Embarking on a journey of change

Annual Report 2016

Respond Housing Association

Respond! is a company limited by guarantee and registered
in Dublin, Ireland.

Registration Number: 90576
Charity Number: CHY 6629
CRA Number: 20012625
Registered Office: Airmount, Dominick Place, Waterford, Ireland.

Respond! Directors 2016:	**Incoming**
John O'Connor (Chairperson),	December 2016
June Anne Falconer,	July 2016
Noel Kelly,	July 2016
Cathal O'Connell,	July 2016
Joe O'Connor,	July 2016
Katharine Larkin*	July 2016
Brian Hennebry,	

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Patrick Cogan, ofm.*
Michael Doherty*
Tom Dilleen*
(* Retired 2016)

Auditors:
Pricewaterhouse Coopers,
Ballycar House,
Newtown,
Waterford, Ireland.

Solicitors:
Luke House Solicitors (Waterford)
William Fry (Dublin)
Beauchamps Solicitors (Dublin)
P.J. O'Driscoll & Sons (Cork)
Advokat Compliance Limited (Wexford)

Bankers: Ulster Bank, 97/98 Custom House Quay,Waterford
Allied Irish Banks, The Quay, Waterford.

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 Housing, Planning, Community, and Local Government.

Respond! is one of Ireland's leading not for profit Housing Associations. We seek to create a positive future for people by alleviating poverty and creating vibrant, socially integrated supportive communities.

Respond! was established in 1982 as a company limited by guarantee, with charitable status, and in 1984 was approved by the then Department of Housing as a Housing Association. Since our foundation, we have built more than 5,500 homes nationwide and have provided general needs social housing as well as housing for older people, homeless families, members of the travelling community and people with a disability or special requirements.

Contents

John O'Connor
Chairman

> Respond! is embarking on a journey of change."

Foreword from Our New Chairman

It was with a great sense of responsibility to the founder of Respond!, Fr. Pat Cogan ofm, and to its residents and employees throughout the length and breadth of Ireland that I took over the Chairmanship of the organisation in 2017.

I was deeply conscious of the founding Franciscan ethos, of Fr. Pat's vision of individual empowerment and community development and of his vision that Respond! would always be more than bricks and mortar. My mission is to live up to founding ideals while we try to build and manage social housing of the scale that Ireland so dearly needs.

My own background as an Assistant Secretary in the Department of Housing and then as Chairman of An Bord Pleanála for eleven years prepared me for the challenges of the sector but, as always, every organisation has its own culture and character and I have spent my tenure so far grateful for the wisdom of the people who came before me.

There is no doubt that Respond! is embarking on a journey of change. My hope is that we do this in a way that does not undo achievements of the past but only builds upon them so we can be more relevant, more innovative and more impactful. Approved Housing Bodies have a huge task ahead of us. We must deliver in numbers we have not seen since the days of the 'boom' while making sure we learn the lessons of that period, particularly in relation to planning and community involvement.

Housing and homelessness policies will only be brought to life in a sustainable way when residents have a clear voice in their design and implementation. AHBs can only rise to the current challenges when we bring the best international practice to these shores all the time including our own staff as well as the independent expertise that outsiders can bring.

I am buoyed all the time in this process by the calibre of Directors with whom I have the privilege to serve. Our new Chief Executive Officer, Declan Dunne, brings a wealth of experience and dedication to the task at hand. His energy and drive has already seen significant impact through the Family Hub model, our increased housing supply delivery plans and a host of other innovations that are now beginning to take shape.

We are well into the process of developing a new 5 year Strategic Plan, which will set out the role we intend to play in responding to the housing needs of the community over the coming years.

Mindful of the legacy we have inherited, we are fiercely ambitious for Respond! and our residents. Adding to Ireland's social housing supply is one of the greatest domestic public policy challenges we all face but it is by no means unsurmountable. I am confident that Respond! can and will rise to the challenge.

John O'Connor
Chairman
July 2017

1,500

1,500 new social housing units over the next 5 years

Declan Dunne
Chief Executive Officer

Introduction from Our New CEO

2016 was a year of great change in Respond! We are privileged to have a new Chairperson in John O'Connor and largely a new Board of Directors, whose experience and acumen is undoubted. I joined as new CEO in August 2016 and we have set upon a path of internal transformation in order to properly situate ourselves in the current housing and homelessness context and to set a clear path for our future direction.

It was a great honour for me to be appointed as CEO to an organisation with such a strong history and grounding in social justice. Our founder Fr. Pat Cogan ofm has left us with a legacy that will be difficult to match but we will endeavour to live up to his high standards and relentless focus on the people we are here to serve.

