

Saint John of God Housing Association clg
(A company limited by guarantee and having no share capital)

Directors' Report and Financial Statements

Financial Year Ended 31 December 2021



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DIRECTORS AND OTHER INFORMATION

Board of Directors

Patrick J Drudy (Chairperson)
Michael Francis
John Lennon
Margaret Burns
Marianne Garvey-McMahon
Dr. Liz Murphy
Aidan Burke
Joyce Loughnan

Solicitors

Porter Morris & Co.
10 Clare Street
Dublin 2

Secretary and Registered Office

Ciaran Cuddihy
Tessa House, Block D
Gleann na hEorna
Cookstown Way
Tallaght
Dublin 24
D24 DTN1

Bankers

Bank of Ireland
College Green
Dublin 2

Chief Executive Officer

Michelle Thunder

Investment Managers

Davy Stockbrokers
49 Dawson Street
Dublin 2

Company Number: 426952

Charity Tax Exemption Number: CHY 18279

Charity Reg Number: 20069834

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

Internal Auditors

Crowleys DFK
16/17 College Green
Dublin 2

DIRECTORS'/TRUSTEES' REPORT

The Directors of Saint John of God Housing Association (SJOGHA) present their report and the audited financial statements for the financial year ended 31 December 2021. The Directors confirm that the financial statements of the Company comply with the current statutory requirement of the Company's governing documents and are prepared in accordance with FRS 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland, and with the provisions of the Statement of Recommended Practice for social housing providers applicable to charities preparing their financial statements in accordance with the financial reporting standard applicable in the Republic of Ireland (FRS102), hereafter denoted as the Housing SORP 2018. The Housing SORP 2018 is not yet mandatory in the Republic of Ireland and neither the Charities Regulator nor the Approved Housing Bodies Regulatory Authority (AHBRA) has yet prescribed accounting regulations for Irish charities. In the absence of such prescriptive guidance, the Board of SJOGHA has adopted many of the Housing SORP 2018 recommendations as they represent best practice and are appropriate to the circumstances of this organisation.

Statement of Directors' responsibilities for financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law.

Irish law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the Company's assets, liabilities and financial position at the end of the financial year and the surplus or deficit of the Company for the financial year. Under that law, the Directors have prepared the financial statements in accordance with generally accepted accounting practice in Ireland (accounting standards issued by the UK Financial Reporting Council, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the surplus or deficit of the Company for the financial year.

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

- select suitable accounting policies 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 and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; 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 keeping adequate accounting records that are sufficient to:

- correctly record and explain 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; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

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.

Accounting records

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at SJOG HA, Tessa House, Block D, Gleann na hEorna, Cookstown Way, Tallaght, Dublin 24, D24 DTN1.

Review of business and results

The results for the year are set out in the Statement of Comprehensive Income on page 12. The Company continues to grow its number of tenants and is in a strong financial position at the year end.

DIRECTORS/TRUSTEES' REPORT - continued

Directors

The following served as Directors during the year (unless indicated otherwise, they served as Directors for the full year).

John Lowe	(Chairperson) (resigned 22 February 2021)
Patrick J. Drudy	(Chairperson) (appointed 5 March 2021)
Michael Francis	
Laurence McCabe	(resigned 24 November 2021)
James Crowe	(resigned 4 May 2021)
Paul Kinsella	(resigned 7 April 2021)
John Lennon	
Margaret Burns	
Marianne Garvey-McMahon	
Dr. Liz Murphy	
Aidan Burke	
Joyce Loughnan	

Transactions involving Directors and Secretary

There are no contracts or arrangements in relation to the business of the Company in which the Directors or Secretary had any interest, as defined within the Companies Act 2014, at any time during the year ended 31 December 2021.

Principal objectives and activities

The principal activities of the company are:

To provide housing welfare and care services for the homeless, the elderly, persons with disabilities and other disadvantaged persons and families

At 31 December 2021, the Housing Association had 439 units of accommodation in counties Dublin, Kerry, Kildare, Louth, Meath, Monaghan and Wicklow with a further seven units either planned or under construction. Included in the 439 units are 43 caretaker units provided to support tenants.

Housing development

In partnership with the Department of Housing, Local Government and Heritage and local authorities, SJOGHA sources capital to develop and manage its housing stock, based on clients' needs, through buying or leasing properties, developing new builds or by refurbishing the existing housing stock. The Housing Association's development plan includes an assessment of accommodation needs of individuals who are supported by Saint John of God Community Services clg which, using Health Service Executive funding, provides professional care to tenants with intellectual disability or mental health issues. These include tenants under the HSE decongregation programme as well as adults living with their families where in many cases parents are elderly or ill. The professional care provided by Saint John of God Community Services clg is imperative in ensuring that people with specific needs have a good quality of life in tenanted accommodation as part of the community. From time to time the Association also develops housing for general housing needs, to expand the portfolio and thus give flexibility and options for people with independent living requirements.

The Housing Association sources capital funding through, for example, the Capital Assistance Scheme (CAS) or the Shared Leasing funding models and from private financing via the Housing Finance Agency which allows the Housing Association to buy or lease properties to accommodate people from local authority waiting lists.

