

**Company registration number: 23302**

**CABHRU HOUSING ASSOCIATION SERVICES**

**(A Company Limited by Guarantee  
not having a Share Capital)**

**YEAR ENDED 31 DECEMBER 2020**

**CABHRU HOUSING ASSOCIATION SERVICES**  
**(A Company Limited by Guarantee not having a Share Capital)**  
**REPORTS AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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**CABHRU HOUSING ASSOCIATION SERVICES**

**(A Company Limited by Guarantee not having a Share Capital)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020**

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**DIRECTORS:** Daniel O'Connor  
James Toomey  
Rachel Markey  
Yan Barry  
Cathy Mc Vicker  
Liam Meagher

**SECRETARY AND REGISTERED OFFICE:** Maurice Ginty  
Father Scully House  
Gardiner Street Middle  
Dublin 1

**REVENUE TAX#:** CHY 5549

**CRO#:** 23302

**REGISTERED CHARITY#:** 20008543

**AUDITORS:** Crowe Ireland  
Chartered Accountants and Statutory Audit Firm  
Marine House  
Clanwilliam Place  
Dublin 2

**PRINCIPAL BANKERS:** AIB Bank  
100/101 Grafton Street  
Dublin 2

KBC Bank Ireland plc  
Sandwith St  
Dublin 2

**SOLICITORS:** Killeen Solicitors  
14 Mountjoy Square North  
Mountjoy  
Dublin 1

Mason Hayes & Curran  
South Bank House  
Barrow St  
Grand Canal Dock  
Dublin 4

## **CABHRU HOUSING ASSOCIATION SERVICES**

**(A Company Limited by Guarantee not having a Share Capital)**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors submit their report together with the audited financial statements for the year ended 31 December 2020.

#### **DIRECTORS RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the audited 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 that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law.

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 at the financial year end date and of the surplus or deficit of the company for the 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 financial statements and then apply them consistently;
- make judgements and 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 that 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 surplus or deficit 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.

## CABHRU HOUSING ASSOCIATION SERVICES

(A Company Limited by Guarantee not having a Share Capital)

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### ACCOUNTING RECORDS

To ensure that proper books and accounting records are kept in accordance with Section 281 to 285 of the Companies Act 2014, the company has employed appropriately qualified accounting personnel and has maintained appropriate accounting systems. The books of account are located at the company's registered office at Father Scully House, Gardiner Street Middle, Dublin 1. The directors 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.

#### PRINCIPAL ACTIVITY

The principal activity of the company is the provision of social housing to senior citizens who are capable of independent living.

#### BUSINESS REVIEW AND FUTURE ACTIVITIES

At the end of the year, the company has assets of €2,671,297 (31 December 2019: €1,664,668) and liabilities of €6,480,829 (31 December 2019: €25,471,391). The net assets of the company have decreased by €2,809 (year ended 31 December 2019: increased by €27,515) and the directors are satisfied with the level of accumulated funds at the year-end.

The directors note the company's result for the year. The directors do not envisage any change in the principal activity of the company.

#### RESULTS, DIVIDENDS AND RETENTIONS

	Year ended 31 December 2020	Year ended 31 December 2019
	€	€
The results and appropriations are summarised as follows:		
(Deficit)/surplus for the year	(2,809)	27,515
Balance at beginning of year	6,193,277	6,165,762
Balance at end of year	<u>6,190,468</u>	<u>6,193,277</u>

#### STATE OF AFFAIRS AND EVENTS SINCE THE BALANCE SHEET DATE

In early 2020 the Charities Regulator initiated an investigation into the affairs of the organisation. The directors confirm that they have been fully cooperative and transparent with the Charities Regulator in relation to all queries and requests for information and documentation. The Investigators issued a draft Report for comment in April 2021 and a response was issued by the Board within a fortnight. At the date of signing these financial statements the Board has not received the final report from the Charities Regulator however, based on the conclusions stated in the draft Report, it is believed by the Board that no further costs will arise that have not already been accounted for in these financial statements.

During 2020, Dublin City Council indicated to the Board that McSweeney House, located on Berkley Road, Dublin 7, should revert to the local authority. The intention of the local authority at that time was to make a formal request to the Board for a handover of the property only after the Charities Regulator had concluded its report. These financial statements have been prepared on the basis that the property will be transferred to the local authority in late 2021 and Cabhru is engaged in on-going discussions with the local authority.

The Charity has been fortunate in that the COVID-19 pandemic has not affected the income from residential tenants since its outbreak in early 2020.