As ever, a transformational process must start first with listening to the committed professionals who work within the organisation as well the residents we work for. We have begun this process which will see a new Strategy for Respond! published in the last quarter of 2017.

But we have done much more than listen – we have acted.

We have all heard the heart-rending stories of families in emergency accommodation in commercial hotels and B&Bs unable to have even the basic facilities that we all need. Our humanitarian response to this was to open Ireland's first 'Family Hubs' in 2016. The Family Hubs in Drumcondra and Tallaght represent a new model of transitional accommodation that aims in the first instance to have superior accommodation and facilities than the commercial alternative. Central to the new model are the wrap-around support services for every family who have an individualised care plan and whom our Care Workers assist in order to move into a home of their own. This, of course, is not a long-term solution to the housing and homelessness crisis Ireland faces but it is significantly better than the alternative while we continue our core business of building, acquiring and letting the social homes that these families want, need and deserve.

We have significantly ramped up our social house build and acquisition plans in order to address the significant shortfall in social housing supply which is causing many of the downstream issues of homelessness and insecurity.

2016 saw the official opening of John's College in Waterford City. Originally a diocesan seminary John's College is now a 67-unit state of the art development for older people and those with special needs and requirements. John's College now a vibrant space where residents and the wider Waterford community interact via the Hub Café and the other community services located there. This adds to Respond's considerable output in Waterford city and county where we have built 574 social homes since our founding in 1982.

Moy Glas Glade in Lucan is now home to 14 families who were previously many years on the social housing list. Originally an unfinished private estate, Respond! took over Moy Glas Glade and ensured the completion of the project for social use.

Phase I of Ashmount Mews in the Mayfield area of Cork City was opened in 2016 and 16 families got the keys to their new homes. Ashmount Mews was Respond's first NARPS development – NAMA's special purpose vehicle to take ownership of properties where there is an established demand, leasing them to a local authority or Approved Housing Body. When Phase II is completed 35 families will be housed in long-term, secure situation.

We continued also to advocate on behalf of our residents via submissions to the policy process arguing that eliminating barriers to social house-building is the single greatest way we can contribute to fulfilling the ambitions of Rebuilding Ireland.

We are a solutions-oriented organisation unafraid to innovate but knowing we have to keep listening and learning all the while.

The new Strategic Plan we are embarking on will ensure that the organisational structure is fully aligned to the new strategy.

I am delighted at the progress we all made together in 2016 and am genuinely excited by our new strategic development process which I believe will make sure Respond! only goes from strength to strength.

Declan Dunne
Chief Executive Officer
July 2017

> **"We have significantly ramped up our social house build and acquisition plans in order to address the significant shortfall in social housing supply, which is causing many of the downstream issues of homelessness and insecurity"**

Fr Patrick Cogan, ofm – Tribute

In 2016, our founder, Fr. Pat Cogan ofm retired from the Board of Respond! We take this opportunity to recognise his lifetime of service and achievement.

Fr. Pat witnessed the devastating effects the shortage of decent housing was having on the people of Waterford city in the early 1980s. With a close-knit group of like-minded friends, he set about addressing the housing need he saw first-hand in Waterford in 1981. From a small room in the Friary, with Michael Doherty, Tom Dilleen and others, the group studied models of the few voluntary housing organisations in Ireland and settled on the formula for Respond!. We were incorporated in July 1982 as a company limited by guarantee with charity status. Francis Court – a 15-house scheme for older persons with a community building - was officially opened on the 4th October 1983 and Respond! was formally recognised as an Approved Housing Body by the Government in 1984 and began our nationwide mission.

Since the early days Respond! has had a strong Franciscan ethos of service. With this ethos as our greatest strength Respond! has grown into an organisation that has built over 5,500 social houses and community buildings throughout the country. We manage the estates and provide a range of wrap-around services to our residents, employing over 200 staff between the Housing and SUPPORT sister companies, not to mention the countless volunteers, mentors and friends of Respond! who have given of their time and skills over the years.

Considered now to be cutting-edge policy, Fr. Pat understood and developed a model of integrated services where housing was only one part of the equation. The Respond! method is to help, encourage and guide those that we serve in order that we can all contribute to the wider community. Education was always close to Fr. Pat's heart, he has understood the power of education to truly lift people out of poverty and provide a path to fulfilment

"The more radical the person, the more fully he enters into reality so that, knowing it better, he or she can transform it. This individual does not consider himself the proprietor of history of all people or the liberator; but he does commit himself, within history, to fight at their side".
- Paulo Friere, Brazilian educator and philosopher

When we all reflect on our working lives few among us could imagine a legacy as significant as Fr. Pat's. He is a true visionary who has made a real difference to the lives of thousands upon thousands of people, who has changed the physical landscape around us and who has changed the public mindset on social housing. We take this opportunity to honour the man who spent his life transforming lives and fighting on the side of the oppressed. He will always remain close to our hearts as we fully commit to maintaining our founding Franciscan ethos and sustaining Fr. Pat's vision into the future.