The Housing Association brought seven new units of accommodation into service in 2021.

The Company wishes to acknowledge the very generous donation of a property by the O'Hare family; this will be used to accommodate four tenants. It also acknowledges the donation of a house, in Blackrock, Co Dublin, by the Saint John of God Order, which following refurbishment will also accommodate four tenants.

Number of tenants

At year ended 31 December 2021, there were 356 tenants in SJOGHA housing. We allocated through tenancy relets new tenancies to eight residents from the Local Authorities waiting lists.

Managing voids and minimising rent loss due to voids remains challenging and COVID 19 impacted the Association's ability to let and relet.

DIRECTORS/TRUSTEES' REPORT - continued

Housing services

In 2021, SJOG HA appointed 'Integrated Risk Solutions', health and safety consultants, to review health and safety systems within the Association. This review led to SJOG HA preparing a new the safety statement and safety management system which complies with the requirements of the Safety, Health and Welfare at Work Act 2005 and sets out the actions needed to secure the health and safety of the Association's tenants as required by the Housing Standards for Rented Housing Regulations 2019. In November 2021, the Board approved the new safety statement.

Following approval of the safety statement, SJOG HA set about implementing the new health and safety management system. This includes the development of cyclical inspection programmes for gas, fire, Legionella, electricity, and lifts. In February 2021 reactive and cyclical maintenance, which until then had been provided by Saint John of God Community Services clg, was brought in-house. 745 responsive repairs were undertaken in 2021.

During 2021 SJOG HA delivered a planned maintenance programme with a value of €375k. This investment paid for improvements in 35 properties, including bathroom upgrades, heating boiler upgrades, internal decorations, external works, and electrical upgrade works.

The Association's asset management strategy sets a target of completing stock condition surveys on 20% of its properties annually. During 2021, in the context of the COVID pandemic, it was not possible to complete any stock condition surveys. However, it is planned to undertake surveys of 40% of the stock during 2022.

Regular face-to-face contact with tenants through house visits and tenant meetings were again not possible during 2021. Staff continued to engage with tenants via phone and flyer updates to ensure that all tenants and in particular those who were vulnerable or self-isolating were able to access meals and household purchases.

A comprehensive Tenant Satisfaction Survey was undertaken in October 2021. The aim of the survey was to seek tenant views on the services that SJOG HA provides and how well it performs these services, and to help identify areas where the service could be improved.

Specifically, the survey was designed to obtain tenants' views on the following:

- Quality of accommodation and the neighbourhood;
- Service provision, including repairs, maintenance, and improvements;
- Rent and management charge value for money;
- Tenant involvement/opportunities for participation
- Communication with SJOG HA.

A total of 351 survey forms were posted; 97 completed forms were returned – a response rate of 27%. The key findings were:

- 34% of respondents indicated they were satisfied or very satisfied with the service delivery during the year;
- 90% stated that they would like to be living in their house or apartment in five years' time;
- 95% said they felt safe in their home;
- 97% indicated they preferred communication from SJOG HA to be through the postal system.

The Association will take forward engagement with tenants to understand how it can improve its service delivery.

Funding

Securing additional Capital Assistance (CAS) funds from the Department of Housing, Local Government and Heritage for the development of housing for tenants continued during 2021, despite the challenge of the significant turnaround times between sourcing suitable properties and the granting of funding approvals by the Department.

The Housing Association also seeks funding through the Housing Finance Agency when appropriate. Each project reflects a need for housing identified by Saint John of God Community Services clg or other care service providers.

DIRECTORS/TRUSTEES' REPORT - continued

Principal risks and uncertainties

The principal strategic risk to the planned growth of the SJOGHA is the ability of the key service provider, Saint John of God Community Services clg, to obtain appropriate funding in respect of professional supports to persons in need of housing. Other challenges include:

- (a) The lack of funding to provide accommodation and professional care for those with intellectual disabilities and mental health difficulties needing to move from congregated residential settings, and those still living with their families in adulthood, in line with the policy approach outlined in the National Housing Strategy for Disabled People 2022-2027.
- (b) Management of the growth and development of the Company envisaged in the SJOGHA Housing Strategy 2019-2024.
- (c) The Covid-19 pandemic and the implications for staff, tenants, and development.

The Housing Association recognises the huge need for accommodation for persons who cannot provide it from their own resources. Whilst there are many challenges for the Company in continuing housing provision, opportunities must also be exploited, and it will continue to seek and create innovative housing solutions in the current changing environment.

COVID-19

As an essential service, SJOG HA has continued to operate as close to normal as possible throughout the pandemic. The risks which COVID-19 poses to the Association have been considered by the Finance, Audit and Risk Committee and the actions that might be taken to mitigate these have been identified. Compared to the initial assessment in 2020, the impact of the pandemic was considered to be less in 2021 and beyond, given the positive impact of the national vaccination programme, the demonstrated ability of the Association to adapt to changed business practices, and the cooperation, hard work and flexibility of all staff members.

