

Representing,
Promoting,
Developing,
Since 1973

—
Annual Report
2018



Co-operative
housing
Ireland



Contents

About Us	3
Chairperson's Report	4
Growing Co-operative Housing	7
Building Sustainable Co-operative Communities	8
Developing Co-operative Leadership	10
Raising Our Own Capacity	11
Leading the Co-operative Movement	13
Co-operative Identity, Values & Principles	14
Blueprint for a Co-operative Decade	15
Co-operative Board Members	16
Co-operative Management Team	18
Board of Management Report & Financial Statements	20



About us

Co-operative Housing Ireland is the national organisation representing, promoting and developing co-operative housing in Ireland. Since our foundation in 1973 we have provided over 5,700 homes through home-ownership, shared ownership and social rented co-operatives. With our membership of democratically controlled local co-operatives, we now manage more than 2,500 homes across Ireland as well as providing a network of childcare services in our communities.

As one of the leading national voices for co-operation in Ireland we collaborate with other co-operative organisations to promote our model. We are members of the Community and Voluntary Pillar of Social Partnership and participate in numerous forums on housing and social policy. Internationally, we are members of Housing Europe and the International Co-operative Alliance, including its sector groups; Co-operatives Europe and Co-operative Housing International.

Co-operative Housing Ireland is an Approved Housing Body under section 6 of the Housing (Miscellaneous Provisions) Act 1992. It is accountable to the Voluntary Regulation Code for Approved Housing Bodies and is regulated as a Tier 3 (larger) Approved Housing Body. The Society is a registered charity and has signed the Governance Code for voluntary and charitable organisations.

Chairperson's Report



With over 100,000 on social housing waiting lists and, at the time of writing, over 10,000 people in emergency homeless accommodation in Ireland, it is clear that the current housing crisis shows no signs of abating. In light of this, it was of great importance to Co-operative Housing Ireland to continue to provide high-quality co-operative housing to families throughout Ireland in 2018. In total, we delivered 245 homes during the year – a record number for the organisation. We were delighted to welcome these individuals and families into their new homes and new co-operative communities.

Despite the clear need for a focus on the output of housing in Ireland, it is also vitally important to us that a house represents more than just a roof over one's head – that our members feel a part of something bigger – a vibrant and sustainable co-operative community. With this in mind, we held our first ever 'Member Gathering' in May, for members from across Ireland.

We also collaborated on a number of events with several organisations that share our co-operative ethos and values during the year. Events held included a seminar on financing co-operative housing and a series of film screenings. Our members also continued to promote the co-operative principles in hosting a huge range of local events throughout 2018 including summer parties, Christmas parties, neighbours' days and estate clean-up days.

However, we are conscious of the need to provide adequate support to our members and to facilitate participation for all of our members. On this basis, we were happy to hold another round of our Board Training in 2018, providing members with skills in the areas of governance, finance, communications, leadership, strategy and housing policy.

In addition to our own work as an organisation, however, 2018 was a year of considerable change for the Approved Housing Body (AHB) sector in Ireland. One key aspect in this regard has been an increased focus on the regulation of the sector. While the Financial Standard and Assessment Framework was introduced in 2015, and the Governance Standard was launched in 2017, 2018 saw the introduction of the Performance Standard by the Regulation Office in the Housing Agency.

Orchard
Meadows

Banagher



Weaver's Wood

This Standard covers all aspects of the delivery of tenancy, housing management, asset management and other tenant-facing services by AHBs. We will ensure that the Performance Standard represents a blueprint for our work as an organisation, and that we continuously seek to improve and optimise our services for the benefit of our members. We also look forward to the implementation of statutory regulation of AHBs, which we believe will only strengthen our performance as a sector.

Undoubtedly, 2019 will bring further challenges, but, we hope, further opportunities. We wish to continue to increase our delivery of new homes across Ireland, while retaining an emphasis on the importance of co-operative living.

We look forward to continuing to work alongside Co-operative Housing Ireland members and staff throughout Ireland to achieve our goals.

On a personal note, I was honoured to have been appointed as Chairperson of the Board in November 2018, and I look forward to continuing to serve our members and the organisation in the year ahead.



Growing **co-operative** housing

Co-operative Housing Ireland has continued to expand in 2018. As well as 245 new homes in 2018 the organisation has built up a pipeline of new developments from 2018-2020, which will insure that we continue to expand nationally into the future.

Within the context of the current housing crisis, our core focus for 2018 was the delivery of quality co-operative housing in Ireland and the 245 new units in 2018 was an increase on our figure of 190 units in 2017. Over the next 5 years we hope to deliver 1,500 units across the country. A key development event for us in September was the official opening of a 33-unit A-rated development in Clonsilla, Dublin – Weaver’s Wood. The event, which was attended by Minister of State for Housing, Damien English and the Mayor of Fingal, Anthony Lavin, as well as a range of other stakeholders, represented a great opportunity for our new members to get together to celebrate moving into their new homes and communities.

We were also really proud to deliver units in Cork, Limerick, Tipperary, Clare, Offaly, Carlow, Wexford, Roscommon and Galway throughout the year.

We also continue to work with a number of Local Authorities in providing refugee housing in Offaly, Carlow and Kilkenny, having delivered 30 homes becoming in 2018. We have also agreed a number of strategic partnerships for the provision of new homes in Dublin, Kildare and Wicklow in 2019 and beyond.

Building sustainable **co-operative** communities

The Society supports its primary strategic objective of growing co-operative housing by building strong communities that are sustainable for the longer term. The Board's Development Sub-Committee continue to rigorously scrutinise development proposals to ensure that they meet the highest quality standards. The Society works closely with local authorities, the Department of Housing, Planning and Local Government and funders to ensure that proposed developments meet housing need for the longer term.

A core element of the Society's work is to prudently manage our existing housing stock. To this end a verified Stock Condition Survey was conducted in 2018. This information will be used to inform our Asset Management Strategy and future upgrade decisions. A pilot project in South Dublin saw 6 homes receive an energy upgrade. We hope to extend this type of upgrade to more homes as funds become available.

The past year saw a range of local member engagement and activity across our co-operative communities. Members of Dublin South in Kilcronan, Clondalkin officially launched their community garden in July. The garden, which was opened by South Dublin County Mayor Mark Ward, was praised by local newspaper, The Echo, for its bee and child-friendly credentials. Dublin South and South Leinster were also both successful in securing funding through the Community Enhancement Scheme,

operated by the Local Authorities. The funding will go towards the vegetable and herb garden in Kilcronan and the updating of a play area in Fruithill. The summer of 2018 also provided plenty of opportunities for members across the country to get together and host a range of events.

