

**Respond!**  
**(Company Limited by Guarantee)**

**Directors' Report and Financial Statements**  
**Year Ended 30 June 2014**

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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors at 13 November 2014**

Patrick Cogan ofm  
Brian Hennebry  
Michael O'Doherty  
Tom Dilleen  
Niall Bradley  
Seán Dorgan  
Jill Jackman  
Heather Reynolds

**Solicitors**

William Fry  
Fitzwilliam House  
Wilton Place  
Dublin 2

P. J. O'Driscoll & Sons  
73 South Mall  
Cork

Advokat Compliance Limited  
Merrythought House  
Templeshannon  
Enniscorthy  
Co Wexford

**Secretary and Registered Office**

B Hennebry  
Airmount  
Dominick Place  
Waterford

**Bankers**

Allied Irish Bank  
The Quay  
Waterford

Ulster Bank  
The Quay  
Waterford

**Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Ballycar House  
Newtown  
Waterford

## **DIRECTORS' REPORT**

The directors present herewith the audited financial statements of the charity for the year ended 30 June 2014.

### **Principal activities**

The company is a charity engaged in building housing schemes and providing these for rental.

### **Corporate governance**

The Board currently comprises of six non-executive and two executive members, who are drawn from a wide background, bringing together professional, commercial and local experience. The Board meets formally at least six times a year. Local operational policies are delegated subject to approved budgets.

While the Board is responsible for the overall strategy and policy of the organisation, the day-to-day management is delegated to the Chief Executive Officer, who is a member of the Board.

The CEO chairs monthly management meetings that deal with all major management issues and decisions of the organisation. Additional meetings are held to discuss corporate issues that do not fit with the scheduled meetings.

The Finance and Risk Committee comprises six members, the CEO, two non-executive members of the Board, the Company Treasurer and two independent business advisors. The Committee reviews financial performance, financial strategy and policies and makes recommendations to the Board on financial issues. Immediately prior to the year-end the Finance and Risk Committee was reconstituted as the Finance and Audit Committee and responsibility for Risk Management will be overseen by the executive team and periodically by the Finance and Audit Committee.

Respond! as a registered charity complies with the Governance Code for community, voluntary and charitable organisations in Ireland, and as an Approved Housing Body complies with the "Voluntary Regulation Code for Approved Housing Bodies in Ireland, Building for the Future" issued by the Department of Environment Community, and Local Government.

### **Internal financial controls**

The Board has overall responsibility for the organisation's system of internal financial control which comprises:

- a clear organisation structure and well defined management responsibilities
- comprehensive budgeting systems with an annual budget that is approved by the Board
- regular consideration of actual results compared to budgets
- defined capital investment control protocols and procedures approved by the Board
- regular reporting of legal and accounting developments to the Board.

The organisation's control systems address key business, treasury and financial risks which are monitored by the CEO and Company Treasurer.

The company engages a firm of Chartered Accountants independent of the external auditor to conduct regular internal audit reviews of the company's activities under the direction of the Finance and Risk Committee.

The external auditors are engaged to express an opinion on the financial statements. They review and test the systems of internal financial control and the data contained in those statements to the extent necessary to express their audit opinion.

The Board wishes to emphasise that a system of internal financial control can only provide reasonable and not absolute assurance about material misstatement and loss.

## **DIRECTORS' REPORT - continued**

### **Directors' responsibilities statement**

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

Irish Law requires the directors to prepare financial statements for each financial year giving a true and fair view of the state of the company's affairs at the end of the financial year and of its profit or loss for the financial year. Under that law the directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland).

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;
- 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 proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Irish Companies Acts 1963 to 1983 and 1990 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Books of account**

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 books of account are kept at the following address:

Airmount  
Dominick Place  
Waterford

### **Review of business and future developments**

Both the level of business and the year-end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future. All surpluses are recycled into the continuing operations of the company.

### **Dividends**

No dividend is payable in accordance with the company's Memorandum of Association.

### **Directors**

The names of the persons who were directors of the company at any time during the year ended 30 June 2014 are set out below. Except where indicated, they served as directors for the entire year.