Structure, governance, and management

The Board of Directors is responsible for providing vision and leadership, setting strategy, and exercising control over the SJOGHA. The Board strives to work effectively, with integrity, transparency, and accountability. The Directors bring to the Board their significant professional skills, experience and decision-making abilities, reflecting their broad range of views and life experiences.

The Board is committed to maintaining the highest standard of corporate governance, in line with the requirements of legislation in respect of companies limited by guarantee, Approved Housing Bodies and registered charities. It recognises that robust and transparent governance is essential to maintaining credibility and trust.

The Chief Executive, together with management and other staff, is responsible for the day-to-day management of the Company and reports and is responsible to the Board of Directors. A new Chief Executive was appointed by the Board in March 2021.

The Company has a comprehensive process for reporting management information to the Board by providing a detailed Board pack in advance of the Board meetings held every two months. It has an active Finance, Audit and Risk Committee which meets in advance of each scheduled Board meeting. Terms of Reference for a Governance Committee were agreed by the Board in May 2021 and the Committee met eight times during the year. The Board's Remuneration Committee met three times in 2021; revised Terms of Reference for this Committee were agreed by the Board in November 2021. A Development Committee was established by the Board in July 2021 and this Committee met twice before the end of the year.

On appointment, Directors and all staff receive briefing sessions to enable them familiarise themselves with the values, operations, management, and governance structure of the Company.

The Board appointed DFK Crowley as internal auditors in January 2021. The scope of the programme for 2021 included a high-level review of the organisation's internal financial controls and procurement process. The internal auditors reported that the company has a well-developed and mature system of internal financial controls that are both well designed and understood by management and staff.

During 2021, the Board of Directors and Executive continued to work with the Housing Agency Regulation Office to achieve compliance with the Voluntary Regulation Code and the three additional Standards.

From 2022 onwards, approved housing bodies will be subject to statutory regulation, arising from the provisions of the Housing (Regulation of Approved Housing Bodies) Act 2019. The new Approved Housing Bodies

DIRECTORS'/TRUSTEES' REPORT - continued

Regulatory Authority (AHBRA) will have responsibility for setting out the standards to be met by approved housing bodies under the new regulatory system and for monitoring and ensuring compliance with these standards. In 2022, SJOGHA will be familiarising itself with the requirements under the new standards and reviewing its policies and practices in light of these requirements.

In advance of submission of its annual report to the Charities Regulator, the Board approved the completed Compliance Record Form in respect of the Association's compliance with Charities Governance Code – 2021 was the first year for which this Form was required to be completed. In submitting its annual report to the Charities Regulator, the Association indicated that it was fully compliant with the Code.

Legal

The Housing Association has registered all tenancies with the Residential Tenancies Board in compliance with the Residential Tenancies (Amendment) Act 2015.

GDPR

The change in the European Union-wide framework known as the General Data Protection Regulation (GDPR) which came into force across the EU on 25 May 2018, replacing the previous data protection framework in Ireland, prompted the Company to carefully review all activities in light of the new legislative requirements. The Company engaged a firm of GDPR consultants for their expert input into the review of all processes and documentation in order to ensure continued compliance.

Housing Strategy 2019–2024

SJOG HA adopted a new Housing Strategy in November 2019 to cover the period up to the end of 2024. The Strategy was based on a key stakeholder analysis and a review of the unmet housing needs for the groups for whom the Association provides housing. It proposed increasing the number of accommodation units provided by SJOG HA for people with intellectual disabilities by 100 and the number for people with mental health issues by 36. In addition, it committed to engaging in policy advocacy for improved housing provision for these groups. The Strategy also envisaged exploring opportunities for increasing the Association's housing stock for older people. The effects of COVID-19 on the work of the Association and the continuing escalation in the costs of purchasing and renovating properties have presented serious obstacles to the implementation of the 2019 Housing Strategy. As a result, it has been decided to review the targets set and to prepare a revised strategy during 2022.

Financial review

Results

There was total comprehensive income for the financial year of €1.425m (2020: €0.76m). The incoming resources include the amortisation of local authority mortgages of €1.338m (2020: €1.32m) and the expenditure includes depreciation on properties of €0.846m (2020 : €0.81m). Both the amortisation of mortgages income and the depreciation of properties charge are non-cash items. These two non-cash items account for €0.49m (2020 : €0.51m) of the net income for the financial year.

Turnover

The rental income of the Company in 2021 was €1.36m as compared to €1.37m in 2020, a decrease of 0.2%. The primary sources of income are rental income and rental payments from local authorities. Payment and Availability payments amounted to €0.22m in 2021 a decrease of 14% on the 2020 figure due to an exceptional payment of €55k in 2020. The Company implemented a 2% rent increase on the 1st January 2021.

Expenditure

The Company has a total expenditure of €2.46m which, if depreciation is excluded, equals net expenditure of €1.61m. Of that, €0.47m relates to payroll costs, representing 27.7% of total costs, excluding depreciation.

