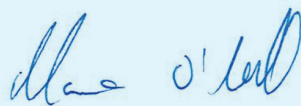
There was no other comprehensive income for 2021 (2020:€NIL).

**Signed on behalf of the board:**



John Cunniffe  
Director

Date: 17 June 2022



Maurice O'Neill  
Director

Date: 17 June 2022

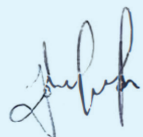
# Balance Sheet

AS AT 31 DECEMBER 2021

	2021 €		2020 €
<b>Fixed assets</b>			
Tangible assets	59,297,562		56,183,127
	59,297,562		56,183,127
<b>Current assets</b>			
Debtors: amounts falling due within one year	842,283	1,367,845	
Cash at bank and in hand	3,556,683	3,002,445	
	4,398,966	4,370,290	
Creditors: amounts falling due within one year	(2,379,670)	(2,931,168)	
<b>Net current assets</b>	2,019,296		1,439,122
<b>Total assets less current liabilities</b>	61,316,858		57,622,249
Creditors: amounts falling due after more than one year	(58,202,914)		(54,723,763)
<b>Net assets</b>	3,113,944		2,898,486
<b>Capital and reserves</b>			
Profit and loss account	3,113,944		2,898,486
<b>Shareholders' funds</b>	3,113,944		2,898,486

These financial statements have been prepared in accordance with the small companies regime.

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



John Cunniffe  
Director

Date: 17 June 2022



Maurice O'Neill  
Director

Date: 17 June 2022

The notes on pages 38 to 50 form part of these financial statements.

# Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

	Profit and loss account €	Total equity €
At 1 January 2021	2,898,486	2,898,486
Profit for the year	215,458	215,458
<b>At 31 December 2021</b>	<b>3,113,944</b>	<b>3,113,944</b>

FOR THE YEAR ENDED 31 DECEMBER 2020

	Profit and loss account €	Total equity €
At 1 January 2020	2,650,940	2,650,940
Profit for the year	247,546	247,546
<b>At 31 December 2020</b>	<b>2,898,486</b>	<b>2,898,486</b>

The notes on pages 38 to 50 form part of these financial statements.

# Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 €	2020 €
<b>Cash flows from operating activities</b>		
Profit for the financial year	215,458	247,546
<b>Adjustments for:</b>		
Amortisation of intangible assets	(411,354)	-
Depreciation of tangible assets	1,368,476	1,121,954
Capital grants	191,893	-
Interest charges	1,030,176	822,374
Interest received	(96)	(1,033)
Decrease in debtors	525,562	1,576,188
(Decrease) in creditors	(388,135)	(78,042)
<b>Net cash generated from operating activities</b>	<b>2,531,980</b>	<b>3,688,987</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(5,217,468)	(18,073,231)
Sale of tangible fixed assets	-	416,852
Interest received	96	1,033
<b>Net cash from investing activities</b>	<b>(5,217,372)</b>	<b>(17,655,346)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(978,509)	(166,818)
Other new loans	4,991,431	15,561,267
Interest paid	(773,292)	(822,374)
<b>Net cash used in financing activities</b>	<b>3,239,630</b>	<b>14,572,075</b>
<b>Net increase in cash and cash equivalents</b>	<b>554,238</b>	<b>605,716</b>
Cash and cash equivalents at beginning of year	3,002,445	2,396,729
<b>Cash and cash equivalents at the end of year</b>	<b>3,556,683</b>	<b>3,002,445</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,556,683	3,002,445
	<b>3,556,683</b>	<b>3,002,445</b>

The notes on pages 38 to 50 form part of these financial statements.

# Analysis of Net Debt

FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 €	Cash flows €	At 31 December 2021 €
Cash at bank and in hand	3,002,445	554,238	3,556,683
Debt due after 1 year	(39,430,645)	(4,471,530)	(43,902,175)
Debt due within 1 year	(936,281)	936,281	-
	<b>(37,364,481)</b>	<b>(2,981,011)</b>	<b>(40,345,492)</b>

The notes on pages 38 to 50 form part of these financial statements.

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

## 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 in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of 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).