Patrick Cogan, ofm	Niall Bradley	(Appointed 10 June 2014)
Michael O'Doherty	Seán Dorgan	(Appointed 10 June 2014)
Brian Hennebry	Jill Jackman	(Appointed 10 June 2014)
Tom Dilleen	Heather Reynolds	(Appointed 10 June 2014)
Joe Horan	(Resigned 8 May 2014)	
Deirdre Keogh	(Resigned 8 May 2014)	

### **The Charities Act 2009**

The directors acknowledge The Charities Act 2009 and support its objectives and are endeavouring to ensure compliance with same.

**DIRECTORS' REPORT - continued**

**Auditors**

The auditors, PricewaterhouseCoopers, will be re-appointed in office in accordance with the provisions of Section 160(2) of the Companies Act 1963.

**On behalf of the board**

**P Cogan ofm**

**B Hennebry**

**Date: 13 November 2014**



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RESPOND! (COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements of Respond! for the year ended 30 June 2014 which comprise the Income and Expenditure Account, the Statement of Movements in Retained Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' responsibilities statement set out on page 4 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 30 June 2014 and of its result for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 1983 and 1990 to 2013.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RESPOND! (COMPANY LIMITED BY GUARANTEE) - continued**

**Matters on which we are required to report by the Companies Acts 1963 to 1983 and 1990 to 2013**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

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

- We have nothing to report in respect of the provisions in the Companies Acts 1963 to 1983 and 1990 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

**Martin Freyne  
For and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Ballycar House  
Newtown  
Waterford**

**Date: 9 December 2014**



**INCOME AND EXPENDITURE ACCOUNT**  
**Year Ended 30 June 2014**

	Notes	2014	2013
		€	€
<b>Income</b>			
Donations and subventions		-	76
Deposit interest	3	468,989	477,193
Payment and availability income		292,065	-
Joint venture funding		(43,062)	(12,489)
Gain on disposal	3	1,302	58,827
Maintenance grant		1,181,905	1,164,076
Rental income		9,844,170	9,297,512
Sundry income		<u>295,648</u>	<u>268,787</u>
		12,041,017	11,253,982
<b>Less:</b>			
<b>Expenditure</b>			
Administration		551,042	559,878
Estate and Community Development costs		6,145,425	6,399,897
Project costs		-	208,977
Estate maintenance costs		1,997,529	1,795,186
Depreciation - charity assets	3	<u>295,574</u>	<u>320,520</u>
		<u>(8,989,570)</u>	<u>(9,284,458)</u>
<b>Operating surplus for the year</b>		3,051,447	1,969,524
Structural maintenance		<u>(638,748)</u>	<u>(250,816)</u>
<b>Surplus for the year before amortisation</b>		2,412,699	1,718,708
Amortisation of capital funding (net)	3	<u>3,598,716</u>	<u>3,837,414</u>
<b>Surplus for the year</b>		6,011,415	5,556,122
Transfer from Friends of Respond!	4	1,409,191	-
Transfer of maintenance fund from Respond Support		-	<u>1,002,615</u>
<b>Total increase in net assets</b>		<u>7,420,606</u>	<u>6,558,737</u>

On behalf of the board

P Cogan ofm

B Hennebry

**STATEMENT OF MOVEMENT IN ABSORBED FUNDS**  
**Year Ended 30 June 2014**

	Notes	2014 €	2013 €
<b>Increase in net assets for the year</b>		7,420,606	6,558,737
Deficit at beginning of year		(104,663,800)	(92,415,381)
Transfer to mortgage amortisation reserve	14	(16,043,109)	(16,191,944)
Transfer to maintenance fund reserve	15	<u>(3,133,045)</u>	<u>(2,615,212)</u>
<b>Absorbed deficit at end of year</b>		<u>(116,419,348)</u>	<u>(104,663,800)</u>

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the surplus for the year and the historical cost equivalent above.

All operations are continuing in the current year.