Dublin South Co-operative Housing Society members held their annual Street Party in Kilcronan in August. In the same month, members of Dublin West Co-operative Housing Society in Avondale held a Neighbours' Day, complete with face-painting and other activities, a BBQ and music. A summer party was also held down south in The Tannery, Bandon, which boasted sports activities, a barbeque and an ice cream van. To bring it all to a close, an End of Summer Party was held in Fruithill Manor on September 16th.



The Tannery -
Family Fun Day



Fruithill End of Summer Party



Hunter's Green Clean-up

The well-attended event was a roaring success with members enjoying terrific weather and two of our very newest co-operators (new-borns!). South Leinster also held a Christmas event in December - a visit to Santa's Enchanted Castle in Enniscorthy Castle. It was a great chance for our members to meet a few new faces and of course, to meet the man himself - Santa! Dublin North also held a Christmas event in the Newtown Communal Room on December 15th, complete with Santa and his helpers. Santa also made the trip to The Tannery, Bandon, to visit members of our Munster Co-operative.

Our Childcare team also had a jam-packed year. In February, our Island Key team participated in Love Education. Love Education is a showcase of the positive contributions of preschool schools and services to education in the North East Inner City, highlighting 'learning stories', or the story of how children learn and develop through play in childcare settings. The team presented a showcase of their very own learning stories in National College of

Ireland (NCI), alongside the children from the Pre-School and Afterschool services and their parents.

Our Childcare team were also proud to partner with FoodCloud in 2018, a social enterprise that connects businesses with surplus food to charities. Each week, two of our childcare services receive a call from their local Aldi or Lidl store detailing donations available. Donations can range from a wide variety of perishable and non-perishable goods including fruit, vegetables, meat, cereal, detergent and toilet rolls.

Our collaboration with FoodCloud not only allows us to reduce shopping costs within our services but also means we can help families who are struggling to make ends meet. We're excited to continue this partnership in 2019. In May, the St. Finian's Childcare Service in Lucan held a Grandparent's Day, celebrating older people as part of their theme of the week at the end of May. Ensuring that our Childcare services are fully embedded within their community is something that is essential to what we're all about.

Developing **co-operative** leadership

Continued efforts were made in 2018 to ensure the highest standards of governance and leadership within the Board of Co-operative Housing Ireland, key elements in ensuring the proper operation of the Association's activities.

Ensuring our Board members feel fully equipped to act as leaders within their communities is vital to their success as representatives, as well as to the success of Co-operative Housing Ireland as a whole. On this basis, an intensive Board training and certification programme was devised in partnership with the and The Wheel and rolled out in 2017. This programme was also provided to the management committees of affiliated societies. In 2018, as part of a Board succession strategy, the training programme was also be offered to all co-operative members who wish to take up leadership positions at local or national board level.

A number of other events were held in 2018, including our first ever 'Member Gathering', an event for members from across Ireland. The event, which was held in Airfield Estate (Ireland's only urban organic farm!) in Dundrum offered our members the opportunity to get together and share their experiences in involving other members in events and activities in their local co-operatives.

Working with other organisations that share our values and ethos is also important to us, and thus a number of collaborative events were held in 2018. In October, we held a Co-operative Housing Finance Seminar, alongside Community Finance Ireland, a charity that lends to non-profit and community organisations. The event, which was held in the Carmelite Centre in Dublin, was well attended by individuals and groups from right across Ireland.

We also held a number of screenings of the film 'A Silent Transformation'. 'A Silent Transformation' details the role and impact of co-operatives in Canada, a country that is home to over 9,000 co-operatives, credit unions, and mutuals and 18 million co-operative members. The screening in Cork was held in October in conjunction with the Centre for Co-operative Studies in University College Cork and was followed by a lively panel discussion. In Dublin, the screening was held in November, in partnership with the Dublin Food Co-op and the DCU Sustainable Living Society. The event was also a great success, again featuring an interesting panel discussion. We're excited for more collaboration in 2019.

Raising **our own** capacity

The Society has ambitious plans for growth over the period of the strategy 2019 - 2024 and has committed to ensuring that it has capacity to delivering on its objectives. Growth of our housing stock is supported through access to loan finance from the Housing Finance Agency and the European Investment Bank, alongside private lenders.

In 2018, we grew to a team of over 75 highly qualified, professional staff. The majority of our staff work in front end operations in 9 office locations in Ireland, covering properties in many counties, alongside 3 childcare centres.

Our teams consist of:

- Housing Service: comprising housing managers, housing officers, technical managers, technical officers, repairs operatives and caretakers who are dedicated to maintaining the quality of our housing
- New Business: increasing housing provision by creating new opportunities in collaboration with external partners across the country
- Contact Centre: for providing service to our members
- Childcare: providing for childcare needs in 3 locations in Dublin
- Management: Head of Finance, Head of New Business, Head of Customer Services and Head of Corporate Services.

In addition, a significant amount of work has been carried out in 2018 in the areas of the redesign of the staff delivery model and IT systems, in order to support the business going forward.

We also implemented a new suite of IT systems during 2018. These systems were selected following a rigorous procurement process, and is a significant investment by CHI.

This new IT suite of systems will:

- Greatly improve productivity for our housing and finance staff
- Provide a single source of all housing and financial information (images & data)
- Allow for remote access/update to systems when staff are out of office
- Increase service to our Members, through self-service capability
- Provide better financial efficiency/capability/reporting
- Deliver easier compliance and court requirements.



Leading the **co-operative** movement

Co-operative Housing Ireland continues to play a leading role as a voice for the housing sector and the co-operative movement. The Society acted as Secretariat within the Community and Voluntary Pillar in 2018 and continues to sit on the housing delivery taskforces for Dublin and Cork.

The Society is also represented on the National Homeless Consultative Committee, the Housing Strategic Policy Committees of South Dublin and Dun Laoghaire Rathdown County Councils and Dublin City's Local Community Development Committee.

The Society continued to offer support for the wider co-operative movement over the course of the year. Support was provided to an increasing number of local, self-help co-operatives across Ireland during 2018, by way of meetings with individuals and groups and the holding of a seminar on financing co-operative housing in October, in partnership with Community Finance Ireland.

