



Saint John of God
Housing Association clg

Annual Report 2018

OPENING DOORS

To Affordable Housing



Hospitality • Respect • Justice • Compassion • Excellence

Chairperson's Report



John Lowe

This Annual Report outlines the Housing Association's progress and achievements in 2018 and the growth achieved both in terms of property acquired and people in need housed.

In 2018 we continued to work to improve our service provision to tenants and in particular the governance of our organisation. The Housing Association strives to ensure compliance in all matters pertaining to good governance

and adheres to all the latest legal and auditing requirements; including General Data Protection Regulation (GDPR). The Housing Association is fully compliant with all these changes.

In 2018, we welcomed three new Directors to the Board who add significant value and expertise to the already professional group of voluntary Directors. We also said goodbye to a trusted and valued colleague, Michael Murphy, who served with commitment, professionalism and empathy for many years.

Behind our achievements is a great deal of hard work, dedication and enthusiasm, all made possible by the people who work for and with the Housing Association across the government departments and agencies, local authorities and community groups. I would like to take this opportunity, on behalf of the Board, to acknowledge their individual and collective contribution, and for their assistance and support during 2018 to help us meet the accommodation needs of vulnerable people with specific needs.

The Housing Association is in good financial health as evidenced by the audited Financial Statements for 2018. These accounts, prepared using FRS102 and the Housing SORP 2014, reflect our commitment to be as transparent as possible to all relevant stakeholders.

I acknowledge and very much appreciate the contribution and commitment of the Board of Directors who lend their expertise and time to the Housing Association on a voluntary basis. Thanks also to our Chief Executive, Bernie Cadden, and her team for their dedication and professionalism throughout the year.

In conclusion, the Housing Association has had a very successful year in 2018 and we look forward with confidence to the challenge of 2019 when we hope to provide many more secure tenancies to people in need.

John Lowe, Chairperson

Strategic objectives

Taking into account our key challenges during the year, the Housing Association has identified three principal pillars for its strategic direction, as follows:

Growth

- Continue to grow the housing stock to reach the 470 units mark by the end 2019.



GROWTH

- Grow housing stock by means of acquisitions, development and long-term leasing.
- Expansion within existing areas of operation and further develop elderly care facilities
- Implement appropriate financial models to fund growth
- Take a partnership approach to expansion.

Operating Model

- Ensure structures and resources are capable of supporting current and future activities.



OPERATING MODEL

- Implement a Management Information System to impact the organization's functions, performance and productivity and increase efficiency.
- Ensure compliance with regulatory requirements, promote robust governance, risk management and financial management.
- Implement the right staff structure, development programme, and resources to ensure capacity to deliver.
- Maintain an asset management strategy.

Tenant Engagement

- Support our tenants in developing and sustaining strong communities.



TENANT ENGAGEMENT

- Provide housing services that are tenant-focussed, high-quality, and creative.
- Commitment to ensure the tenant's voice is heard.
- Enhance and support community activities and facilities.
- Continuous communication and engagement with tenants.

Strategic highlights 2018



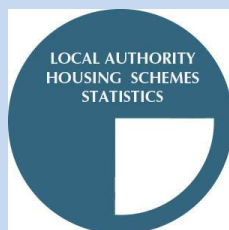
Strategic Amalgamations

The Housing Association engaged with a smaller, special-needs housing provider with a view to taking charge of the properties. When completed, this will be the second amalgamation we have successfully undertaken.



The Regulation Office

Since signing up to the voluntary regulatory code in 2014, the Housing Association has achieved regulatory compliance year on year. The Housing Association enjoys a professionally supportive relationship with the Regulation Office.



Shared Leasing Applications

In expanding its models of delivery, the Housing Association made application to the Department of Housing, Planning & Local Government, with the support of local authorities. These applications will provide much wanted housing for 12 tenants with disabilities across 3 properties including 3 caretaker units.



CAS / CALF Approvals

During 2018, the Housing Association was granted CAS approval for 26 units of accommodation over 6 properties and we received our first CALF approval for 2 units in the Dun Laoghaire-Rathdown area.



Tenant Support & Advocacy Services

With the help of the advocates from SAGE, a new protocol was introduced and a support and advocacy service was rolled out to benefit the most vulnerable tenants.



Preparation GDPR

With the impending introduction of the GDPR in 2018, the Housing Association has put a process in place to review all records, processes and policies in order to activate compliance in May 2018.

Chief Executive Officer's Overview



Bernie Cadden – Chief Executive

The Company owns and manages 405 homes for tenants with special needs in Dublin, Kildare, Wicklow, Meath, Louth and Kerry. This includes housing for people with disabilities and the elderly.