"The more radical the person, the more fully he enters into reality so that, knowing it better, he or she can transform it. This individual does not consider himself the proprietor of history of all people or the liberator; but he does commit himself, within history, to fight at their side."

Paulo Friere

Vision and Values

To prevent and relieve hardship and distress amongst those who are homeless and amongst those in need who are living in adverse housing conditions. To empower individuals and develop their skills for the benefit of the community as a whole.

To advance education, relieve poverty and to further other charitable purposes beneficial to the community

Core Values

Our mission and ethos inform the core values of the work of the organisation.

These core values, underpinning the organisation, are:

- **Equality and human rights:** This is central to our rights-based approach
- **Common good:** This is core to all services and policy development
- **Customer Focus:** Putting residents and communities at the heart of our services
- **Integrity:** Ensuring activities are open, honest, accountable and transparent
- **Sustainability:** Offering value and quality in service provision, while respecting and protecting the environment
- **Continued Learning:** Fostering continuous improvement in service delivery, and understanding and developing options to sustain best service provision
- **Volunteerism:** This is core to the Respond! philosophy of improving communities

Our Work

Corporate Governance

For most of the year the Board was comprised of eight non-executive members, who were drawn from a wide background, bringing together professional, commercial and local experience.

Three members of the board completed their term of office in May 2016 and one member resigned in the previous month. The board was strengthened by the appointment of five new members in July 2016.

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 not a member of the Board.

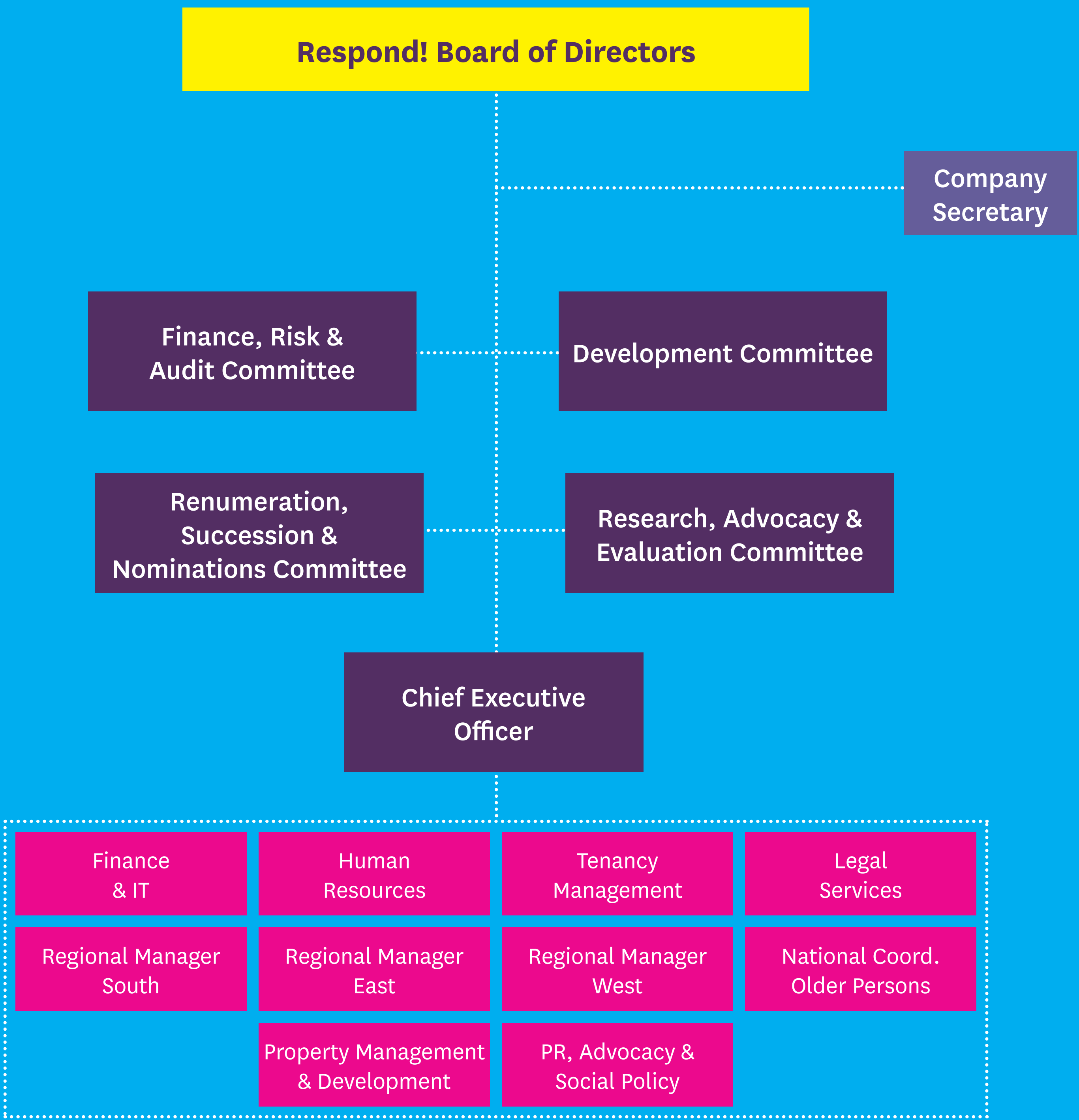
On 1 June 2015, Fr Patrick Cogan, ofm, retired from the position of CEO of Respond!. He was a founding director of Respond! and CEO for more than 30 years and has continued to serve as a member of the Board. On the same date, 1 June 2015, Ned Brennan was appointed by the Board as acting CEO of Respond! for a period of one year, expiring 30 May 2016. On 1 June 2016, Fr Patrick Cogan took up the role of Acting Administrator for the company pending the recruitment of a new CEO. Declan Dunne was appointed as CEO in August 2016.