DIRECTORS'/TRUSTEES' REPORT - continued

Attendance at Board Meetings

The attendance of the Board of Directors members at meetings and at the Finance, Audit and Risk Committee meetings is as follows:

Board member	Eligible Number	Attended Number	Finance, audit and risk committee	Eligible Number	Attended Number
John Lowe	3	3	Laurence McCabe	1	1
Patrick J Drudy	10	10	Aidan Burke	6	6
Aidan Burke	10	10	Joyce Loughnan	6	6
Michael Francis	10	9	Brian Neilan	6	5
Laurence McCabe	10	9	Paul Kinsella	2	1
James Crowe	4	0			
Paul Kinsella	5	4			
John Lennon	10	10			
Joyce Loughnan	10	10			
Margaret Burns	10	10			
Marianne Garvey-McMahon	10	10			
Dr. Liz Murphy	10	10			

Subsequent events

There were no significant events which occurred between 31 December 2021 and the date these financial statements were approved.

Political donations

There were no political donations made by the Company during the financial period ended 31 December 2021.

Research and development

The Company did not engage in research and development activities during the financial period ended 31 December 2021.

Disclosure of information to auditors

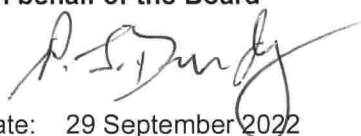
Each of the Directors in office at the date of this report has confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and,
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers, will be re-appointed in accordance with Section 383 (2) of the Companies Act, 2014.

On behalf of the Board


Date: 29 September 2022





Independent auditors' report to the members of Saint John of God Housing Association clg

Report on the audit of the financial statements

Opinion

In our opinion, Saint John of God Housing Association clg's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2021;
 - the Statement of Comprehensive Income for the year then ended;
 - the Statement of Cash Flows for the year then ended;
 - the Statement of Changes in Reserves for the year then ended; and
 - the notes to the financial statements, which include a description of the significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Directors' Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors'/Trustees' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors'/Trustees' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our 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'/Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities for financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible 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 the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.



Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- 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.

Other exception reporting

Directors' remuneration and transactions

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 that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Aisling Fitzgerald'.

Aisling Fitzgerald
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
29 September 2022

STATEMENT OF COMPREHENSIVE INCOME
Financial Year Ended 31 December 2021

		Unrestricted funds	2021 Endowment funds	Total	Unrestricted funds	2020 Endowment funds	Total
	Notes	€	€	€	€	€	€
Rental Income	5	1,364,623	-	1,364,623	1,367,135	-	1,367,135
Operating expenditure	7	(2,458,815)	-	(2,458,815)	(2,292,893)	-	(2,292,893)
Donations	6	700,000	-	700,000	-	-	-
Other income	6	1,557,576	-	1,557,576	1,573,914	-	1,573,914
Operating surplus		1,163,384	-	1,163,384	648,156	-	648,156
Net gains on investment	13	261,551	-	261,551	107,554	-	107,554
Surplus before non-recurring items		1,424,935	-	1,424,935	755,710	-	755,710
Surplus before tax		1,424,935	-	1,424,935	755,710	-	755,710
Taxation	10	-	-	-	-	-	-
Surplus for the year		1,424,935	-	1,424,935	755,710	-	755,710
Total comprehensive income for the year		1,424,935	-	1,424,935	755,710	-	755,710

The results above derive wholly from continuing operations.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	2021 €	2020 €
Fixed assets			
Tangible fixed assets	11	40,844,401	39,678,766
Current assets			
Debtors (including €nil (2020: €nil) due after more than one year)	12	48,920	22,446
Current investments	13	3,156,424	3,394,873
Cash and cash equivalents		258,687	622,967
		<u>3,464,031</u>	<u>4,040,286</u>
Less:			
Creditors: amounts falling due within one year	14	<u>(2,022,888)</u>	<u>(1,832,099)</u>
Net current assets		<u>1,441,143</u>	<u>2,208,187</u>
Total assets less current liabilities		42,285,544	41,886,953
Creditors: amounts falling due after more than one year	15	<u>(21,546,520)</u>	<u>(22,572,864)</u>
Net assets		<u>20,739,024</u>	<u>19,314,089</u>
Reserves			
Development fund		1,142,491	1,142,491
Sinking fund		800,000	400,000
Endowment fund		9,311,490	9,311,490
Accumulated unrestricted income funds		<u>9,485,043</u>	<u>8,460,108</u>
Total equity		<u>20,739,024</u>	<u>19,314,089</u>

On behalf of the board



Date: 29 September 2022

STATEMENT OF CHANGES IN RESERVES
Financial Year Ended 31 December 2021

	Development fund	Sinking fund	Endowment fund	Accumulated unrestricted income funds	Total
	€	€	€	€	€
At 1 January 2020	1,142,491	-	9,311,490	8,104,398	18,558,379
Surplus for the year	-	-	-	755,710	755,710
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	755,710	755,710
Transfer between reserves	-	400,000	-	(400,000)	-
As 31 December 2020	1,142,491	400,000	9,311,490	8,460,108	19,314,089
At 1 January 2021	1,142,491	400,000	9,311,490	8,460,108	19,314,089
Surplus for the year	-	-	-	1,424,935	1,424,935
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,424,935	1,424,935
Transfer between reserves	-	400,000	-	(400,000)	-
As 31 December 2021	1,142,491	800,000	9,311,490	9,485,043	20,739,024

The profit and loss account represents accumulated comprehensive profits for the year and prior periods.