The Society also continues to work closely with other Approved Housing Bodies to advance our shared interests in responding to the housing crisis. The Housing Alliance, a grouping of 5 other large housing providers (Clúid, Oaklee, Respond, Circle, Tuath), formed in 2016 with a view to advancing common goals, continues to meet and share knowledge and expertise. It is currently comprised of several subcommittees including a CEO Group, a Finance Group, a Human Resources Group and two working groups on affordable housing and AHB reclassification. Our membership of the Housing Alliance has been proven to be invaluable in our work within the AHB sector in Ireland.

Throughout the year, CHI has also continued to engage with political groupings, including participation at several meetings with elected representatives on matters relating to housing and the wider co-operative movement. A meeting with the Minister for Housing, Planning and Local Government, Eoghan Murphy, took place in January 2018, with AHB reclassification high on the agenda. CHI also took a leading role in the AHB Summit which ran in September 2018.

Internationally, we remain closely engaged with Housing Europe in Brussels. Housing Europe are briefed on and are carrying out activities in relation to the reclassification issue, alongside other key areas of interest for the housing sector across Europe, including energy efficiency and sustainability. CHI is also represented on the Board of Co-operative Housing International the housing sectoral body of the International Co-operative Alliance (ICA).

Co-operative identity, values and principles

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.

In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

Voluntary and Open Membership Co-operatives are voluntary organisations, open to anyone able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions.

Member Economic Participation Members contribute equitably to, and democratically control, the capital of their co-operative.

Autonomy and Independence Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, Training and Information Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

Co-operation among Co-operatives Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Concern for Community Co-operatives work for the sustainable development of their communities through policies approved by their members.

Blueprint for a **co-operative** decade

The Blueprint for a Co-operative Decade was adopted by the General Assembly of the International Co-operative Alliance (the ICA) in November 2012. The ambitious plan in this Blueprint - the “2020 vision” - is for the co-operative form of business by 2020 to become:

- The acknowledged leader in economic, social and environmental sustainability
- The model preferred by people
- The fastest growing form of enterprise

The 2020 vision seeks to build on the achievements of the International Year of Co-operatives and the resilience demonstrated by the co-operative movement since the global financial crisis. By pursuing the strategy outlined in this Blueprint, we aim to make 2011-2020 a Co-operative Decade of confident growth.

The United Nations International Year of Co-operatives in 2012 provided a powerful focal point for the sector. It heightened its sense of shared purpose, illustrated by the range of activities and celebrations of the International Year, by the number of international conferences and summits held around the world with agreed outcome declarations, as well as the widespread take-up of the 2012 International Year logo. It raised the profile of co-operatives beyond the limits of the sector itself, in civil society and amongst governmental and intergovernmental bodies.

These are significant achievements, but they need to be seen in the context of the dominant emerging trends that are likely to shape our politics, societies and economies for the foreseeable future. Some of the most crucial global trends are:

- Environmental degradation and resource depletion
- An unstable financial sector
- Increasing inequality
- A growing global governance gap
- A seemingly disenfranchised younger generation
- A loss of trust in political and economic organisations

Co-operatives already make a significant contribution towards alleviating these pressing global problems. However, with appropriate support and greater understanding and recognition, they could contribute much more. The challenge now is for the ICA, national bodies, sector groups, co-operative societies and individual members to take this Blueprint forward into implementation. Co-operative Housing Ireland is committed to leading on the implementation of the Blueprint in Ireland.

Co-operative Board Members



Pearse O'Shiel
Chairperson



Enda Egan
Vice-Chairperson



Lisa Kinsella-Colman



John Power



Carol Tancock



Edmund O'Shea



Claire Ryan



Oliver O'Loughlin



Kim Olin



Kim Byrne



Taoufik Hammami



Frances Kawala

Co-operative Management Team



Kieron Brennan
CEO



Padraic Clancy
Head of New Business



Mark Bolger
Head of Finance



Pat Moyne
Head of Corporate
Services



Catherine O'Brien
Head of Customer
Services



Board of Management Report & Financial Statements

Contents

Board of management and other information	21
Board of management report	22
Statement of Board of management responsibilities	28
Independent auditor's report to the members of Co-operative Housing Ireland Society Limited	29
Income and expenditure account	32
Statement of other comprehensive income	33
Balance sheet	34
Statement of changes in equity	35
Cash flow statement	36
Notes forming part of the financial statements	38

Board of Management and other information

Board of Management

Pearse O'Sheil (Chairperson)

Enda Egan

Kim Olin

John Power

Carol Tancock

Edmund O'Shea

Taoufik Hammami

Lisa Kinsella Colman

Frances Kawala

Kim Byrne

Oliver O'Loughlin

Claire Ryan

Secretary

Pat Moyne

Registered Office

Co-operative House
33 Lower Baggot Street
Dublin 2
Ireland

Auditor

KPMG
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Bankers

Bank of Ireland
St. Stephen's Green
Dublin 2
Ireland

Solicitors

Gleeson McGrath Baldwin
29 Anglesea Street
Dublin 2
Ireland

Certificate Number

3174R

Charity Number

CHY6522

Board of Management Report

The committee of management, (“the Board of management” or “the Board”), present their report and financial statements for Co-operative Housing Ireland Society Limited for the year ended 31 December 2018.

About Co-operative Housing Ireland Society Limited

The Society was formed in 1973 under the Industrial and Provident Societies Acts (Reg. No. 3174R) and is the national organisation representing, promoting, and developing the co-operative housing movement. The Society is jointly owned by its affiliated co-operative housing societies. It is a non-profit organisation whose objectives are charitable in nature and has charitable status (CHY 6522).

The Society, in addition to its national representative role, is actively involved in the organisation, planning and financing of new co-operative housing developments, the promotion of good governance in the management of co-operative housing societies and the delivery of quality housing and associated services for members and their communities.

Mission statement

The Society’s mission statement is to lead the development of social, economic and environmental sustainability in Ireland through co-operative effort and through the provision of co-operative housing in particular.

Results and operational review for the year

The results for the year as set out in page 11 are in line with budgetary expectations. An increase in operating surplus compared to 2017 is primarily due to increase in additional units during the year and additional funding costs as a direct result of Co-operative Housing Ireland’s development activities. We opened 245 (2017: 190) units in the year 2018. We maintained our high occupancy rate at 96.35% (2017: 97.53%) with rent loss due to voids at 0.92% or €60,118 (2017: 0.94% or €53,296).

There was an operating surplus for the year of €4,916,795 (2017: €2,346,325) and a net surplus of €2,669,764 (2017: €1,283,121).