The company has continued to deliver strong operating and financial performance as it builds its human resources and financial capacity to maximise the delivery supply of further affordable homes to people with special needs.

Financial sustainability

The Company has a robust and comprehensive framework of longer-term financial planning in place. The Company follows a strict budget management process and provides comprehensive reports to the Finance, Audit & Risk Subcommittee of the Board bi-monthly. The Company adopts a lean approach to expenditure and exploits all possible income sources.

Housing Development

The company is actively seeking new opportunities for the provision of social and affordable housing through long-term leasing, acquisitions, developing new schemes and mergers. The directors therefore anticipate that the number of homes in management will increase over the next year through a range of opportunities and partnerships.



2018 was successful in terms of housing delivery by the Saint John of God Housing Association. In our business plan 2017 – 2020, we set out a goal to provide 262 new units by the end of 2020. In 2018, we made significant progress towards that goal. By year end, the total stock owned or managed by the company increased to 405 units (an increase of 6.5% on 2017) and we had a clear line of sight on a pipeline of 34 additional units for delivery during 2019 and 2020 to extend our property portfolio.

Housing Management

The Company manages all housing-related issues for all of our properties and tenants throughout Ireland. We respond to a need of housing for people with specific needs within the Community and we work very closely with Saint John of God Community Services, which provides the necessary support services to enable tenants to sustain and benefit from their tenancy.

Strength in our People

The company's success is due to the commitment and professionalism of the people it employs. A small team of six high-calibre professionals share and promote the company's values. Staff costs of €258,346 in 2018 represent 22% of turnover, an increase from 19.9% in 2017, which reflect the increased investment in staff.

Our structure

INTRODUCTIONS

How to contact us?

- By Phone 01-468 6452
- By Email housing@sjog.ie
- In writing Saint John of God Housing Association CLG
Tessa House
Gleann na hEorna
Block D
Springfield
Tallaght
Dublin 24

Staff Members:

- Bernie Cadden, CEO
- Kevin Lunny, Planning & Development Manager
- Eimear O' Hagan, Housing Officer
- Alan Balmaine, Development Officer
- Sean Crowley, Development Officer
- Donna Coulahan, Finance Officer
- Declan Corrigan, Estate Caretaker

Regulation

The company operates in a highly regulated environment, which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

The company currently works to the Irish Council for Social Housing 'Working for Good Governance' guide and has signed up to the Voluntary Regulation Code. This code sets out key basic principles of good governance and financial management and the range of reporting obligations that currently apply to the sector. In the Regulatory Assessment Report 2017 on the company issued by the Housing Agency Regulation Office in March 2019, the company was awarded a grading of a satisfactory assessment with recommendations.

Principal risks and uncertainties

Responsibility for the identification of risks is clearly defined and operates through a rolling risk assessment process. Key risks facing the company are considered by the Finance, Audit and Risk Committee and the Board has adopted a risk-aware strategic focus.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks.

Some of the key risks that are currently considered within the Risk Register are:

- (i) The difficulty in sourcing future development opportunities combined with the risk of capital projects falling through due to prolonged delays in receiving an outcome to capital funding applications;
- (ii) The reclassification of Approved Housing Bodies in Ireland by the central statistics office as government sector bodies;
- (iii) Financial risks in terms of treasury management, market rents and continued availability of loan finance at optimal rates;
- (iv) The lack of appropriate risk management across all sections of the organisation;
- (v) The non-compliance with SAGE Non-Instructive Advocate Protocol; and,
- (vi) The need for a safeguarding policy and training on how to recognise and deal with matters of safeguarding concern.

Measures are in place to control these risks and the implementation of further mitigating actions is regularly monitored by the Board.

Environmental matters

The company recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever reasonably possible.