The notes on pages 16 to 27 form part of these financial statements.

STATEMENT OF CASH FLOWS
Financial Year Ended 31 December 2021

	Notes	2021 €	2020 €
Net cash generated from operating activities	16	154,692	5,715
Cash flow from investing activities			
Purchase of tangible fixed assets		(1,311,877)	(2,356,396)
Sale of investments		261,551	107,544
Sale/(Purchase) of investments		500,000	(1,600,000)
Grants received		367,713	2,244,400
Loans received		-	1,168,000
Net gain on investments		(261,551)	(107,544)
Capital paid on loans		(38,889)	(26,371)
Interest paid on loans		(35,919)	(24,944)
Cash outflow from investing activities		(518,972)	(595,311)
Net changes in cash and cash equivalents		(364,280)	(589,596)
Cash and cash equivalents at the beginning of the year		622,967	1,212,563
Cash and cash equivalents at the end of the year	17	258,687	622,967

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Saint John of God Housing Association clg is a company incorporated under the Companies Acts, limited by guarantee and not having a share capital, registered number 426952. The objectives of the Company are charitable in nature with established charitable tax exemption (CHY 18279) and charity registered number 2069834.

2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014. The entity financial statements comply with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Housing SORP 2014 is not yet mandatory in the Republic of Ireland and the Irish Charities Regulator has not yet prescribed accounting regulations for Irish Charities. In the absence of such prescriptive guidance, this board has adopted many of the recommendations of the Housing SORP 2014 as it is considered best practice.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the Company's financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

(a) Basis of preparation

The entity financial statements have been prepared under the historical cost convention as modified by the measurement of certain fixed assets at fair value. The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

(b) Reporting currency

The financial statements are expressed in Euro (€).

(c) Going concern

The Company meets its day-to-day working capital requirements through its cash reserves. At the balance sheet date the Company had cash reserves of €259k and current investments of €3.16m. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, and having considered in detail the potential ongoing risks and impacts of the Coronavirus pandemic, continue to show that the company should be able to operate within the level of its current cash reserves. The Directors are confident that adequate support will be made available for the Company to continue operations next year and into the future. The Company therefore continues to adopt the going concern basis in preparing company financial statements.

(d) Funds

All transactions of the organisation have been recorded and reported as income into or expenditure from funds which are designated as "restricted", "endowment" or "unrestricted".

Restricted funds

Income is treated as restricted where the income may only be used for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(d) Funds – continued

Unrestricted funds

Unrestricted funds represent funds which are expendable at the discretion of the company in the furtherance of the objects of the Company. Such funds are held to finance both working capital and capital investment.

Endowment funds

Endowment funds are a permanent fund whereby the initial capital amount invested will not be accessed but rather the return on the initial investment will provide funding or access to fixed assets on an annual basis. The properties transferred from Hospitaller Order of Saint John of God West European Province are considered to be restricted endowment funds.

The balance on each restricted fund at the end of the year represents the asset held by the organisation for particular purposes specified by the donors. The balance of the unrestricted fund at the end of the year represents the assets held by the organisation for general use in furtherance of its work. Endowment funds represent amounts held for investment or specific charitable purpose. Income from these principal amounts will either be (a) unrestricted and used for general purposes, or (b) restricted by the donor or by the Board.

Sinking Fund

The Board reviewed and changed its policy on Reserves following the implementation of FRS 102. The Company created a Sinking Fund reserve in 2020 and one years anticipated average annual maintenance spend was transferred to that reserve.

The reserve will facilitate the Company in maintaining properties: it will fund the planned maintenance programme to maintain properties to a high standard and meet the cost of the long-term refurbishment of the properties.

The budgets and cash projections prepared by SJOGHA indicate that an annual average expenditure of around €400k over the next five years, increasing to an average of €500k per annum thereafter, is required to maintain its current housing stock appropriately and in a manner which seeks to prolong the useful life of the housing assets and to ensure that they are in good lettable condition for the long term. Unrestricted reserves include €3.42m of unrestricted cash and liquid investments which are available to fulfil that requirement for the foreseeable future.

In 2011 the Board agreed to establish a Development Fund from rental income for the purpose of meeting the cost of future major purchases. This fund has been kept at 2020 level and is seen as sufficient to fund major purchases.

(e) Incoming resources

Incoming resources are included in the Statement of Financial Position when the Company is entitled to the income, it is virtually certain that it will be received and the income can be quantified with reasonable certainty. Income is shown gross before deduction of associated costs. No amounts are included for services donated by volunteers.

Rental income

Rental income, including rental accommodation scheme supplement arising on the rental of properties held by the Company, is recognised as the rental income falls due.

Government grants

Capital grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected life of the mortgage, which ranges between 30 and 50 years. Grants towards revenue expenditure are released to the statement of comprehensive income as the related expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(e) Incoming Resources- continued

Interest income

Interest income is recognised as it is earned.

(f) Resources expended

Expenditure is recognised on an accruals basis.

(g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or fair value less accumulated depreciation and accumulated impairment loss. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use. No interest costs or fixtures and fittings were capitalised in the current year. Properties under the course of construction are stated at cost.