A commentary on developments completed during the year is available at ‘Growing Co-operative Housing’ in the Society’s annual report for the year ended 31 December 2018. A detailed breakdown of new units provided during the year is provided below:

New Units Provided In 2018		
AREA	ADDRESS	UNITS
Dublin	Weavers Wood, Dublin	33
	Orchard Lawns, Dublin	36
	Richmond Road, Dublin	39
Leinster	The Granaries, Offaly	14
	An Corran, Co. Offaly	5
	Offaly refugee housing	8
	Carlow refugee housing	16
	27 Hunters Green, Wexford	1
	Castlehyde, Kilkenny	4
Munster	Castlebridge, Ballyboggan, Wexford	10
	Downview, Cork	6
	Cois Teampaill, Limerick	13
	Parkland Apts., Tralee	14
	Ashgrove, Tipperary	9
	Fedamore, Limerick	4
	Roslevan, Clare	3

New Units Provided In 2018		
AREA	ADDRESS	UNITS
Connaught		
	St Ciaran's Park, Roscommon	4
	Monksland, Roscommon	2
	Cnoc Na Si, Portumna, Galway	10
	Ballisodare, Sligo	14
Total		245

Risk and uncertainties

The Board is aware of the risks to which the society is exposed, in particular those related to its operations and the finances. The Society regularly reviews all organisational risks and works with the Board to review and rank all significant risks and to identify mitigation measures for them. The risk review methodology has been embedded throughout the Society and informs areas of work such as childcare, communications and new development opportunities. A completely revised risk map and matrix were presented to the audit, assurance and finance sub-committee in December 2017 and were recommended to the Board for adoption early in 2018.

Board of Management Report Continued

Corporate governance

The Board is committed to maintaining the highest standard of corporate governance and they believe that this is a key element in ensuring the proper operation of the Society's activities. They are responsible for providing leadership, developing strategy and ensuring control. It currently comprises eleven non-executive members. The Board is provided with regular financial and operational information. It meets regularly as required and met in full 7 times in 2018. The role of Chairperson and Chief Executive Officer are separate and the Board is independent of the management of the Society. The Board is committed to achieving best practice in all the Society's operations and recognises its responsibility to ensure that the Society has appropriate systems of internal control. The Board also has 3 sub-committees that meet on a regular basis: audit, assurance and finance, customer services and development and growth.

Co-operative Housing Ireland is subscribed to the Voluntary Regulatory Code for Approved Housing Bodies and participates in financial returns to the Housing Regulator. The Housing Regulator has also issued a new Governance Code for AHBs. We have made advancement to be fully compliant with that code and are in the process of implementing remaining changes to become fully compliant during 2019.

We comply with the Governance Code for Community, Voluntary and Charitable Organisations in Ireland. We reviewed our organisation's compliance with the principles in the Code on 21 April 2016. We based this review on an assessment of our organisational practice against the recommended actions for each principle. Our review sets out

actions and completion dates for any issues that the assessment identifies need to be addressed. The Society is registered with the Charities Regulatory Authority (No. 20012182) and with the Regulator of Lobbying, and submits regular returns.

As mentioned above there are three sub-committees of the Board:

Audit, assurance and finance sub-committee

The audit, assurance and finance sub-committee's primary role is to contribute to the Board's overall process for ensuring that an effective internal control system is maintained. The Board sets the framework, and retains overall responsibility for, all aspects of internal control.

The role of the sub-committee includes: overseeing the production of a draft annual budget to be presented to the Board for approval; monitoring the integrity of the financial statements; overseeing the treasury strategy; overseeing the embedding and maintenance of an effective system of risk management; oversight of internal audit; reporting to the Board on the annual statutory audit.

Development and growth sub-committee

The sub-committee provides detailed scrutiny of all aspects of developing the organisation's business, giving advice and making recommendations to the Board on all aspects of growth and development. The sub-committee has a strategy development role on behalf of the Board for forward growth and major new business. The sub-committee also acts as a sounding Board for long-term development planning and provides advice on best practice in the areas of planning, design, access, and sustainability.

Customer services sub-committee

The role of the customer services sub-committee is to provide direction and oversight on the Society's work in engaging customers, including their wider community, and providing services that meet their needs and improves the customer experience. The sub-committee helps to ensure that efficient and effective services are provided to meet agreed strategic and corporate outcomes, objectives and values and that mitigation action is taken to address under performance where necessary. It has a particular focus on customer and community insight and ensuring that the Society learns from and is responsive to customer and community feedback.

Budget control

A detailed budget is prepared in line with the strategic plan and it is reviewed by the Audit, Assurance and Finance sub-committee and further reviewed and approved by the Board of management. Actual results and outcomes are compared against the budget to ensure alignment with plan, tight budgetary control, and value for money.

Management and staff

We acknowledge with appreciation the committed work of our staff and volunteers. Our success and achievements are due to their dedication and tremendous contribution.

Organisational development

A new strategic plan for the organisation was developed over the course of 2014 in a process that was led by the Board and included consultation with staff, members, and external stakeholders. The strategy was launched early in 2015, covers the period 2015-2020. The secretary reports regularly to the Board on progress on the implementation of the strategy through the business planning process.

The Society's leading role in housing delivery was confirmed during the year by recertification for lending from the Housing Finance Agency.

Member relations

A programme of community development activities was supported throughout the year, led by the management committees of local co-operative societies.

The Society continued to revise and deliver its programme of Information and Familiarisation for new members to assist them in understanding co-operative housing and its place in the wider co-operative movement. Member feedback on these sessions is actively sought and analysed and used to inform future iterations of the programme.

Communications with members were sustained throughout the year through a programme of local member newsletters that shared information on activities on a local basis.

Board of Management Report Continued

Board of management changes

The following were the changes to the Board of management during the year between the approval of the 31 December 2017 financial statements and the approval of the 31 December 2018 financial statements:

Board of Management changes	
NAME	DATE ELECTED
Frances Kawala	29th September 2018
Kim Byrne	29th September 2018
Lisa Kinsella-Colman	29th September 2018
Taoufik Hammami	29th September 2018
Pearse O'Sheil	29th September 2018
Claire Ryan	6th December 2018 (co-opted)
Oliver O'Loughlin	6th December 2018 (co-opted)
Enda Egan	6th December 2018 (re-co-opted)
Carol Tancock	6th December 2018 (re-co-opted)
Edmund O'Shea	6th December 2018 (re-co-opted)
NAME	DATE RETIREMENT / RESIGNATION
Jane Mullins	28th March 2018
James Deasy	28th March 2018
Mema Byrne	29th September 2018
Graham Lightfoot	29th September 2018
Noel Pocock	29th September 2018

Childcare

The Society continues to provide quality early years and afterschool care and education and parent supports in three locations.