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 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;

FOR THE YEAR ENDED 31 DECEMBER 2021

- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

#### 2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

#### 2.7 Finance costs

Finance costs are charged to profit or loss 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.

#### 2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

#### 2.9 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

**2.10 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 and machinery	15%	Straight line
Office equipment	15%	Straight line
Computer equipment	25%	Straight line
Other fixed assets		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 profit or loss.

**2.11 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.

**2.12 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.

**2.13 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.



### 2.14 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 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 in case of an out right short term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of comprehensive income.

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 balance sheet date.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

#### Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*Useful lives of depreciable assets*

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair value and residual values. The directors annually review these assets lives and adjust them as necessary to reflect current thinking on remaining lives in light of technology change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have significant impact on depreciation charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as assets lives are individually determined, and there are a significant number of assets lives in use. The impact of any change would vary significantly depending on the individual changes in assets and the classes of assets impacted.

*Impairment of trade debtors' considerations*

The Company trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The Company uses estimates based on historical experiences and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis. The total amounts of trade debtors are €748,705 (2021: €1,089,520).

*Going concern*

After reviewing the Company forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

## Notes to the Financial Statements Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

**4. Turnover**

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

	2021 €	2020 €
Rental income from tenants	2,154,804	2,034,477
Management and maintenance subsidy	226,052	220,898
Payment and availability income	3,639,340	2,982,222
Legal costs income	3,605	-
Grant income	4,654	6,578
	<b>6,028,455</b>	<b>5,244,175</b>

Analysis of turnover by country of destination:

	2021 €	2020 €
Republic of Ireland	6,028,455	5,244,175
	<b>6,028,455</b>	<b>5,244,175</b>

All turnover arose in Ireland.

Notes to the Financial Statements Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

**5. Employees**

Staff costs were as follows:

	2021
	€
Wages and salaries	928,971
Social insurance costs	102,660
Cost of defined contribution scheme	26,446
	<b>1,058,077</b>

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

	2021	2020
	No.	No.
Administration	6	6
Housing services	9	7
Management	5	4
	<b>20</b>	<b>17</b>

**Staff remuneration**

The number of employees whose total employee benefits (excluding employers pension contributions) are over €70,000 are 4 (2020: 4).

**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 €326,455 (2020: €294,809) which includes pension contributions of €12,659 (2020: €11,992).

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

**6. Taxation**

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

## Notes to the Financial Statements Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

## 7. Tangible fixed assets

	Freehold property €	Plant and machinery €	Office equipment €	Computer equipment €	Other fixed assets €	Total €
<b>Cost or valuation</b>						
At 1 January 2021	62,268,991	12,878	161,627	161,926	178,024	62,783,446
Additions	4,069,743	-	16,292	52,483	344,393	4,482,911
At 31 December 2021	66,338,734	12,878	177,919	214,409	522,417	67,266,357
<b>Depreciation</b>						
At 1 January 2021	6,363,557	11,882	127,661	97,219	-	6,600,319
Charge for the year on owned assets	1,315,183	345	13,798	39,150	-	1,368,476
At 31 December 2021	7,678,740	12,227	141,459	136,369	-	7,968,795
<b>Net book value</b>						
At 31 December 2021	58,659,994	651	36,460	78,040	522,417	59,297,562
At 31 December 2020	55,905,434	996	33,966	64,707	178,024	56,183,127

The net book value of land and buildings may be further analysed as follows:

	2021 €	2020 €
Freehold	58,659,994	55,905,434
	58,659,994	55,905,434

## Notes to the Financial Statements Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

**8. Debtors**

	2021	2020
	€	€
Trade debtors	748,705	1,089,520
Other debtors	-	876
Prepayments	53,805	58,899
Accrued income	39,773	218,550
	<b>842,283</b>	<b>1,367,845</b>

All debtor balances are due within one year.

**9. Cash and cash equivalents**

	2021	2020
	€	€
Cash at bank and in hand	3,556,683	3,002,445
	<b>3,556,683</b>	<b>3,002,445</b>

## Notes to the Financial Statements Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

**10. Creditors: Amounts falling due within one year**

	2021	2020
	€	€
Loans owed to credit institutions	231,969	277,256
Other loans	673,158	659,025
Tenants deposits	32,909	32,909
Trade creditors	94,838	117,230
Taxation and social insurance	77,144	72,062
Other creditors	14,340	12,286
Accruals	575,291	868,234
Deferred income	680,021	892,166
	<b>2,379,670</b>	<b>2,931,168</b>

Trade and other creditors are payable at various dates over the coming months in accordance with suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are payable at various dates in accordance with the applicable statutory provision.