(h) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset systematically over its expected useful life, as follows:

Buildings (apartment and housing properties)	30 to 50 years
Land	Not depreciated
Fixtures and fittings	10 years

No depreciation is provided on properties under the course of construction.

(i) Financial instruments

The Company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, other debtors, cash and cash equivalents are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Other debtors, cash, and cash equivalents are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year, financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired, an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(i) Financial instruments continued

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, and payment to related parties which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

(j) **Capital Assistance Scheme**

Mortgage loans received under the Capital Assistance Scheme (CAS) for the purchase of properties are accounted for as performance-based loans, as the mortgage contracts criteria are not considered to be met until the term of the mortgage has expired. Therefore, they are amortised to the Statement of Comprehensive Income over the period of the mortgage. The terms of the Scheme provide that repayment and interest due from the approved housing body may be fully waived, provided the approved housing body continues to comply with the terms and conditions of the scheme and the mortgage deed contract signed with the local authority.

(k) **Investments**

Investments are stated at market value. Realised and unrealised gains and losses on investments are included in the Statement of Comprehensive Income.

The value of financial instruments traded in active markets (such as publically traded equities) is based on quoted market prices at the statement of financial position date. The market valuations are provided to the investment advisors by a third-party pricing source. The value of the remaining financial instruments that are not traded in an active market is the lower of:

- (a) the valuation as determined by the investment advisors using valuations techniques, or
- (b) the estimated recoverable amount as determined by the Directors.

(l) **Taxation**

The Company is a not-for-profit organisation with charitable tax status and is exempt from corporation tax.

(m) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost. Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

(n) **Provisions and contingencies**

(i) *Provisions*

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(n) Provisions and contingencies- continued

(ii) *Contingencies*

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the Company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. 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 assets and liabilities within the next financial year are addressed below.

(i) *Impairment of debtors*

The Directors make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the Directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor. See note 12 for the net carrying amount of the debtors and the impairment loss recognised in the financial year.

(ii) *Fair value of properties transferred*

The gift of a property was completed on 24 March 2021.

The fixed asset was valued at fair value by Churches Estate agents as €700,000, and continues to be held at that valuation in the financial statements-see note 11.

Property valuations and the assumptions used to arrive at such valuations are by their nature judgemental.

(iii) *Tangible fixed assets depreciation*

Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Rental Income	2021	2020
	€	€
Analysis of rental income by category		
Rental income from tenants	789,695	797,508
Rental accommodation scheme supplement	574,928	569,627
	<u>1,364,623</u>	<u>1,367,135</u>
All turnover arose in Ireland.		
6 Other income	2021	2020
	€	€
Amortisation of capital grants	1,338,006	1,321,190
Payment and availability grant	219,570	252,724
Rent and other income	-	-
	<u>1,557,576</u>	<u>1,573,914</u>
Donations	2021	2020
	€	€
Donations	<u>700,000</u>	-
7 Operating expenditure	2021	2020
	€	€
The following operating expenses have been recognised:		
Staff costs	446,028	490,918
Depreciation	846,242	808,996
Repairs and Maintenance of property	738,190	358,906
Legal fees	10,210	96,611
Service charges	66,811	118,414
ICT costs	45,884	32,015
Admin Support	4,848	19,887
Shared Services contribution	38,760	46,027
Travel and Subsistence	8,516	9,493
Sundry Costs	20,953	23,010
Loan interest and charges	52,050	41,490
Facility costs	52,820	47,746
Insurance	28,316	38,592
Professional fees	99,187	160,788
	<u>2,458,815</u>	<u>2,292,893</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Employees and remuneration	2021 €	2020 €
Staff costs comprise:		
Salaries	384,558	442,016
Defined contribution pension scheme	18,983	10,719
Employer's PRSI contribution	42,487	38,183
	<u>446,028</u>	<u>490,918</u>

Includes termination benefits to staff of €Nil (2020: €90000)

The average number of employees employed by the Company during the year was 7 (2020:6).

The company joined the Saint John of God Hospital CLG defined contribution pension plan in January 2020.

Salary banding for all employees earning over €70,000 (including salaries, performance-related pay and benefits in kind but excluding pension contributions paid by the employer and any termination payments)

	2021 Number	2020 Number
€70,000 to €80,000	2	1
€80,000 to €90,000	0	0
€90,000 to €100,000	0	0

(i) *Directors/trustees*

Trustees received no remuneration (2020: €nil) or expenses (2020: €nil) during the reporting year.

There were no loans advanced to Directors/Trustees during the year and no loans outstanding at 31 December 2021 (2020: none).

(ii) *Key management compensation*

The key management personnel of SJOGHA have been identified as the Directors (of whom none is appointed to any salaried office or position within the company), and the senior management team (4 staff members) (2020: 4). The total compensation paid to these members of staff in 2021 was €304,710 (2020: €196,770) and this includes salary and pension contributions. This does not include professional fees of €41,652 (2020: €103,725) paid to an external consultant who acted in the role of CEO from August 2020 to April 2021. These professional fees are included in the professional fees costs line in note 7.