The CEO chairs regular management meetings throughout the year 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.

For the most part of the year the Finance, Risk and Audit Committee was comprised of four independent non-executive members, one of whom was a non-executive Board member who chaired the Committee.

In July 2016 the Committee was re-constituted and it now is comprised of five independent non-executive members, three of whom are non-executive Board members. The CEO and Company Treasurer also attend the meetings, by invitation. The Committee reviews financial performance, financial strategy, audit and risk policies and makes recommendations to the Board on these matters.

Governance Structure



> We are well into the process of developing a new 5 year Strategic Plan, which will set out the role we intend to play in responding to the housing needs of the community over the coming years."

John O'Connor, Chairman

Respond!
Board of Directors

The Board of Directors ensure that Respond! complies with the full requirements of Company Law, the legal responsibilities that all Company Directors are subject to and that best practice systems of control and accountability are maintained.

John O'Connor (Chairperson)

John O'Connor joined Respond! Board of Directors in December 2016 and was appointed chairman with effect from 1st January 2017. John is also Chairperson of the Board of EirGrid, the electricity transmission market operator for the island of Ireland. He served as Chairman of the Pyrite Resolution Board from 2013 to 2016. From 2000 to 2011, he was the Chairperson of An Bord Pleanála, the independent national tribunal for the determination of planning appeals and strategic infrastructure projects. Prior to that, he served for 35 years as a civil servant in the Department of the Environment where he occupied senior positions as Finance Officer, Principal Housing Policy and Finance and Assistant Secretary in charge of the Planning and Water Services Division. He has also served as director of three commercial State Bodies: the Housing Finance Agency, Temple Bar Properties and the Dublin Docklands Development Authority. He holds a Diploma in Public Administration from UCD.

Brian Hennebry

Brian is a Chartered Accountant and founder of Brian Hennebry Associates Tax Consultants based in Waterford, with nearly thirty years' experience in the financial sector. Brian joined Respond! as a Board member in the 1980s when he was asked to assist with the development of the organisation.

June Anne Falconer

June Anne is an Architect & Partner in C. J. Falconer & Associates a design, technical, and innovation-led architectural and planning practice which employs over twenty-five talented, qualified, and international, Architects, Technologists and Designers, and generations of experience. Educated at Queen's University Belfast with a Bachelor's Degree, RIBA Part 2 Canterbury Kent with a Bachelor's Degree, RIBA Part 1. Waterford Institute of Technology, NCEA Dip Construction (Arch), June Anne has immense experience working with the public across a broad sector.

Noel Kelly

Noel is Senior Director Nypro Healthcare Pharmaceutical delivery systems. Noel is an experienced professional Engineer with a higher diploma in applied finance. He has over 28 years' experience in the global manufacturing and business environment having held leadership roles with Waterford Crystal, Honeywell and Nypro Healthcare. He is currently in a senior global management position with Nypro Healthcare a worldwide manufacturer of complex drug delivery devices.

Cathal O'Connell

Dr Cathal O'Connell is Professor in social policy at the School of Applied Social Studies, University College Cork where he is the programme director of the BSocSc Degree. His research and publications are in the area of Irish housing policy, social housing regeneration, housing management and resident participation in estate regeneration. Cathal has a long term interest in improving access, retention and progression of under-represented groups in third level and is also a member of the Academic Management Board of the Centre for Adult and Continuing Education (ACE) at UCC. Cathal joined the Board of Directors of Respond! Housing in 2016.