**On behalf of the board**

**P Cogan ofm**

**B Hennebry**

**BALANCE SHEET**  
**30 June 2014**

	Notes	2014		2013	
		€	€	€	€
<b>Fixed assets</b>	7		323,525,995		332,508,497
<b>Current assets</b>					
Debtors	8	8,798,918		10,552,304	
Investments	9	13,823,064		13,007,406	
Cash and bank balances		<u>527,260</u>		<u>31,211</u>	
		<u>23,149,242</u>		<u>23,590,921</u>	
<b>Current liabilities</b>					
Creditors and accruals	10	2,356,779		2,500,854	
Bank loans and overdrafts	11	<u>-</u>		<u>-</u>	
		<u>2,356,779</u>		<u>2,500,854</u>	
<b>Net current assets</b>			<u>20,792,463</u>		<u>21,090,067</u>
<b>Total assets less current liabilities</b>			344,318,458		353,598,564
<b>Less:</b>					
<b>Non-current liabilities</b>					
Capital grants	12	(19,842,280)		(20,779,605)	
Mortgage liabilities	13	<u>(277,467,786)</u>		<u>(293,231,173)</u>	
			<u>(297,310,066)</u>		<u>(314,010,778)</u>
			<u>47,008,392</u>		<u>39,587,786</u>
<b>Financed by:</b>					
Absorbed deficit		(116,419,348)		(104,663,800)	
Mortgage amortisation reserve	14	145,910,465		129,867,356	
Maintenance fund reserve	15	<u>17,517,275</u>		<u>14,384,230</u>	
			<u>47,008,392</u>		<u>39,587,786</u>

On behalf of the board

P Cogan ofm

B Hennebry

**CASH FLOW STATEMENT**  
30 June 2014

	Notes	2014 €	2013 €
Net cash inflow/(outflow) from operating activities	17	3,834,464	5,414,716
Returns on investments and servicing of finance	18	468,989	477,193
Capital expenditure and financial investment	18	<u>(4,331,798)</u>	<u>(7,050,677)</u>
<b>Cash (outflow) before use of financing</b>		(28,345)	(1,158,768)
Financing	18	<u>321,990</u>	<u>1,469,573</u>
<b>Increase/(decrease) in cash during year</b>	18	<u>293,645</u>	<u>310,805</u>

**On behalf of the board**

**P Cogan ofm**

**B Hennebry**

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

The significant accounting policies adopted by the company are as follows:-

#### **Basis of preparation**

The financial statements have been prepared on a going concern basis and in accordance with the Companies Acts, 1963 to 2013 and Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland).

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Income from donations and fund raising activities**

Income from third party donations and fund raising activities is credited in the period in which it is received. Donations of assets other than cash are valued at date of receipt, and the value is included in assets in the balance sheet.

#### **Deposit interest**

Deposit interest is credited in the period to which it relates.

#### **Grants**

##### **(a) Revenue grants**

Grants received to fund revenue expenditure and expenditure on furnishings are credited to the income and expenditure account in the period in which they relate.

##### **(b) Capital grants**

Grants received to fund capital projects including communal facilities are included in the capital grants account and amortised to the income and expenditure account over the estimated useful life of the corresponding asset.

#### **Contributions from Local Authorities**

Contributions are recognised in the period in which they relate.

#### **Capital expenditure on building programme**

**(a)** All certified expenditure (including any retention) paid for by the company is capitalised and shown in the balance sheet in respect of assets created, the beneficial ownership of which remains vested with the charity. Liabilities in respect of local authority mortgages on these properties are shown in the balance sheet.

**(b)** All certified expenditure (including any retention) paid for by the company in respect of assets created, where the beneficial ownership is not expected to remain with the charity is reflected in the income and expenditure account in the period to which it relates.

#### **Development expenditure**

Development expenditure which can not be attributed to approved schemes or does not specifically relate to the acquisition or development of the land and buildings is written off in the period to which it relates.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 1 Accounting policies - continued

#### Depreciation of fixed assets

Depreciation is provided on a straight line basis at rates which are estimated to reduce the assets to realisable values by the end of their expected useful lives which are set out below:-

	Years
Buildings	30
Fittings and equipment	5
Computer equipment	4
Motor vehicles	5

#### Mortgages

- (a) Amounts due in respect of mortgages on assets vested in the charity are shown as liabilities in the balance sheet. These mortgages can be either in respect of buildings erected or acquired under the capital assistance scheme or under the capital loan and subsidy scheme.
- (b) In the case of buildings erected or acquired under the capital assistance scheme, and under the capital loan and subsidy scheme, repayments of mortgage amounts (together with interest on the mortgages) are met entirely by Government sources. Accordingly the capital sums due are amortised on a straight line basis over the life of the mortgage and a corresponding credit made to the income and expenditure account. As the charity does not pay interest in respect of these mortgages, they are treated as interest free.