## **CABHRU HOUSING ASSOCIATION SERVICES**

**(A Company Limited by Guarantee not having a Share Capital)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors are responsible for the company's system of internal control and for reviewing its effectiveness. The internal control system is designed to manage, rather than eliminate the risk of failure to achieve the company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The outbreak of Covid-19 spread worldwide during 2020. The initial impact of this was severe and resulted in a significant slowdown in economic activity throughout the world. The economic impact of this pandemic in Ireland was characterised by the temporary closure of many businesses in 'non-essential' areas, to ensure that people's movements were restricted in order to slow down the spread of the virus.

While it was initially feared that the pandemic could have significant effects on the company, because of the mitigation measures taken, there were no outbreaks of the virus in any of the apartment complexes.

The refurbishment works at O'Daly House, 579/583 North Circular Road, was delayed due to the pandemic but, having been completed in November 2020, the occupation of the 12-aparments proceeded without any delay.

With the vaccination programme well under-way at this time, it is believed that there should be no adverse effect to Cabhru's income due to the virus.

There is a vacant commercial unit at Fr. Scully House that may remain unoccupied while restrictions are in place. The financial effect of this vacancy is not significant and the Board may consider alternative uses for that unit.

It is understood that there may be an increase in the cost of goods and services due to increased costs on suppliers, arising from the Covid restrictions. Similarly it is understood that there will be an increase in the cost of development works due to an increase in the cost of construction materials generally.

### **LEGAL AND TAXATION STATUS**

Cabhru Housing Association Services is a company, limited by guarantee, incorporated under the Companies Act 2014 and has charitable status.

### **DIRECTORS**

The present membership of the board is set out on page 2:

In accordance with the Constitution, Daniel O'Connor and Yan Barry retire by rotation and, being eligible, offered themselves for re-election.

### **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 Directors is aware, there is no relevant audit information of which the Company's audits are unaware, and
- the Director has taken all steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**CABHRU HOUSING ASSOCIATION SERVICES**  
**(A Company Limited by Guarantee not having a Share Capital)**  
**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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.

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

**ON BEHALF OF THE BOARD:**

**Cathy Mc Vicker**                     )  
  **Directors**  
**Liam Meagher**                    )

**Date: 13 July 2021**

**CABHRU HOUSING ASSOCIATION SERVICES**  
**(A Company Limited by Guarantee not having a Share Capital)**  
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS**  
**OF CABHRU HOUSING ASSOCIATION SERVICES**

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**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Cabhru Housing Association Services ('the Company') for the year ended 31 December 2020, which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Funds and the notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 20 and of its deficit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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 the provisions available for small entities, in the circumstances set out in note 14 to the financial statements, 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.



**CABHRU HOUSING ASSOCIATION SERVICES**  
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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS**  
**OF CABHRU HOUSING ASSOCIATION SERVICES**

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**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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions 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 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, and 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 any 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.

**CABHRU HOUSING ASSOCIATION SERVICES**  
**(A Company Limited by Guarantee not having a Share Capital)**  
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS**  
**OF CABHRU HOUSING ASSOCIATION SERVICES**

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**Respective responsibilities**

**Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set on page 3, 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 they 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's 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 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.

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

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

Our 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.

**Signed by: Roseanna O'Hanlon**

For and on behalf of:

**Crowe Ireland**  
Chartered Accountants and Statutory Audit Firm  
Marine House  
Clanwilliam Place  
Dublin 2

Date: 29 July 2021

**CABHRU HOUSING ASSOCIATION SERVICES**  
**(A Company Limited by Guarantee not having a Share Capital)**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020**

		Year ended 31 December 2020	Year ended 31 December 2019
	Notes	€	€
<b>INCOME</b>			
Interest received / Other investment income		801	996
Subscriptions, donations and fundraising proceeds		41	514
Commercial Rent		23,550	-
Rents		866,636	946,962
Sundry Income		15,237	8,308
		<u>906,265</u>	<u>956,780</u>
<b>EXPENDITURE</b>			
Staff wages and pension	5	222,843	153,240
Motor and travel expenses		528	608
Staff training		-	5,099
Insurance		49,684	39,832
Light and heat		44,516	40,184
Repairs, maintenance, cleaning and security		170,437	153,442
Printing, postage and stationery		7,314	4,050
Telephone		7,885	7,950
Computer costs		5,317	5,197
Legal and professional fees		117,994	128,680
Audit and accountancy		16,380	9,716
Bank charges		513	452
Bad debts		4,263	-
General expenses		9,219	11,953
Subscriptions		2,693	2,918
Bank interest paid		73,305	-
Amortisation of capital grants	15	(385,500)	(392,263)
Depreciation of tangible fixed assets	7	439,523	494,087
		<u>786,914</u>	<u>665,145</u>
<b>OPERATING SURPLUS FOR THE YEAR</b>		<u>119,351</u>	<u>291,635</u>
Allocation of sinking fund		(122,160)	(264,120)
<b>NET MOVEMENT IN ACCUMULATED FUND FOR THE YEAR</b>		<u>(2,809)</u>	<u>27,515</u>