Joe O'Connor
Joe qualified as a Chartered Accountant with PwC and worked in various roles in AIB Capital Markets, a consistently successful Division of AIB, over an extended period. (Capital Markets business included the Treasury, Corporate Banking and Investment Banking operations of AIB Group), Joe was a Board Member of that division for 16 years and his roles included Head of Banking, Head of Risk Management, Finance Director, Head of H.R. and Chief Credit Officer, at different times. Joe was recalled from retirement in 2010 and served on the AIB Group Executive for a number of years. Currently Joe is Chairman of the Irish AIB DB Pension Fund, which has a membership of 17,000, and is one of the largest Pension Funds in Ireland.

Jill Jackman (Company Secretary)
Jill is Company Secretary at Respond!. Jill is responsible for legal and administration matters within the organisation including conveyance, litigation and the insurance portfolio. With more than 35 years experience in the legal profession, Jill previously worked with Nolan, Farrell & Goff Solicitors (1976 to 1983) and with Kinsella Heffernan & Foskin Solicitors (1983 to 1999). Jill Joined Respond! in 1999.


John O'Connor


Brian Hennebry


June Anne Falconer


Noel Kelly


Cathal O'Connell


Joe O'Connor


Jill Jackman

Respond!
Board Sub Committees

The main purpose of Respond! is to prevent and relieve hardship and distress among those who are homeless or living in adverse housing conditions. It is the responsibility of the Board of Directors to determine and oversee the implementation of the policies and strategies for the achievement of that purpose in accordance with the established ethos of the organisation and, in doing so, to ensure that the company complies with statutory requirements and observes the highest standard of corporate governance.

The Respond! Board of Directors has established a number of sub-committees to assist it in carrying out its responsibilities. The four sub-committee of the Board, were set up by agreement of the Board and are accountable to the Respond! Board of Directors.

Finance Risk and Audit Committee (FRAC)

A key role of the Board is to ensure the organisation's sustainability and prosperity by collectively directing its affairs, while meeting the appropriate interests of stakeholders, and complying with all necessary legislative / regulatory requirements and with best practice in Corporate Governance.

A Board subcommittee, called the 'Finance, Risk and Audit Committee' (FRAC) has been established to assist the board to fulfil its duties. It will act independently of the executive, to ensure that the interests of stakeholders are properly protected.

The Board's approach is to develop and implement a strategic plan and then to assess and monitor the performance of the organisation against this plan. The operations of the company need to be managed effectively and efficiently.

The Finance, Risk and Audit Committee (FRAC) will be composed of five non-executive members to ensure independence who hold monthly meetings.

The membership is made up of three Directors Joe O'Connor (Chair) Noel Kelly and Brian Hennebry. The external member is Clair Grant (Chartered Accountant).

Declan Dunne CEO and the Ray Fanning Treasurer and Tòmas English Financial Controller attend the meetings regularly by invitation. Parag Joglekar Head of Property and Liam Fewer, National Production Manager, have attended meetings by invitation.

Development Committee

A sub-committee of the Board, known as the "Respond! Development Committee" was set up by agreement of the Board in September 2016.

The remit of the Development Committee is to review and monitor Respond!'s development projects, its asset management role, its proposed acquisition or sale of land or property and its design and construction capacities to ensure that they conform with and adequately deliver Respond!'s adopted strategy.

The Development Committee contribute to making Respond!'s strategic plan, having particular regard to ensuring that Respond!'s development and asset management programme is economically and socially sustainable and that it meets with Respond!'s goals and ethos and with the terms of its Memorandum and Articles.

The Committee holds regular meetings and shall, at least annually, meet the external auditors and internal auditors, without management, to discuss matters relating to its remit and any issues arising from the audit.

The Development Committee are selected by the Respond! Board and are composed of a maximum of 5 members of the Board with relevant background knowledge.

The membership is made up of two Directors John O'Connor (Chair) and June Anne Falconer, There is one external member, Kevin Duke (QS).

Declan Dunne CEO, Parag Joglekar Head of Property and Liam Fewer National Production Manager attend the meetings regularly by invitation. Ray Fanning Treasurer and Ned Brennan Chief Operating Officer have attended meetings by invitation.

Remuneration Succession and Nominations Committee (RSN)

A sub-committee of the Board, known as the "Respond! Remuneration, Succession and Nominations Committee ("RSN") was set up by agreement of the Board The RSN Committee reports to and is accountable to the Respond! Board.

The RSN holds delegated responsibility for the oversight of remuneration policy, particularly for Senior management. It is responsible for considering, agreeing and approving a remuneration strategy that while prudent, supports the long term objectives of Respond! specifically the functions of the Remunerations Committee.