#### Value added tax

The company is registered for VAT in compliance with RCT and Reverse Charge VAT regulations, however, the company is not entitled to reclaim Vat on operational activities and accordingly all receipts and expenditure in the accounts are shown inclusive of any VAT which may apply.

#### Pensions

Payments to defined contribution pension schemes are charged to income and expenditure account in the period to which they relate.

#### Investments

Investments are stated at cost less provision if necessary for any permanent diminution in value.

#### Maintenance funds

The maintenance fund is established to appropriate retained funds towards future maintenance of housing schemes under management. Maintenance funds were previously calculated to reflect the excess of maintenance allowances received over related expenditure based on Department of the Environment guidelines. These guidelines have been withdrawn and are no longer applicable. The transfer to maintenance funds now represents a percentage of current income, which may vary from year to year depending on the future expected costs of maintaining the properties (based on the company's planned maintenance programme).

### 2 Limit of members liability

The company is registered under the Companies Act 1963 as a company limited by guarantee not having a share capital. The members of the company have their liability limited to €1.27 each in the event of the company being wound up. There are eight members at the date of the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**3 Surplus for the year**

The surplus for the year is stated after charging or crediting:-

	2014 €	2013 €
(a) Depreciation - Charity assets	<u>295,574</u>	<u>320,520</u>
(b) Auditors' remuneration	<u>11,000</u>	<u>11,000</u>
(c) Directors' remuneration		
For management services	2,994	-
Pension contributions	<u>150</u>	<u>-</u>
	<u>3,144</u>	<u>-</u>
(d) Deposit interest	<u>468,989</u>	<u>477,193</u>
(e) Surplus/(loss) on disposal of fixed assets	<u>1,302</u>	<u>58,827</u>
(f) <b>Amortisation of capital funding</b>		
Mortgage amortisation CLSS	8,579,144	8,590,469
Mortgage amortisation CAS	7,463,965	7,601,475
Amortisation of capital grants	<u>979,593</u>	<u>978,200</u>
	17,022,702	17,170,144
<b>Depreciation of capital expenditure</b>		
Depreciation – CAS/CLSS	<u>(13,423,986)</u>	<u>(13,332,730)</u>
	<u>3,598,716</u>	<u>3,837,414</u>

**4 Transfer from Friends of Respond!**

On 30 June 2014, the company took over the activities and certain assets and liabilities of Friends of Respond! Youghal and Friends of Respond! Ennis, for no consideration. The assets and liabilities arising from the transaction are as follows:-

	€
Tangible fixed assets	100,049
Debtors	2,976
Investments	1,119,567
Cash and bank balances	202,404
Creditors and accruals	<u>(15,805)</u>
	<u>1,409,191</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**5 Employee information**

(a) The average number of persons employed by the charity during the year is analysed below:

	2014 Number	2013 Number
Management	24	24
Operational	<u>76</u>	<u>72</u>
	<u>100</u>	<u>96</u>

(b) The aggregate payroll costs of these employees was as follows:

	2014 €	2013 €
Wages and salaries	3,664,170	3,572,551
Social welfare costs	369,498	366,765
Pension costs	<u>99,149</u>	<u>90,836</u>
	<u>4,132,817</u>	<u>4,030,152</u>

**6 Work in progress**

In accordance with the accounting policy for Capital Expenditure on Building Programmes the cost of uncertified work at the balance sheet date is not regarded as a liability of the company as funding for ultimate payments is drawn from the relevant local authorities. The fixed asset and corresponding mortgage liability is recognised in the accounts at the time that the work is certified.