- Island Key, East Wall, Dublin 3
- St Finian's, Lucan, Co Dublin
- Brookview, Tallaght, Dublin 24

Services are delivered using evidence-based programmes and quality frameworks including Aistear, Síolta and Highscope. The services are funded by the Department of Children and Youth Affairs and parental contributions. All three services were inspected by Pobal and passed for compliance with the funding schemes.

Health and safety

The well-being of the Society's employees is safeguarded through strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act, 2005 imposes certain requirements on employers and the Society has taken the necessary action to ensure compliance with the Act, including the adoption of safety statements for our buildings.

The Society has a comprehensive Health and Safety Statement that is regularly reviewed. Health and Safety training for staff is ongoing with training in first aid delivered to staff during the year as well as training for Buildings Officers in areas appropriate to their trades. A Health and Safety Committee comprising staff from across the organisation at all grades meets regularly to discuss the promotion of good Health and Safety practice.

Environment

The Society has a proactive approach to assisting all personnel to conduct the organisation's business in a manner that protects the environment, our members, customers and employees. It is compliant with relevant environmental legislation. The Society is currently involved in energy retrofitting in some co-operative developments through innovative partnerships with national and international agencies.

The Society encourages efficient use of energy, utilities and natural resources in all our offices and communities. Suppliers are paid by electronic means to reduce paper wastage and we avail of schemes such as toner cartridge and drum recycling.

Post balance sheet event

There were no significant events affecting the Society since the year-end.

Future developments

The Society continues to seek avenues to develop new co-operative housing across tenures throughout the country. The Society will actively expand the co-operative housing model across Ireland in response to housing needs. Expansion will be prioritised around existing CHI support structures, currently located in Dublin, Leinster, Munster & some parts of Connacht.

Dividends and retentions

The Society is precluded by its rules from paying dividends either as part of normal operations or on a distribution of its assets in the event of a winding up.

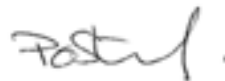
Statement of relevant audit information

The Board have taken all necessary steps to ensure that they have been made aware of all relevant audit information and confirm that, so far as management are aware, there is no relevant information of which the statutory auditors are unaware.

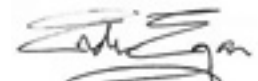
Auditors

KPMG, Chartered Accountants, were re-appointed during the year and continue in office.

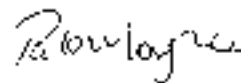
On behalf of the Board of management



Pearse O'Shiel
Chairperson



Enda Egan
Board Member



Pat Moyne
Secretary

2019

Statement of Board of Management Responsibilities

The Board of management are responsible for preparing the Board of managements' report and the financial statements in accordance with applicable law and regulations.

The Industrial and Provident Societies Acts 1893 to 2014 requires the Board of management to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland and applicable law*.

The Society's financial statements are required by law to give a true and fair view of the state of affairs of the Society and of its result for that year. In preparing the financial statements, the Board of management are required to:

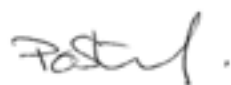
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

The Board of management are responsible for keeping adequate accounting records which enable them to prepare financial statements of the Society in accordance with the requirements of the Industrial

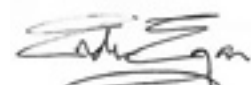
and Provident Societies Act 1893 to 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities. The Board of management are also responsible for preparing the annual report that complies with the requirements of the Industrial and Provident Societies Act 1893 to 2014.

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

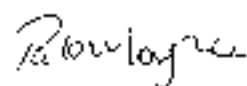
On behalf of the Board of management



Pearse O'Shiel
Chairperson



Enda Egan
Board Member



Pat Moyne
Secretary

2019

Independent Auditor's Report

To the members of Co-operative Housing Ireland Society Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Co-Operative Housing Ireland Society Limited ("the Society") for the year ended 31 December 2018 set out on pages 12 to 31, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, statement of changes in equity, the cash flow statement and related notes, including the summary of significant accounting policies set out in note 1. 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 accompanying financial statements:

- give a true and fair view of the state of affairs of the Society as at 31 December 2018 and of its surplus 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.

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 Society 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 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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Independent Auditor's Report Continued

Other information

The Board of management are responsible for the other information presented in the annual report together with the financial statements. The other information comprises the information included in the Board of management's report. The financial statements and our auditor's report thereon do not comprise part of 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 as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Our conclusions on the other matter on which we are required to report by the Industrial and Provident Societies Act 1893 is set out below

As required by Section 13(2) of the Industrial and Provident Societies Act 1893, we examined the balance sheets showing the receipts and expenditure, fund and effects of the Society, and verified the same with the books, deeds, documents, accounts and vouchers relating thereto, and found them to be correct, duly vouched, and in accordance with law.

Respective responsibilities and restrictions on use

Responsibilities of the Board of management for the financial statements

As explained more fully in the Board of management responsibilities statement set on page 2, the Board of management are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Society'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 they either intend to liquidate the Society or to cease operations, or have 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 fuller description of our responsibilities is provided on IAASA's website at:

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

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

Our report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Eamonn Russell, 2019
**for and on behalf of
KPMG, Chartered Accountants,
Statutory Audit Firm**

1 Stokes Place, St. Stephen's Green, Dublin 2.

7th August 2019

Income and Expenditure Account

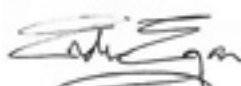
for the year ended 31 December 2018

		2018	2017
		€	€
	NOTE		
Income			
Rental income and service charges	2	6,758,175	5,838,217
Revenue based grants	3	6,756,122	4,619,180
Capital subsidies amortised	4	6,343,872	4,393,605
Other income	5	91,974	403,220
Total income		19,950,143	15,254,222
Expenditure			
Housing and community services	6	(9,679,251)	(8,174,706)
Depreciation	6	(5,354,097)	(4,733,191)
Total expenditure		(15,033,348)	(12,907,897)
Operating surplus		4,916,795	2,346,325
Interest receivable and similar income	8	4	117
Interest payable and similar charges	8	(2,247,035)	(1,063,321)
Surplus before taxation		2,669,764	1,283,121
Taxation	9	-	-
Surplus for the financial year		2,669,764	1,283,121