The Committee are appointed by the Board of Respond! and comprise of 3 members of the Board and will be chaired by the Chairperson of the Board. The Committee will be assisted by the Declan Dunne Chief Executive Officer and Eric Young Director of HR as appropriate. The Committee will meet at least four times a year. The quorum shall be two members.

The membership is made up of three Directors John O'Connor (Chair) Joe O'Connor and Noel Kelly. There are no external members of the committee. Declan Dunne CEO, Eric Young HR Manager and Jill Jackman Company Secretary to attend the meetings regularly by invitation.

Research, Advocacy and Evaluation Committee (RAE)

A sub-committee of the Board, known as the Research Advocacy and Evaluation (RAE) Committee was set up by agreement of the Board.

The RAE Committee holds the delegated responsibility for the oversight of the research, advocacy and evaluation policy, including the responsible for the promotion of the use of research, advocacy and evaluation to inform the mission of Respond! and the delivery of services of Respond! to its residents and the wider community and the provision of support, advice and resources to Respond! and the relevant Respond! personnel involved in undertaking research.

The Committee members are appointed by the Board of Respond! and are comprised of two members of the Board and will be chaired by the Chairperson of the RAE Committee. The RAE Committee may co-opt external

> **"The main purpose of Respond! is to prevent and relieve hardship and distress among those who are homeless or living in adverse housing conditions."**

experts as members who are not members of the Board of Directors of Respond!

The membership is made up of two Directors; Cathal O Connell (Chair) and Brian Hennebry. There are currently no external members of the committee.

Declan Dunne CEO, Brìd McGrath Head of Social Policy, Research & Communications and Philip O'Reilly National Co-ordinator or Services for Older Persons will attend by invitation and be available to support the work of the committee.

Respond! Senior Management Team

The day-to-day management of Respond! Housing Association is in the hands of the National Senior Management Team who are supported by three Regional Management Teams. They ensure that the strategic direction set by the Board is implemented effectively and that the charitable ethos of the organisation is maintained. The core National Management Team is made up of the following:

Declan Dunne

Declan joined Respond! as Chief Executive Officer in August 2016. He is an experienced General Manager who built a business over many years, sold to American multi-national and went on to work as their General Manager for Ireland. Declan's last role was as Chief Executive Officer with Sophia Housing Association. He was a Director of the Ballymun Regeneration Board for ten years, appointed by the Dublin City Council Chief Executive. He was also Chair of its Audit Committee which oversaw the Ballymun Regeneration Masterplan with an expenditure of €1B. He served as a Director of the North Dublin Development Coalition an Economic Development think tank at DCU for nine years and was a Director of Ballymun Whitehall Enterprise Centre for ten years. He is a Director of Oakfield Trust, a charitable commercial property development organisation.

He serves as Chair of the Homeless Network all of the major Homeless Agencies and is a member of Dublin Statutory Consultative Homeless Forum and the Implementation Advisory Group at the Dublin Region Homeless Executive. Declan is currently President of the Board of the Ireland United States Alumni Association (IUSA) at the US Embassy and chairs the IUSA Education Committee.

He served as a ministerial appointee as a Board member for two three year terms at the National Education Welfare Board (NEWB) a Statutory Agency which was established to promote school attendance and also chaired its Audit Committee. He was a member of National Childcare Coordinating Committee in the Department of Children and Youth Affairs for seven years. He chaired the Health Services Executive Child Protection Committee (HSECPC) for two years in the Dublin North Central area. He was a founding member of the Dublin City Children's and Youth Peoples Services Committee at Dublin City Council for six years. He was Director and Chair of the Finance Committee at the Axis Arts Centre for 7 years, Director of the Dublin City Childcare Committee for five years, which is charged by the Minster for Children and Youth Affairs to deliver the National Childcare Strategy in Dublin. He was a Director and Board member for nine years at the Ballymun Local Drugs Taskforce. Declan is actively interested in education, and family services and is an invited speaker at OECD and other international conferences.

Ned Brennan

Ned is the Chief Operations Officer at Respond! Housing and has twenty five years' experience in the Local Authority and Housing Association sectors in Ireland. Ned previously worked as Town Clerk with Youghal Town Council and in Dublin City Council, New Ross Town Council and Kilkenny County Council. Ned joined Respond! Housing Association in 2001 and currently has responsibility for Operations and New Business Development. Ned was educated in Presentation College, Bray, University College Dublin, the Honourable Society of King's Inns and holds a Masters Degree from University College Cork. Ned was a member of the Department of the Environment, Community and Local Government Working Group for the Co-operative & Voluntary Sector from 2002 to 2011 and a member of the Board of the Irish Council for Social Housing (ICSH) from 2011 to 2014. Ned contributes regularly to articles, papers and conferences on housing in Ireland.