Health and safety

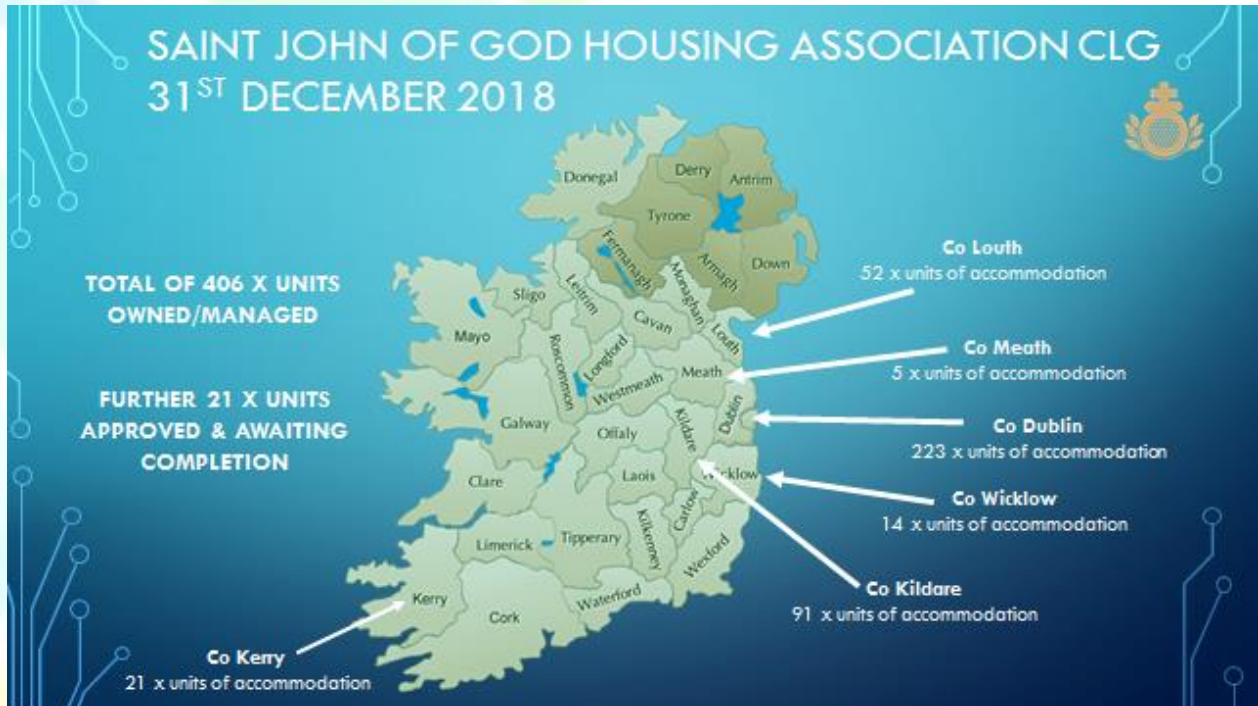
The well-being of the company's employees and tenants is safeguarded through adherence to health and safety standards. Health and safety legislation imposes certain requirements on employers and the company has taken the necessary action to facilitate compliance with the legislation.

Key objectives for 2019

In looking back, we take the time to refocus on the future and identify the key opportunities and challenges that face us in 2019. To meet the ever changing needs of the Social Housing sector and to ensure we have the capacity to fulfil our vision and mission, the key objectives for 2019 include:

- (i) To develop a new strategic plan;
- (ii) To facilitate risk management;
- (iii) To implement new strategic and operational objectives; and,
- (iv) To support staff to deliver high quality services to those for whom we provide shelter.

Housing management summary for 2018



Properties in the Pipeline:

1. 5 units in a house in Clogherhead, Co. Louth;
2. 5 units in a house in Bray, Co. Wicklow;
3. 5 units in a house in Blackrock, Co. Dublin;
4. 1 unit in an apartment in Tallaght, Dublin 24;
5. 1 unit in an apartment in Cork St., Dublin;
6. 4 units in a house in Kilcock, Co. Kildare;
7. 4 units in a house in Maynooth, Co. Kildare;
8. 1 unit in an apartment in Dun Laoghaire, Co. Dublin;
9. 4 units in a house in Drogheda, Co. Louth;
10. 4 units in a house in Dundalk, Co. Louth

Performance & achievements in 2018



We have 405 units of accommodation



In 2018, we added 19 more people to our list of residents



We've increased our staff to manage our tenancies and our assets

1. 343 tenants in residence (an increase of 19 year on year).
2. A total of 405 units comprising 320 CAS units, 56 owned, 21 leased units and 8 managed units.
3. Average rent charges: CAS €71.96 and Leasing €25.37
4. 99.2% of annual rent due was collected during 2018
= €1,172,079
5. The surplus for 2018 amounted to €1,896,361.
6. Number of new lets in 2018
= 32
7. Number of re-lets during 2018
= 11
8. Total spend on repairs & maintenance during 2018 was €305,567; an increase of 7% on 2017.
9. The Housing Association continues to grow the Company's services team to effectively manage the planned development and investment programmes, and to support the accounting function respectively.