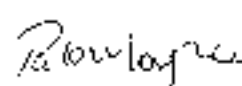
On behalf of the Board of management



Pearse O'Shiel
Chairperson



Enda Egan
Board Member



Pat Moyne
Secretary

Statement of Other Comprehensive Income

for the year ended 31 December 2018

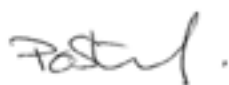
	2018	2017
	€	€
<i>NOTE</i>		
Surplus for the financial year	2,669,764	1,283,121
Other comprehensive income	-	-
Total comprehensive income for the year	2,669,764	1,283,121

Balance sheet

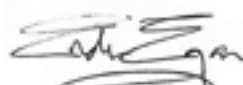
for the year ended 31 December 2018

		2018	2017
		€	€
	NOTE		
Fixed assets			
Co-operative housing properties	10	242,888,619	205,790,856
Other tangible assets	10	2,012,985	1,835,724
Investments	11	2,469	2,469
		244,904,073	207,629,049
Current assets			
Debtors	12	739,080	621,414
Cash at bank and in hand	13	4,685,904	6,144,517
		5,424,984	6,765,931
Creditors: amounts falling due within one year	14	(3,927,544)	(3,449,752)
Net current assets		1,497,440	3,316,179
Total assets less current liabilities		246,401,513	210,945,228
Creditors: amounts falling due after more than one year			
Local authority financial assistance	15	(137,295,225)	(132,052,384)
Bank loans	15	(65,630,988)	(38,118,670)
Deferred income	16	(2,853,369)	(2,822,006)
Net assets		40,621,931	37,952,168
Capital and reserves			
Called up share capital	20	373	373
Income and expenditure account		40,621,558	37,951,795
		40,621,931	37,952,168

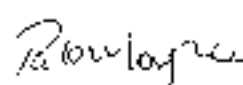
On behalf of the Board of management



Pearse O'Shiel
Chairperson



Enda Egan
Board Member



Pat Moyne
Secretary

Statement of Changes in Equity

for the year ended 31 December 2018

	Share Capital	Retained Earnings	Total
	€	€	€
At 1 January 2017	298	36,668,674	36,668,972
Issued share capital	75	-	75
Total comprehensive income for the year			
Surplus for the year	-	1,283,121	1,283,121
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,283,121	1,283,196
Balance at 31 December 2017	373	37,951,795	37,952,168
Total comprehensive income for the year			
Surplus for the year	-	2,669,763	2,669,763
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	2,669,763	2,669,763
Balance at 31 December 2018	373	40,621,558	40,621,931

The accompanying notes form an integral part of the financial statements.

Cash Flow Statement

for the year ended 31 December 2018

	2018	2017
	€	€
Cash flows from operating activities		
Surplus for the year	2,669,763	1,283,121
<i>Adjustments for:</i>		
Depreciation	5,354,097	4,733,191
Amortisation of capital loan subsidies	(6,343,872)	(4,393,605)
Interest receivable and similar income	(4)	(117)
Interest payable and similar charges	2,247,035	1,063,321
Increase in trade and other debtors	(117,666)	(83,523)
Decrease in trade and other creditors	(142,347)	795,940
Interest paid	(1,759,089)	(812,770)
Net cash from operating activities	1,907,917	2,585,558
Cash flows from investing activities		
Capital expenditure	(42,631,589)	(36,380,477)
Interest received	4	117
Net cash from investing activities	(42,631,585)	(36,380,360)
Cash flows from financing activities		
Loans drawdown	39,775,948	38,033,527
Repayment of borrowings	(1,067,673)	(668,604)
Capital grants received	556,780	433,238
Net cash from financing activities	39,265,055	37,798,161
Net increase / (decrease) in cash and cash equivalents	(1,458,613)	4,003,359
Cash and cash equivalents at 1 January	6,144,517	2,141,158
Cash and cash equivalents at 31 December	4,685,904	6,144,517



Notes Forming Part of the Financial Statements Continued

1. Accounting policies

Co-operative Housing Ireland Society Limited (the “Society”) is a society limited by shares and incorporated and domiciled in Ireland. The Society is incorporated under the Industrial and Provident Societies Acts 1893-2018.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The presentation currency of these financial statements is Euro, rounded to the nearest cent.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21.

The financial statements are prepared on the historical cost basis.

Going concern

The Board of management is satisfied that the Society will continue in operational existence for a period of at least 12 months from the date of approval of these financial statements and on the basis, the financial statements have been prepared on a going concern basis.

Classification of financial instruments issued by the Society

In accordance with FRS 102.22, financial instruments issued by the Society are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Society to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Society; and
- where the instrument will or may be settled in the entity’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity’s own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity’s own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

i. Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

ii. Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

iii. Local authority financial assistance

Housing loans are advanced by local authorities, under the terms of individual mortgage deeds in respect of each property or housing scheme. These loans and the associated interest do not become repayable provided the specific conditions set out in the loan agreements are complied with.

The financial assistance is provided towards the costs incurred in providing rental dwellings and the provision of a service in accordance with the Capital Loan and Subsidy Scheme, Capital Assistance Scheme and Capital Advance Leasing Facility financing Scheme.

Capital loan and subsidy scheme

Amounts received from local authorities in relation to the Capital Loan and Subsidy Scheme are recognised when the facility is drawn down, and amortised over the useful life of the associated capital expenditure towards which it is intended to contribute. The finance cost of the loan/mortgage is allocated to periods over the 30 year term of the loan/mortgage at a constant rate on the carrying amount. In some instances, local authority loans are secured by 20 year mortgages over certain CHI housing properties. The subsidy in relation to the notional interest charge on the financial assistance is netted off against the interest charge, with the offsetting amounts being disclosed in the notes to the financial statements.

Capital Advance Leasing Facility financing

Amounts received from local authorities in relation to Capital Advance Leasing Facility financing are recognised when the facility is drawn down. The loan and associated accrued interest is repayable at the end of the term of the agreement, being 25 years. Interest accrues on the capital balance drawn down at a rate of 2% per annum. The interest expense is charged annually to the income and expenditure account and accrued as part of the loan balance.

iv. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Society's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes Forming Part of the Financial Statements Continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described under Expenses below.

The entity assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|---|----------------------------|
| • Housing units | 2% straight line |
| • Housing in course of planning or construction | No depreciation |
| • Office buildings | 2% straight line |
| • Equipment and fittings | 14.33% - 33% straight line |
| • Motor vehicles | 20% straight line |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Society expects to consume an asset's future economic benefits.

Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from

the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or of it has been integrated then the entire entity into which it has been integrated. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes Forming Part of the Financial Statements Continued

Employee benefits

i. Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Society pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

ii. Termination benefits

Termination benefits are recognised as an expense when the Society is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Society has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Turnover

Turnover principally represents rental income and service charges from tenants and revenue grants receivable from local authorities, the Department of Children and Youth Affairs (“DCYA”) and the Department of the Environment, Community and Local Government (“DoECLG”). Turnover is recognised when the terms and conditions of receipt are met. Income also includes the amortisation of local authority financial assistance.

Expenses

i. Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

ii. Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

iii. Interest receivable and interest payable

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

iv. Interest payable and similar charges

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

v. Interest receivable and interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

The Society has been granted charitable exemption by the Revenue Commissioners and as a consequence is not subject to corporation tax.

Notes Forming Part of the Financial Statements Continued

2. Rental income and other charges to tenants

	2018	2017
	€	€
Rental income	6,369,609	5,679,906
Service charges	388,566	158,311
	6,758,175	5,838,217

3. Revenue based grants

	2018	2017
	€	€
Management and maintenance allowance	669,535	614,149
Payment and Availability agreements	5,569,195	3,559,200
DCYA - ECCE grant ¹	160,423	149,765
DCYA - POBAL CSS scheme ²	252,984	151,318
DCYA - CDI grant ³	12,004	27,481
DoHPLG - Social Partnership Funding ⁴	18,840	18,840
DoHPLG - Pobal SSNO Scheme ⁵	73,141	73,141
Other grants	-	25,286
	6,756,122	4,619,180

¹ DCYA Early Childcare and Education Programme (ECCE)

² DCYA Childcare Subvention Grant (CSS scheme)

³ DCYA - POBAL Childhood Development Initiative Grant (CDI)

⁴ DoHPLG - Social Partnership Funding to assist role as a member of the C&V pillar

⁵ DoHPLG - POBAL (SSNO) Scheme to Support National Organisations in the Community and Voluntary Sector.
The period covered is 1 July 2016 to 30 June 2019

4. Capital subsidies amortised

	2018	2017
	€	€
Amortisation of capital loans and subsidies	6,343,872	4,393,605

5. Other income

	2018	2017
	€	€
Childcare fee income	75,203	78,026
Other	16,771	325,194
	91,974	403,220

6. Operating costs

	2018	2017
	€	€
Staff costs (note 7)	3,490,798	2,968,217
Housing management, support, repairs and maintenance	3,757,079	2,894,054
Operating lease payments	1,922,077	1,575,575
Insurance costs	231,319	229,924
Legal and professional fees	216,777	500,748
Sundry expenses	24,301	19,749
Auditor's remuneration (inclusive of VAT)	36,900	31,439
	9,679,251	8,174,706
Depreciation charge (note 10)	5,354,097	4,733,191
Total operating costs	15,033,348	12,907,897

Included in housing management, support and related costs above is an amount of €17,818 (2017: €13,675) representing amounts disbursed to Board of management members in relation to expenses.

Notes Forming Part of the Financial Statements Continued

7. Staff costs

	2018 Number	2017 Number
Average monthly number of employees	74	65
	€	€
Staff costs:	2,903,241	2,567,204
Wages and salaries	299,348	261,099
Social security costs	156,550	116,181
Other pension costs (note 17)	131,659	23,733
Temporary staff costs		
	3,490,798	2,968,217

A total of 8 employees (2017: 9) had an annual salary is in excess of €60,000 as follows:

	2018 Number of employees	2017 Number of employees
€60,001 - €70,000	3	4
€70,001 - €80,000	2	2
Over €80,001	3	3

Amounts shown in the table above includes basic salary, benefits in kind and pension contributions. For the purposes of classifying individuals within the bands remuneration, amounts have been annualised as though all relevant individuals were in employment for 12 months.

Total remuneration of key management personnel in the year amounted to €413,330 (2017: €392,664). The Chief Executive Officer was paid €126,855 (2017: €127,905) in the year, inclusive of benefits in kind and in addition a pension contribution amounting to €15,975 (2017: €15,720) was made on his behalf.

8. Interest receivable and similar amounts

	2018	2017
	€	€
Bank interest receivable	4	117

Interest payable and similar charges

	2018	2017
	€	€
Interest payable on bank loans and other borrowings	2,247,035	1,063,321

9. Tax on surplus on ordinary activities

The Society has been granted charitable exemption by the Revenue Commissioners and as a consequence is not subject to corporation tax.

Notes Forming Part of the Financial Statements Continued

10. Tangible fixed assets

	Housing units	Housing in course of planning or construction	Office buildings	Equipment, fittings and IT	Motor vehicles	Total
	€	€	€	€	€	€
Cost						
At 1 January 2018	222,033,523	27,662,322	2,087,752	642,700	148,204	252,574,501
Additions	41,659,490	572,368	-	323,262	74,000	42,629,120
Asset transfers	14,985,766	(14,985,766)	-	-	-	-
At 31 December 2018	278,678,779	13,248,924	2,087,752	965,962	222,204	295,203,621
Depreciation						
At 1 January 2018	43,904,990	-	540,163	419,218	83,550	44,947,921
Charge for the year	5,134,094	-	41,755	140,174	38,074	5,354,097
At 31 December 2018	49,039,084	-	581,918	559,392	121,624	50,302,018
Net book value						
At 31 December 2018	229,639,695	13,248,924	1,505,834	406,570	100,581	244,901,603
At 31 December 2017	178,128,533 ¹	27,662,322 ¹	1,547,589 ²	223,482 ²	64,654 ²	207,626,580

Refer to note 15 for details on fixed assets which have been charged as security for bank loans.

¹ The total balance of housing and land and housing in course of planning or construction which forms part of the co-operative housing properties is €242,888,619 (2017: €205,790,856)

² Office buildings, equipment and fittings and motor vehicles totalling to €2,012,985 (2017: €1,835,725) are fixed assets of the Society which do not form part of the co-operative housing stock.