Ray Fanning

Ray is Company Treasurer of Respond! since May 2010. Prior to joining Respond! Ray had been employed in the private commercial sector for over 25 years and held a number of senior finance positions. He previously worked as Financial Controller for ACEC Ireland Ltd / ABB Transformers. He was Group Financial Controller for Fyffes Produce UK, Management Consultant with Kromberg & Schubert (Ireland) Ltd and Group Financial Controller of Avglade Limited. Originally from Waterford, Ray also represents Respond! on on the Finance Sub Committee of the Irish Council for Social Housing (ICSH).

Parag Joglekar

Parag is Head of Property with Respond! He is a Chartered Architect in Ireland and the UK and holds a Masters degree in Urban Settlements from KUL Belgium. Parag has worked in both the private and semi-private sector in Ireland, UK and India with extensive experience in Urban Design, Housing, Regeneration, Commercial, Health Care and Civic Buildings. He was previously a Director of a South African NGO. Parag is a member of the Royal Institute of Architects of Ireland (RIAI) and the Architects Registration Board (ARB) in the UK.

Jill Jackman (Company Secretary)
Jill is Company Secretary at Respond!. Jill is responsible for legal and administration matters within the organisation including conveyance, litigation and the insurance portfolio. With more than 35 years experience in the legal profession, Jill previously worked with Nolan, Farrell & Goff Solicitors (1976 to 1983) and with Kinsella Heffernan & Foskin Solicitors (1983 to 1999). Jill Joined Respond! in 1999.

Bríd McGrath
Bríd is the Head of Social Policy, Research and Communications. Bríd studied History and Political Science in Trinity College Dublin before working for the Department of Foreign Affairs and as a Ministerial Advisor in the Department of Communications, Energy and Natural Resources. After time in Rome with the Food and Agricultural Organisation (FAO) of the United Nations Bríd began working in the NGO sector at home, most recently as Head of Campaigns / Communications in Amnesty International Ireland.

Senior Managers are supported by:

Pádraic Brennan
Pádraic is Regional Manager for the East and Midlands. He graduated from Sligo Institute of Technology and Galway Mayo Institute of Technology and is a qualified Contracts Manager in Civil Engineering and Construction Management. Pádraic worked within engineering consultancy practice (Thomas Garland Partners Dublin) before entering the construction industry contracting discipline. He has spent over 25 years working in the construction and development industries (including many varied social housing projects) in Dublin, New York and London, including 16 years with McCabe Builders (Dublin) Ltd as a Contracts Director. Pádraic is also a qualified and accredited ADR Commercial Mediator from Friary Law Dublin.

Paul Hargaden
Paul is Regional Manager of the Western Region and has worked with Respond! since 2005. He has worked in the voluntary sector for over 25 years and has extensive experience in the area of community and youth work and in the social housing sector at regional, national and international level. Paul's current role with Respond! involves overall operational control for all estate management, resident support and design/ production activities and projects in west of Ireland.

Philip O'Reilly
Philip O' Reilly is the National Co-ordinator of Services for Older People with Respond! and has been with the organisation since 2009. Philip is an active advocate for the rights of older people and is responsible for the overall delivery of the Respond! National Strategy for Older People. Prior to joining Respond, Philip worked as an Advocacy Officer with Age Action in the south east region. Philip is a member of the Teaching Council of Ireland and regularly lectures on Housing, Community Studies, Health Skills and Care of the Older Person courses. Philip has an honours degree in Applied Social Studies in Social Care from Waterford Institute of Technology and a National Certificate in Community Development from NUI Maynooth.

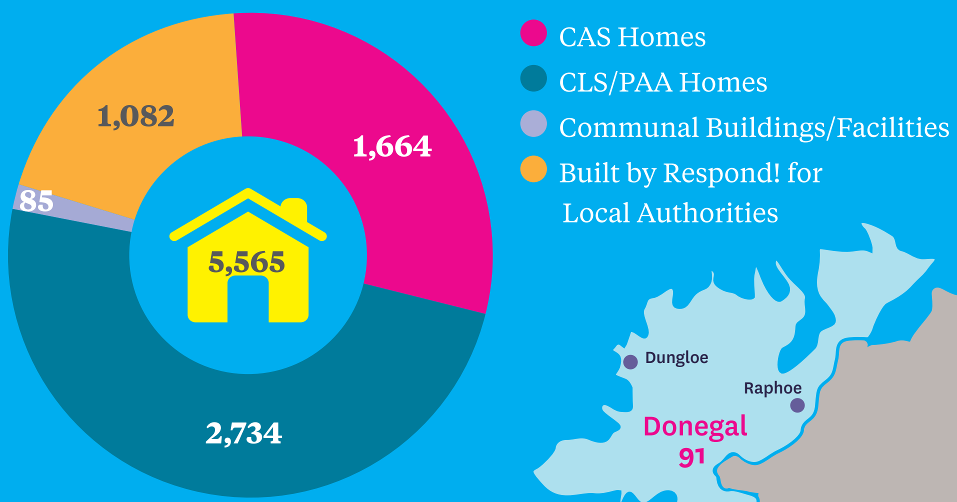
67

We renovated 67 units for older people in Waterford city, John's College

4,255

Total units owned and managed by Respond!