Statement of financial activities to December 2018

	2018 €	2017 €
Turnover	1,172,079	1,107,757
Operating expenditure	(1,549,936)	(1,179,989)
Other income	1,253,261	1,202,044
Operating surplus	<u>1,100,404</u>	<u>1,129,812</u>
Net gains on investment	(54,397)	40,178
Interest receivable	---	144
Surplus before non-recurring items	<u>1,046,007</u>	<u>1,170,134</u>
Non-recurring transfer of fixed assets	850,355	879,970
Surplus before tax	<u>1,896,362</u>	<u>2,050,104</u>
Taxation	0	0
Surplus for the year	<u>1,896,362</u>	<u>2,050,104</u>
Total comprehensive income for the year	<u>1,896,362</u>	<u>2,050,104</u>

Balance sheet at December 2018

	2018 €	2017 €
Fixed Assets	<u>35,181,986</u>	<u>33,417,072</u>
Current Assets		
Debtors	11,117	36,962
Current Investments	2,897,847	3,152,244
Cash and bank	<u>868,059</u>	<u>72,463</u>
	<u>3,777,023</u>	<u>3,261,669</u>
Less:		
Creditors: Amounts falling due within one year	<u>(1,877,650)</u>	<u>(2,056,644)</u>
Net current assets	<u>1,899,373</u>	<u>1,205,025</u>
Total assets less current liabilities	37,081,359	34,622,097
Creditors: Amounts falling due after more than one year	<u>(20,371,019)</u>	<u>(19,808,119)</u>
Net Assets	<u>16,710,340</u>	<u>14,813,978</u>
Reserves		
Development Fund	1,142,491	1,142,491
Sinking Fund	0	2,339,583
Endowment Fund	8,632,288	7,781,933
Accumulated unrestricted income funds	<u>6,935,561</u>	<u>3,549,971</u>
Total Net Assets	<u>16,710,340</u>	<u>14,813,978</u>

Snapshot of financial outcomes in 2018

We have continued to deliver strong operating and financial performance, as we continued to grow our services to meet the needs of tenants and build our capacity to maximise the supply of new, affordable housing units.

During the year, we successfully secured funding from the Housing Finance Agency.

Increased Tenancies in 2018

Having added 19 new tenancies to our housing list, the year ended with 405 units under the Housing Association's management and ownership. The increase in the number of tenancies has contributed enormously to the solid financial performance of the company during 2018.



Rent Affordability

Under HAPM, the CAS rent is €74.00 per week. Our average weekly tenant rent is €71.96 for CAS and €25.37 for leased.



Rent

Rent collection has increased and rent arrears are down to 0.8% of total annualised rent and service charges receivable. The Housing Association deals with rent arrears on a firm but fair basis; offering advice and support on a one-to-one basis for those who have difficulty managing their resources.



Total Turnover 2018

Annual turnover for the year ended at €1,172,079, which is an increase of €64,322 or 5.8% year on year.





Surplus



Surplus for the year amounted to €1,046,007 demonstrating sound financial management. The Housing Association achieved above average metrics in line with requirements under the Housing Agency Regulation Office.

Reserves



The Housing Association's continuing growth is reflected in the balance sheet. Reserves are at €16,710,340 for year end which is an increase of €1,896,362 year on year or 12.8%

Sufficient reserves are available to ensure that properties can be maintained in good condition.

Investment Strategy



The Housing Association's deposits are held by banks in Ireland and are placed on short-term interest bearing deposits so as to meet the on-going cash-flow requirements of the Housing Association. The Housing Association's investment strategy advocates a cautious approach to investments which are diverse and support an ethical investment portfolio.

Funding for New Development

Towards a
New Funding
Model

The Housing Association continues to invest in housing through its planned development programme and is actively seeking private finance through the HFA and other sources to enable future development projects. The Housing Association has no bank borrowings.

Board of Directors and other information



John Lowe



Mary Condell



P. J. Drudy



Terence Flynn



Michael Francis

Board of Directors

John Lowe (Chairperson)

Mary Condell

Patrick J Drudy

Terence Flynn (Brother Terence)

Michael Francis (Brother Michael)

Laurence McCabe

James Crowe

Caroline Fanning

Paul Kinsella

William Maher

Secretary & registered office

Ciaran Cuddihy

'Granada'

Stillorgan

Co. Dublin

Company no.

426952

Charity tax exemption no.

CHY 18279

Charity Reg. Number

20069834

Auditors

PricewaterhouseCoopers

One Spencer Dock

North Wall Quay

Dublin 1

Solicitors

Porter Morris & Co.

10 Clare Street

Dublin 2

Bankers

Bank of Ireland

College Green

Dublin 2

Investment Managers

Davy Stockbrokers

49 Dawson Street

Dublin 2



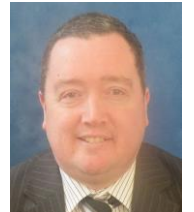
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