**NOTES TO THE FINANCIAL STATEMENTS - continued**

**7 Tangible fixed assets**

	Other land and buildings €	CAS/CLSS Land and buildings €	Fittings and equipment €	Computers €	Motor vehicles €	Total €
<b>Cost</b>						
At 1 July 2013	333,186	442,157,802	1,053,069	3,604,313	60,213	447,208,583
Additions	187,850	3,726,050	124,955	606,852	-	4,645,707
Disposals	-	-	-	-	(28,995)	(28,995)
Transfer (a)	-	50,490	120,164	-	-	170,654
At 30 June 2014	<u>521,036</u>	<u>445,934,342</u>	<u>1,298,188</u>	<u>4,211,165</u>	<u>31,218</u>	<u>451,995,949</u>
<b>Depreciation</b>						
At 1 July 2013	107,933	110,425,512	1,008,707	3,131,314	26,620	114,700,086
Charge for year	13,498	13,423,986	29,872	242,161	10,043	13,719,560
On disposal	-	-	-	-	(20,297)	(20,297)
Transfer (a)	-	6,312	64,293	-	-	70,605
At 30 June 2014	<u>121,431</u>	<u>123,855,810</u>	<u>1,102,872</u>	<u>3,373,475</u>	<u>16,366</u>	<u>128,469,954</u>
<b>Net book value at</b>						
30 June 2014	<u>399,605</u>	<u>322,078,532</u>	<u>195,316</u>	<u>837,690</u>	<u>14,852</u>	<u>323,525,995</u>
1 July 2013	<u>225,253</u>	<u>331,732,290</u>	<u>44,362</u>	<u>472,999</u>	<u>33,593</u>	<u>332,508,497</u>

(a) Represents the cost and accumulated depreciation of assets transferred from Friends of Respond! (note 4).

**8 Debtors**

	2014 €	2013 €
Amounts due within one year		
- amounts due from related companies	58,819	1,291,593
- debtors	<u>8,740,099</u>	<u>9,260,711</u>
	<u>8,798,918</u>	<u>10,552,304</u>

**9 Investments**

	2014 €	2013 €
Investment funds (i)	8,800,000	8,800,000
Deposits	<u>5,023,064</u>	<u>4,207,406</u>
	<u>13,823,064</u>	<u>13,007,406</u>

(i) All investment funds are fixed for a period. The market value of these investments at 30 June 2014 was €8,905,660. These investments are capital guaranteed if held to maturity, which is the intention of the directors.

NOTES TO THE FINANCIAL STATEMENTS - continued

<b>10 Creditors and accruals</b>	2014	2013
	€	€
Amounts due within one year		
- creditors and accruals	2,281,423	2,426,604
- PAYE/PRSI	<u>75,356</u>	<u>74,250</u>
	<u>2,356,779</u>	<u>2,500,854</u>

At 30 June 2014, capital commitments existed in respect of uncompleted contracts which will be funded by recoupments from Government sources.

<b>11 Bank loans and overdrafts</b>	2014	2013
	€	€
Bank overdraft	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

<b>12 Government grants toward capital projects</b>	2014	2013
	€	€
<b>Received and receivable</b>		
At 1 July	29,498,058	29,358,373
Additions during year	42,268	139,685
Redeemed	<u>-</u>	<u>-</u>
<b>At 30 June</b>	<u>29,540,326</u>	<u>29,498,058</u>
<b>Amortisation</b>		
At 1 July	8,718,453	7,740,253
Amortised to income and expenditure account	979,593	978,200
Redeemed	<u>-</u>	<u>-</u>
<b>At 30 June</b>	<u>9,698,046</u>	<u>8,718,453</u>
<b>Net book value at 30 June</b>	<u>19,842,280</u>	<u>20,779,605</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