The Interim CEO received total remuneration including salary and termination benefits of Nil in 2021 (2020: €152,199).

The €4,848 (2020: €19,887) management charge from Saint John of God Community Services clg is in relation to the re-charge of salaries. The re-charge is based on an hourly rate to reflect the input of Saint John of God Community Services clg staff. The hourly rate is applied to the hours spent dealing with tenants to compute the total charge. The hourly rate is a blended rate which is intended to cover the varying rates attributable to different grades and types of Saint John of God Community Services clg staff who contribute time. This cost is included in the 'Admin support' costs line in note 7.

SJOGHA has entered into a Service Level Agreement with St John of God Hospital Services Group (HSG). The Shared Services contribution of €38,760, (2020: €46,027) included contributions for the ICT, secretarial, HSG executive office and HR functions and is included in the 'Shared Services contribution' line in note 7.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Operating surplus	2021 €	2020 €
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The operating surplus for the year is stated after charging:

Directors' remuneration for services as Directors	-	-
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10 Taxation

The Company has been granted charitable tax exemption by the Revenue Commissioners and is recognised as a charity under Section 207 of the Tax Consolidation Act 1997, registered number CHY 18279.

11 Tangible fixed assets	Completed €	Total €
Financial year ended 31 December 2020		
Opening carrying amount	38,131,366	38,131,366
Additions	2,356,396	2,356,396
Depreciation	(808,996)	(808,996)
Carrying amount	<u>39,678,766</u>	<u>39,678,766</u>
As at 31 December 2020		
Cost or deemed cost	43,119,974	43,119,974
Accumulated depreciation and impairment	(3,441,208)	(3,441,208)
Carrying amount	<u>39,678,766</u>	<u>39,678,766</u>
	Completed €	Total €
Financial year ended 31 December 2021		
Opening carrying amount	39,678,766	39,678,766
Additions	1,311,877	1,311,877
Donation	700,000	700,000
Depreciation	(846,242)	(846,242)
Carrying amount	<u>40,844,401</u>	<u>40,844,401</u>
As at 31 December 2021		
Cost or deemed cost	45,131,851	45,131,851
Accumulated depreciation and impairment	(4,287,450)	(4,287,450)
Carrying amount	<u>40,844,401</u>	<u>40,844,401</u>

The Company received a donation of a property during 2021 with a value of €700,000.

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Debtors	2021 €	2020 €
Debtors	24,617	14,708
Other debtors, prepayments, and accrued income	24,303	7,738
	<u>48,920</u>	<u>22,446</u>

Trade debtors are after a provision for bad debts of €nil (2020: €nil).
All amounts are receivable within one year.

13 Current investments

Current investments represent the market value of a portfolio of gilts, equities and other investments, and the movements were as follows:

	2021 €	2020 €
At 1 January	3,394,873	1,687,319
(Sold)/Bought in year	(500,000)	1,600,000
Net gains on investments	317,752	148,370
Fees and Charges	(56,201)	(40,816)
At 31 December	<u>3,156,424</u>	<u>3,394,873</u>

	2021 €	2020 €
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Analysis of investment by class of investment are as follows:

Cash	157,968	240,906
Government bonds	645,137	662,159
Corporate and other bonds	873,630	864,274
International equity	772,887	901,005
Absolute return	342,229	388,903
Property	95,959	93,414
Emerging market equity	50,618	36,988
Other alternatives	36,000	35,228
European equity	75,322	69,091
Commodities	106,674	102,905
	<u>3,156,424</u>	<u>3,394,873</u>

Basis of valuation

In valuing exchange-traded equities, depository receipts, investment trusts and warrants, the prices used generally comprise of the mid-price (derived from the closing bid and ask/offer prices), the closing bid or the last traded price for that instrument on the relevant stock exchange.

Fixed interest securities such as government and corporate bonds are priced, exclusive of accrued interest (also known as the 'clean price'). This means that the price shown will not include any interest accrued. The clean price becomes equal to the market price immediately following a coupon payment.

Investments in unit funds or unquoted investment funds are valued at the prices provided by the third party fund administrator whose role it is to calculate the net asset value. Valuations reflect the most recent net asset value per unit. The securities within the funds are calculated at market price, and factors that need to be considered, for example, a liquidity discount, are applied to securities without sufficient liquidity to meet the market price.

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Creditors: amounts falling due within one year	2021	2020
	€	€
Accruals	325,980	238,463
Other creditors	258,393	185,202
Deferred - CAS loans	1,379,036	1,348,379
Amounts due to related parties	59,479	60,055
	<u>2,022,888</u>	<u>1,832,099</u>
15 Creditors: amounts falling due after more than one year	2021	2020
	€	€
Deferred income – Capital Assistance Scheme (CAS) loans	<u>19,392,962</u>	<u>20,393,912</u>
Opening	20,393,912	19,554,194
Received in year	367,713	2,244,400
Amortised in year	(1,338,006)	(1,321,190)
Net Transfer to less than one year Deferred income - CAS loans	<u>(30,657)</u>	<u>(83,492)</u>
	19,392,962	20,393,912
Capital Advance Leasing Facility (CALF) loan	684,229	670,735
Housing Finance Agency (HFA) loan	<u>1,469,329</u>	<u>1,508,217</u>
	<u>21,546,520</u>	<u>22,572,864</u>

The Capital Assistance Scheme provides primarily for the payment of a mortgage loan in respect of each sanctioned rental housing project by the Department of Housing, Local Government and Heritage to a housing authority following its approval of a housing project under the scheme. The housing authority then lends this money, typically in the form of a 30-year annuity mortgage loan, to the approved housing body towards the approved costs it incurs in completing the dwellings. The terms of the Scheme provide that repayment and interest due from the approved housing body may be fully waived, provided the approved housing body continues to comply with the terms and conditions of the Scheme and the mortgage deed contract signed with the local authority.