All of the income and results arise from continuing operations. The company has no recognised gains or losses other than the deficit for the year which has been calculated on an historical cost basis. This represents the only movement in funds for the year.

The notes on pages 13 to 22 form part of these financial statements.

**CABHRU HOUSING ASSOCIATION SERVICES**  
**(A Company Limited by Guarantee not having a Share Capital)**  
**BALANCE SHEET AS AT 31 DECEMBER 2020**

		31 December 2020	31 December 2019
	Notes	€	€
<b>FIXED ASSETS</b>			
Tangible assets	7	30,428,113	28,933,298
Financial assets	8	200,635	200,635
		<u>30,628,748</u>	<u>29,133,933</u>
<b>CURRENT ASSETS</b>			
Debtors	9	731,687	827,987
Cash at bank	10	1,310,862	1,702,748
		<u>2,042,549</u>	<u>2,530,735</u>
<b>CREDITORS (Amounts falling due within one year)</b>	11	<u>(286,620)</u>	<u>(356,822)</u>
<b>NET CURRENT ASSETS</b>		<u>1,755,929</u>	<u>2,173,913</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		32,384,677	31,307,846
<b>CREDITORS (Amounts falling due after more than one year)</b>	12	(3,255,888)	(1,905,600)
<b>CAPITAL GRANTS</b>	15	(22,593,888)	(22,979,388)
<b>SINKING FUND PROVISION</b>		(344,433)	(229,581)
<b>TOTAL NET ASSETS</b>		<u>6,190,468</u>	<u>6,193,277</u>
<b>REPRESENTED BY:</b>			
<b>ACCUMULATED FUND</b>	16	<u>6,190,468</u>	<u>6,193,277</u>

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

The notes on pages 13 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 13 July 2021 and signed on its behalf by:

Cathy Mc Vicker )  
Directors  
Liam Meagher )

**CABHRU HOUSING ASSOCIATION SERVICES****(A Company Limited by Guarantee not having a Share Capital)****STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>Accumulated Fund €</b>	<b>Total Funds €</b>
Balance at 1 January 2020	6,193,277	6,193,277
Deficit for the year	(2,809)	(2,809)
Balance at 31 December 2020	<u>6,190,468</u>	<u>6,190,468</u>

**STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Accumulated Fund €</b>	<b>Total Funds €</b>
Balance at 1 January 2019	6,165,762	6,165,762
Surplus for the year	27,515	27,515
Balance at 31 December 2019	<u>6,193,277</u>	<u>6,193,277</u>

The notes on pages 13 to 22 form part of these financial statements.

## **CABHRU HOUSING ASSOCIATION SERVICES**

**(A Company Limited by Guarantee not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1. GENERAL INFORMATION**

Cabhru Housing Association Services provides social housing to senior citizens who are capable of independent living. The registered office is Father Scully House, Gardiner Street Middle, Dublin 1.

Cabhru Housing Association Services is a company, limited by guarantee, incorporated under the Companies Act 2014 and has charitable status under the Taxes Acts.

### **2. STATEMENT OF ACCOUNTING POLICIES**

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### **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 United Kingdom 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 judgement in applying the Company's accounting policies (see note 3).

#### **2.2 INCOME**

Rental income and interest income are recognised in the period in which they are earned. Unless otherwise stated, income received from donations is received without any obligation being placed on the manner in which it is to be spent. Such income is recognised in the period in which it is received by the society. Revenue grants are recognised as income in the period in which they become receivable.

#### **2.3 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets, except for long leasehold land, are stated in the balance sheet at cost less accumulated depreciation.

Depreciation is provided on all tangible assets, except for leasehold land, so as to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight line basis at the following annual rates:

Leasehold buildings	-	1%/1.5%
Computer equipment	-	20%
Fixtures and fittings	-	10%
Furniture	-	20%

## **CABHRU HOUSING ASSOCIATION SERVICES**

**(A Company Limited by Guarantee not having a Share Capital)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **2. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

### **2.3 TANGIBLE FIXED ASSETS AND DEPRECIATION (CONTINUED)**

The carrying values of tangible fixed assets are reviewed regularly for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

### **2.4 GRANTS**

Capital grants are treated as deferred income. Such income is credited to the income and expenditure account in the same year and on the same basis as depreciation is provided on the related asset. Revenue grants are recognised as income in the period in which they become receivable.