<b>13 Mortgage liabilities</b>	2014	2013
	€	€
<b>(a) Capital assistance scheme</b>		
<b>Received and receivable</b>		
At 1 July	156,391,489	155,253,418
Received during year	640,634	1,138,071
Redeemed	-	-
At 30 June	<u>157,032,123</u>	<u>156,391,489</u>
<b>Amortisation</b>		
At 1 July	46,456,652	38,855,177
Amortised to income and expenditure account	7,463,965	7,601,475
Redeemed	-	-
At 30 June	<u>53,920,617</u>	<u>46,456,652</u>
<b>Net book value at 30 June</b>	<u>103,111,506</u>	<u>109,934,837</u>
<b>(b) Capital loan on subsidy scheme</b>		
<b>Received and receivable</b>		
At 1 July	264,805,780	267,577,605
Received/adjustments during year	(360,912)	191,817
Redeemed	-	(2,963,642)
At 30 June	<u>264,444,868</u>	<u>264,805,780</u>
<b>Amortisation</b>		
At 1 July	81,509,444	72,918,975
Amortised to income and expenditure account	8,579,144	8,590,469
At 30 June	<u>90,088,588</u>	<u>81,509,444</u>
<b>Net book value at 30 June</b>	<u>174,356,280</u>	<u>183,296,336</u>
<b>Total net book value at 30 June</b>	<u>277,467,786</u>	<u>293,231,173</u>

The mortgages are secured by fixed charges over the company's land and buildings.

<b>14 Mortgage amortisation reserve</b>	2014	2013
	€	€
Balance at beginning of year	129,867,356	113,675,412
Amortisation/transfer from retained funds	<u>16,043,109</u>	<u>16,191,944</u>
Balance at end of year	<u>145,910,465</u>	<u>129,867,356</u>

The amount transferred to the Mortgage Amortisation Reserve Account is based on the amortisation of the capital advances, over the life of the mortgage. The Local Authorities from whom the mortgages were received are not in a position to provide confirmation of the year-end balance and the company is therefore relying on the information given by the Department of the Environment and Local Government in establishing the amortisation policy.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>15 Maintenance fund reserve</b>	2014	2013
	€	€
Balance at beginning of the year	14,384,230	11,769,018
Transferred from retained earnings during the year	<u>3,133,045</u>	<u>2,615,212</u>
Balance at the end of the year	<u>17,517,275</u>	<u>14,384,230</u>

**16 Related party transactions**

- (i) The company effectively manages, through the use of an inter company account, the administration of Respond (Support) Limited, a company which is a charity engaged in the management of social and community initiatives which are carried out in Respond! housing schemes. Expenses recharged to Respond (Support) Limited for the year amounted to €83,455 (2013: €606,000). The balance owed by that company at 30 June 2014 was €58,819 (2013: €1,291,593).

<b>17 Reconciliation of surplus for the year to operating cashflow:</b>	2014	2013
	€	€
Surplus for the year	6,011,415	5,556,123
Depreciation	13,719,560	13,653,250
Interest received	(468,989)	(477,193)
Decrease/(increase) in debtors	1,756,362	3,863,640
(Decrease)/increase in creditors	(159,880)	(161,088)
Mortgages amortised	(16,043,109)	(16,191,944)
Amortised grants	(979,593)	(978,200)
(Profit)/loss on disposal of fixed assets	<u>(1,302)</u>	<u>150,128</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u>3,834,464</u>	<u>5,414,716</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>18 Analysis of cash flows for headings netted in the cash flow statement</b>	2014	2013
	€	€
<b>Returns on investments and servicing of finance</b>		
Interest received	468,989	477,193
Net cash inflow from returns on investments and servicing of finance	<u>468,989</u>	<u>477,193</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible assets	(4,645,707)	(5,596,522)
Proceeds from sale of tangible assets	10,000	-
Decrease/(increase) in short-term investments	303,909	(1,454,155)
Net cash (outflow) from capital expenditure and financial investment	<u>(4,331,798)</u>	<u>(7,050,677)</u>
<b>Financing</b>		
Mortgages	279,722	1,329,888
Capital grants	42,268	139,685
Net cash inflow from financing	<u>321,990</u>	<u>1,469,573</u>

**Analysis of change in net funds**

	2014	2013
	€	€
Balance at beginning of year	31,211	(279,594)
On transfer from Friends of Respond! (note 4)	202,404	-
Balance at end of year:		
Cash at bank	527,260	31,211
Less bank overdraft	<u>-</u>	<u>-</u>
	<u>527,260</u>	<u>31,211</u>
Increase in cash during year	<u>293,645</u>	<u>310,805</u>

**19 Pension scheme**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €99,149 (2013: €90,836).

**20 Approval of financial statements**

The financial statements were approved by the directors on 13 November 2014.