11. Fixed assets investment

	Investments in societies
	€
Cost	
At 1 January 2018 and 31 December 2018	2,469
Net book value	
At 31 December 2018 and 31 December 2017	2,469

The Society holds investments of 100% of the share capital in the following dormant entities:

- South Leinster Co-operative Housing Society Limited
- Connacht Co-operative Housing Society Limited

12. Debtors

	2018	2017
	€	€
Rental income receivable	473,478	316,754
Capital grants due in relation to retentions owing to building contractors	-	85,873
Service income charges due	86,843	78,614
Prepayments	163,146	130,378
Accrued income and other debtors	51,613	9,795
	739,080	621,414

Notes Forming Part of the Financial Statements Continued

13. Cash and cash equivalents

	2018	2017
	€	€
Cash at bank and in hand	4,685,904	6,144,517
Cash and cash equivalents per cash flow statement	4,685,904	6,144,517

14. Creditors: amounts falling due within one year

	2018	2017
	€	€
Bank loans	1,462,987	1,203,217
Trade creditors and accruals	1,841,321	1,035,241
Capital retentions accrual	-	356,356
Deferred income	360,369	307,289
VAT	164,734	460,983
PAYE/PRSI	78,613	74,176
Other taxes	19,520	12,490
	3,927,544	3,449,752

15. Creditors: amounts falling due after more than one year

	2018	2017
	€	€
Local authority financial assistance (i)	137,295,224	132,052,384
Bank loans (ii)	65,630,988	38,118,670
	202,926,212	170,171,054

i. Local authority financial assistance

Housing loans are secured by specific charges on the Society's land and housing properties. No capital or interest repayments are required to be made on the above loans provided that the Society continues to comply with certain specific requirements of the local authorities with regard to the properties for which housing loans have been provided.

The local authority financial assistance balance is broken down as follows:

	2018	2017
	€	€
Capital Loan and Subsidy Scheme ("CLSS") financing (a)	106,337,862	112,516,684
Capital Advance Leasing Facility ("CALF") financing (b)	30,957,363	19,535,700
	137,295,225	132,052,384

a. Capital Loan and Subsidy Scheme financing

The capital mortgage repayments and associated interest arising on the loans are settled on the Society's behalf by way of a subsidy. The Society does not charge the interest accruing on the loans to its income and expenditure account as the cost is met through the subsidy scheme. The interest expense accruing on the loans for the current year was €2,334,290 (2017: €2,597,750 million). Amounts drawn down under the scheme in the current year were Nil (2017: €Nil). The Society amortises the capital balance to its income and expenditure account over 30 years based on the superior loan agreements between the Housing Finance Agency (HFA) and the local authorities. The local authorities have secured mortgages on CHI housing properties ranging in periods from 20 to 30 years.

b. Capital Advance Leasing financing

Amounts drawn down under the Capital Advance Leasing financing scheme are repayable at the end of 25 years from the date of drawdown, subject to the Society complying with other terms and conditions. Interest accrues at a rate of 2% per annum and this has been charged to the Society's income and expenditure account. During 2018 the Society drew down €10,890,375 of new financing under this scheme.

Notes Forming Part of the Financial Statements Continued

ii. Bank loans

	2018	2017
	€	€
The repayment profile of the bank loans is as follows:		
Amounts due within one year	1,462,987	1,203,217
Amounts due two to five years	7,784,444	5,198,851
Amounts due greater than five years	57,846,544	32,919,819
	67,093,975	39,321,887

Of the total bank loans outstanding, €63,503,624 (2017: €35,373,851) relates to loans from the Housing Finance Agency.

Security

Bank of Ireland holds mortgages over units 1-9 and 15-18 at Greenlawns, Coolock, Dublin 17, the property development at Auburn Lodge, Killiney, Co. Dublin and 192 and 193, Block 4 Island Key, East Road, East Wall, Dublin 1.

Bank of Ireland holds a first charge over the freehold land and premises at 33 Lower Baggot Street, Dublin 2.

The Housing Finance Agency holds a charge over all properties financed by it.

16. Deferred income – capital grants

	2018	2017
	€	€
Balance at 1 January	2,822,006	2,525,031
Amounts received	556,780	433,240
Amortised during the year	(543,417)	(136,265)
Balance at 31 December	2,835,369	2,822,006

17. Pension costs

The Society operates a defined contribution scheme which matches employees' contributions to a maximum of 5% of annual salary. This employer contribution was increased from 5% to 8% from April 2016 onwards. The pension expense of €160,407 during the current year (2017: €116,181) represents contributions made by the Society to the fund. The assets of the scheme are held separately from those of the Society in an independently administered fund. Amounts payable to the scheme at year end totalled to € Nil (2017: €17,229).

18. Commitments

	2018	2017
	€	€
<i>Capital</i>		
Capital expenditure which has been contracted for but has not been provided in the financial statements	2,256,026	13,466,331

Operating leases

At the balance sheet date the Society had annual commitments under non-cancellable operating leases in respect of housing units as set out below

	2018	2017
	€	€
<i>Expiring</i>		
Within one year	2,151,298	1,745,226
Between two to five years	8,605,994	6,980,906
More than five years	30,189,065	27,233,839
	40,946,358	35,959,971

During the year €1,922,077 was recognised as an expense in the profit and loss account in respect of operating leases (2017: €1,575,575).

The Society is also party to a number of operating leases with local authorities for housing units and apartments. Under the terms of these lease agreements, the Society is not required to make lease payments to the local authorities but is responsible for the maintenance and associated costs on the units which it expenses to its income and expenditure account.

Notes Forming Part of the Financial Statements Continued

19. Related party transactions

Details of expenses paid to members of the Board of management are set out in Note 6. There were no other related party transactions entered into by the Society in 2018.

20. Capital and reserves

	Ordinary Shares 2018	Ordinary Shares 2017
Share capital		
Number of shares		
Issued shares	373	373
	2018	2017
	€	€
Allotted, called up and fully paid		
373 (2017: 373) ordinary shares of €1 each	373	373

As at 31 December 2018, there were 13 members (2017: 13), whose guarantee is limited to €1 per share.

21. Accounting estimates and judgements

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

Useful life of depreciable assets

The Board of management is required to determine an appropriate period for the estimated useful lives of the tangible asset balance. Changes in the estimated useful life of tangible fixed assets could have a significant impact on the annual depreciation charge.

Allowance for bad debts arising on rental income

The Board of management is required to annually estimate a bad debt provision for rental amounts due but not received at the balance sheet date. As at 31 December 2018 the Board of management has determined that no bad debt provision is required based on the Society's experience of bad debts incurred.

22. Subsequent events

There were no events occurring subsequent to the balance sheet which additional require in or adjustment to the financial statements.

23. Approval of financial statements

The Board of management approved the financial statements on 25th June 2019.



Rialtas na hÉireann
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