### **2.5 FINANCIAL INSTRUMENTS**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, 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 payables or receivables, 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 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 and expenditure account.

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, 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.

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

## **CABHRU HOUSING ASSOCIATION SERVICES**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2.6 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.

#### **2.7 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 the individual loan agreements. Interest and capital repayments are required to be made in respect of these loans.

#### **2.8 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.

#### **2.9 CASH AND 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.

#### **2.10 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.

#### **2.11 FUNCTIONAL AND PRESENTATION CURRENCY**

The company's functional and presentational currency is euro



## **CABHRU HOUSING ASSOCIATION SERVICES**

**(A Company Limited by Guarantee not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates, will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

#### **(a) Useful life of tangible fixed assets**

Long-lived assets, consisting primarily of buildings, fixtures and fittings, furniture and computer equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of assets and estimates of residual values. The company regularly review these asset 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 and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

#### **(b) Recoverability of debtors**

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 current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements 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.

#### **(c) Going concern**

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

Like many companies, Cabhru Housing Association Services 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.

## CABHRU HOUSING ASSOCIATION SERVICES

(A Company Limited by Guarantee not having a Share Capital)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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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.

#### 4. OPERATING SURPLUS

Operating surplus is stated after charging (crediting):	Year ended 31 December 2020	Year ended 31 December 2019
	€	€
Depreciation of tangible fixed assets	439,523	494,087
Amortisation of capital grants	(385,500)	(392,263)
	<u>                    </u>	<u>                    </u>

#### 5. STAFF AND STAFF COSTS

The average number of persons (including executive directors) employed during the financial year was 5 (year ended 31 December 2019: 5).

The aggregate amounts paid to or on behalf of staff are as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	€	€
Wages and salaries	204,760	137,631
Social welfare costs	18,083	15,609
	<u>                    </u>	<u>                    </u>
	<u>222,843</u>	<u>153,240</u>

None of the directors receive any payments in respect of their services as directors of the company.

No staff received any salaries in excess of the SORP threshold for disclosure.

During the year, there was €10,734 of staff wages capitalised to apportion labour hours spent on development financing, working of viabilities and applying for funding.

#### 6. 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.

**CABHRU HOUSING ASSOCIATION SERVICES****(A Company Limited by Guarantee not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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**7. TANGIBLE FIXED ASSETS**

	Leasehold land and buildings €	Fixtures and fittings €	Furniture €	Computer equipment €	Total €
<b>COST</b>					
At 1 January 2020	28,695,507	3,325,949	742,594	38,878	32,802,928
Additions	1,899,537	33,809	-	992	1,934,338
At 31 December 2020	<u>30,595,044</u>	<u>3,359,758</u>	<u>742,594</u>	<u>39,870</u>	<u>34,737,266</u>
<b>DEPRECIATION</b>					
At 1 January 2020	2,315,651	790,196	739,868	23,915	3,869,630
Charge for the year	298,711	138,394	681	1,737	439,523
At 31 December 2020	<u>2,614,362</u>	<u>928,590</u>	<u>740,549</u>	<u>25,652</u>	<u>4,309,153</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>27,980,682</u>	<u>2,431,168</u>	<u>2,045</u>	<u>14,218</u>	<u>30,428,113</u>
At 31 December 2019	<u>26,379,856</u>	<u>2,535,753</u>	<u>2,726</u>	<u>14,963</u>	<u>28,933,298</u>

Tangible fixed assets are held for the use in furtherance of the charity's objectives and are stated in the balance sheet at cost less accumulated depreciation.

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.