	2021	2020
	€	€
<b>Other taxation and social insurance</b>		
PAYE/PRSI control	29,667	26,496
VAT control	47,477	45,566
	<b>77,144</b>	<b>72,062</b>

**11. Creditors: Amounts falling due after more than one year**

	2021	2020
	€	€
Loans owed to credit institutions	1,455,231	2,973,931
Other loans	41,541,817	36,456,714
Deferred income	15,205,866	15,293,118
	<b>58,202,914</b>	<b>54,723,763</b>

## Notes to the Financial Statements Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

**12. Loans**

Analysis of the maturity of loans is given below:

	2021	2020
	€	€
<b>Amounts falling due within one year</b>		
Bank loans	231,969	277,256
Other loans	673,158	659,025
	<b>905,127</b>	<b>936,281</b>
<b>Amounts falling due 2-5 years</b>		
Bank loans	927,876	1,108,999
Other loans	2,692,632	2,636,100
	<b>3,620,508</b>	<b>3,745,099</b>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	527,355	1,864,932
Other loans	38,849,185	33,820,614
	<b>39,376,540</b>	<b>35,685,546</b>
	<b>43,902,175</b>	<b>40,366,926</b>

Included in other loans is amounts owing to the HFA of €28,162,146 (2020: €25,451,180) and CALF of €14,052,828 (2020: €12,316,253). Of the CALF loans, €48,981 relates to CALF claims raised during the year from one County Council which have been reclassified from Assets under Construction.

Housing loans provided by the Housing Finance Agency (HFA) are for various terms of 30 year loans with 10 year fixed rates and 25 year fixed rates. The interest rate payable on these loans ranges from 1.75% to 2.75% 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 Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

**13. Financial instruments**

	2021	2020
	€	€
<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>4,305,388</b>	4,092,841
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>44,586,644</b>	41,364,776

Financial assets that are debt instruments measured at amortised cost comprise of cash and cash equivalents, trade and other debtors.

Financial liabilities measured at amortised cost comprise of loans owed to credit institutions, other loans, trade creditors, accruals and other creditors.

**14. 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 systemic repair and refurbishment of housing stock which is known as a sinking fund. For the purpose 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.

**15. Capital commitments**

At 31 December 2021 the Company had capital commitments as follows:

	2021	2020
	€	€
Capital commitments	<b>5,022,006</b>	6,900,000
	<b>5,022,006</b>	6,900,000

**16. 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 €26,446 (2020: €21,665).

## Notes to the Financial Statements Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

**17. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non cancellable operating leases for each of the following periods:

	2021	2020
	€	€
Not later than 1 year	1,007,910	1,011,750
Later than 1 year and not later than 5 years	4,031,640	3,900,641
Later than 5 years	10,655,319	11,790,388
	<b>15,694,869</b>	16,702,779

**18. 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.

**19. Security and charges relating to bank borrowings**

Ulster bank loans of €999,968 are secured by a series of charges over various assignments and first legal mortgage charges over 17 residential units at Moneymore, Drougheda, Co. Louth, 1 residential unit at Lismore, Haggardstown, Blackrock, Co. Louth and 1 residential unit at Cedarvale, Althumney Woods, Navan, Co. Meath

Bank of Ireland loans of €687,232 are secured by a first legal mortgage and charge over 17 units at Stamanaran, Blackrock, Co. Louth.

**20. Deferred income**

Deferred income represents government grants. These grants represent loans made to the company from Capital 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 loan 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 of contingencies attaching to these grants.

**21. Post balance sheet events**

There have been no significant events affecting the Company since year end. The Company directors continue to monitor and assess the impact of the Covid 19 pandemic and related restrictions on the Company.

**22. Controlling party**

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

**23. Approval of financial statements**

The board of directors approved these financial statements for issue on 17th June 2022.



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Building & Supporting Communities

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