16 Net cash generated from operating activities	2021	2020
	€	€
Operating surplus for the year	463,384	648,156
Amortisation of loans	(1,338,006)	(1,321,190)
Depreciation of tangible fixed assets	846,242	808,996
Net Transfer to less than one year Deferred income - CAS loans	(30,657)	(83,492)
Interest accrued on loans	49,429	39,450
(Increase)/decrease in debtors	(26,474)	50,497
Increase/(decrease) in creditors	190,774	(136,702)
Cash inflow from operating activities	<u>154,692</u>	<u>5,715</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Analysis of changes in net cash	2021 €	2020 €
Opening balance	622,967	1,212,563
Net cash outflow	(364,280)	(589,596)
Closing balance	<u>258,687</u>	<u>622,967</u>

18 Related party items

At the end of the year, Saint John of God Housing Association clg had the following balances with related parties.

	2021 €	2020 €
Amounts (receivable from)/payable to related parties and affiliates:		
Saint John of God Community Services clg	4,241	(21,856)
Saint John of God Hospitaller Services Group	18,729	7,095
Saint John of God Hospital	3,646	6,590
Hospitaller Order of Saint John of God West European Province	<u>32,863</u>	<u>68,226</u>
	<u>59,479</u>	<u>60,055</u>

Certain costs incurred in the running of the Company are shared with other entities within the Hospitaller Order Group and administered by Saint John of God Community Services clg. The Housing Association's portion of these costs amounted to €4,848 (2020: €19,887). Certain costs relating to tenancy support personnel funded by the HSE Service Reform Fund are incurred by the Saint John of God Housing Association clg and charged to Saint John of God Community Services clg. The costs in the year amounted to €65,317 (2020: €86,425).

Saint John of God Community Services clg is the group remitter for VAT. During the year €127,767 (2020: €41,575) was remitted on behalf of and reclaimed from Saint John of God Housing Association clg.

Certain costs incurred in the running of the Company are shared with other entities within the Hospitaller Order Group and administered by Saint John of God Hospitaller Services Group. The Housing Association's portion of these costs amounted to €74,916. (2020: €93,000). The Management charge of €74,916 (2020: €93,000) included contributions for the ICT, Secretarial, Data Protection, HSG Executive office and HR functions.

19 Contingent liabilities, commitments and guarantees

In 2015, 2016, 2017 and 2018 a number of assets transferred from West European Province to SJOGHA at a nominal consideration of €10, representing less than €1 per property transferred. The assets transferred related only to assets which had previously been grant funded by a grant awarding body, Capital Assistance Scheme (CAS) loans or capital donation. In advance of the transfer of the assets, management considered whether there were any related grants, loans or other obligations attaching to the various assets, which might impact on the future use of the assets within SJOGHA.

NOTES TO THE FINANCIAL STATEMENTS - continued

19 Contingent liabilities, commitments and guarantees - continued

A number of loans attaching to the fixed assets were transferred with the assets and are included as a liability in the balance sheet. In addition, certain of the assets transferred had grants attaching to them. There were some restrictions noted in relation to the grants, principally around the fact that a future sale of the asset within a specific time period would trigger an obligation to repay the grant to the funder. As part of the directions transferring the assets, it was agreed that SJOGHA would take over the obligation in relation to any future clawbacks arising as a result of a decision to sell the assets. These obligations are considered to be contingent liabilities and are therefore disclosed as same in this note to the financial statements.

The Company has issued a guarantee to secure the EFT Bank of Ireland facility of €550,000 (2020: €550,000).

Included within loans owned to credit institutions are amounts owing to the HFA and CALF of €2,153,558 (2020: €2,178,952). Housing loans provided by the HFA are secured by fixed charges on specific housing properties. The loans are subject to interest rates ranging from 2% to 3.25% (2020: ranging from 2% to 3.25%). The loans are due for repayment in monthly instalments ranging over a 30-year period.

The company is aware of the existence of correspondence in relation to safety issues in a property development in which it owns 27 units. The company is at a very early stage of investigating the matters concerned and identifying responsibility for the issues raised. At this stage it is too early to make any reasonable estimate of the likely cost of remediation if any or of the timing of any such cost, and on that basis this matter has been disclosed as a contingent liability.

20 Post balance sheet events

There were no significant events affecting the Company since year end.

21 Approval of financial statements

The financial statements were approved by the members of the Board of Directors on the 28 September 2022.