**8. FINANCIAL ASSETS**

	31 December 2020 €	31 December 2019 €
Prize Bonds	200,635	200,635
	<u>200,635</u>	<u>200,635</u>

**CABHRU HOUSING ASSOCIATION SERVICES****(A Company Limited by Guarantee not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9. DEBTORS**

	31 December 2020	31 December 2019
	€	€
Amounts falling due within one year:		
Other debtors	9,809	111,844
Prepayments and other debtors	721,878	716,143
	<u>731,687</u>	<u>827,987</u>

**10. CASH AT BANK**

	31 December 2020	31 December 2019
	€	€
Current account	528,139	995,772
Term deposits	782,723	706,976
	<u>1,310,862</u>	<u>1,702,748</u>

**11. CREDITORS (amounts falling due within one year)**

	31 December 2020	31 December 2019
	€	€
Other loans (see note 13)	107,430	-
Trade creditors	22,774	201,947
Payroll taxes	15,252	16,080
Accruals	141,164	138,795
	<u>286,620</u>	<u>356,822</u>

**12. CREDITORS (amounts falling due after one year)**

	31 December 2020	31 December 2019
	€	€
Other loans (see note 13)	<u>3,255,888</u>	<u>1,905,600</u>

**CABHRU HOUSING ASSOCIATION SERVICES****(A Company Limited by Guarantee not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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**13. LOANS**

Analysis of the maturity of loans is given below:

	31 December 2020	31 December 2019
	€	€
<b>Amounts falling due within one year</b>		
Other loans	107,430	-
	<hr/>	<hr/>
<b>Amounts falling due 2-5 years</b>		
Other loans	272,047	150,525
	<hr/>	<hr/>
<b>Amounts falling due after more than 5 years</b>		
Other loans	2,983,841	1,755,075
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
	3,363,318	1,905,600

Included in other loans is amounts owing to HFA of €2,720,469 and CALF of €642,849.

Housing loans provided by the Housing Finance Agency (HFA) are for 30 year loans with 30 year fixed rates. The interest rate payable on these loans is 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 loans. The CALF loans are subject to 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 loan.

## CABHRU HOUSING ASSOCIATION SERVICES

(A Company Limited by Guarantee not having a Share Capital)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 13. LOANS (CONTINUED)

##### 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. The 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:

- Property at Gardiner Street, Middle Dublin 1
- Property at Woodpark, Ballintuber, Dublin 16

The Dublin City Council holds a charge over the mortgage of a property at Grenville Street, Dublin 1.

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

- Property at North Circular Road, Dublin 7

#### 14. PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature, the company uses its auditors to assist with the preparation of the financial statements.

#### 15. CAPITAL GRANTS

	31 December 2020	31 December 2019
	€	€
At beginning of year	22,979,388	23,371,651
Amortisation of grants during the year	(385,500)	(392,263)
At end of year	<u>22,593,888</u>	<u>22,979,388</u>

Grants include funding received from governmental departments. This funding is conditional on the properties continuing to be used for the housing of persons as set out in the agreements. The agreements include conditions whereby if the properties cease to be used for the specified purpose or be disposed within agreed periods, the society will become liable to repay any outstanding loan charges to the funder in respect of that funding.

## CABHRU HOUSING ASSOCIATION SERVICES

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 16. MOVEMENT ON INCOME AND EXPENDITURE RESERVE

	31 December 2020	31 December 2019
	€	€
Accumulated fund brought forward	6,193,277	6,165,762
(Deficit)/surplus for the financial year	(2,809)	27,515
Accumulated fund carried forward	<u>6,190,468</u>	<u>6,193,277</u>

The Income and Expenditure reserve represents cumulative surpluses and deficits recognised in the Income Statement. The company has decided 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.

Cabhru Housing Association Services maintains a sinking fund as a reserve for repairs and refurbishment of housing stock. €51,741 has been allocated to the sinking fund up to 31 December 2020 and €7,308 of this amount has been used during the year. The balance in the sinking fund reserve at the balance sheet date was €344,433.

#### 17. POST BALANCE SHEET EVENTS

In early 2020 the Charities Regulator initiated an investigation into the affairs of the organisation. At the date of approving these financial statements, the investigation had not formally concluded and the Regulator has not yet given any indication as to the outcome of their investigation. The directors confirm that they have been fully cooperative and transparent with the Charity Regulator in relation to all queries and requests for information and documentation.

During the year, Dublin City Council indicated that McSweeney House, located on Berkeley Road in Dublin, will revert to the local authority. While the date of the formal handover of the property is not yet confirmed, the directors understand that this will likely happen in mid 2021. These financial statements have been prepared based on information available to the Board.

The charity has been fortunate in that the COVID 19 pandemic has not affected the income from residential tenants.

#### 18. SHARE CAPITAL

The society is an incorporated body limited by guarantee, with no share capital in issue.

Each member of the society undertakes to contribute to the assets of the society, in the event of it being wound up whilst he is a member or within one year thereafter for the payment of debts and liabilities of the society contracted before he ceased to be a member and of the costs, charges and expenses of winding-up and for adjustment of the rights of the contributories between themselves, such amount as may be required not exceeding €6.35.