Total Number built by Respond!



Total number built, owned and managed by Respond!

4,255

29,532 Inbound Calls to 051 - 840200

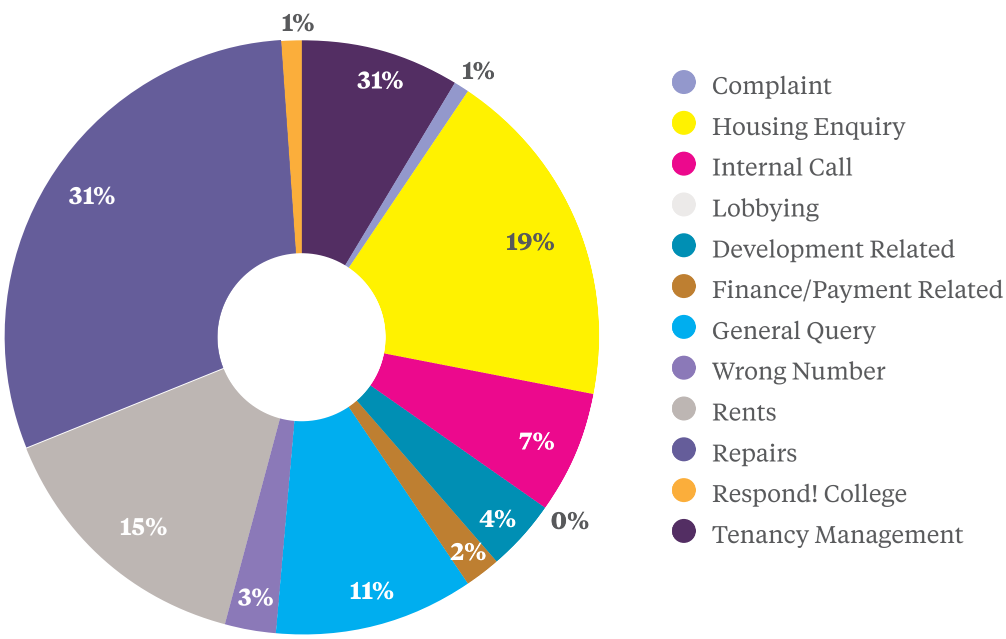
18,569 Post Enquiries

472 Applications forms processed

10,805 Email enquiries into Info@respond.ie

Below is a breakdown of the Call types we received over a 12 month period of 2016

Call Types



Social Housing

John's College

John's College was refurbished and redeveloped by Respond! Housing with the financial support of Waterford City Council and the Department of Housing, Planning, Community and Local Government through the Capital Assistance Scheme, the Capital Advance Lease Facility (CALF) and Payment and Availability Agreement (PAA). On conclusion of the acquisition and planning, the actual re-construction of John's College began in March 2014 by Respond! Ltd and was completed in November 2015 by Mythen Construction, ahead of schedule.

The impressive €12 million scheme has delivered 57 one bedroom apartments overlooking the Folly, a 10 bed group home and extensive communal facilities. All of the residents in John's College came from the Waterford City and County Local Authority waiting list. The apartments cater mainly for Older People and people with specific needs and requirements who are capable of independent living.

On Friday 22nd July 2016, the Minister for Housing and Urban Renewal, Damien English, T.D. performed the official opening of the John's College campus in Waterford City with a large crowd of distinguished guests in attendance. The Bishop of Waterford and Lismore, Very Rev Alphonsus Cullinan and Dean Maria Jansson were also present and carried out a blessing of the campus.

During his speech Minister English stated: "I congratulate Respond! for the development of St. John's College. Delivering these 67 units was no small feat and I'm aware that Waterford City and County Council was very anxious to see this project progressed in the context of protecting the architectural heritage of the City".

The apartments in John's College cater for Older People and people with specific needs and requirements who are capable of independent living. The Facilities Co-ordinator has developed a suite of activation, socialisation and recreational programmes that are designed to enable older people to live independently in their own communities for as long as possible. There are a number of essential onsite support services for residents and the wider Waterford community including a Community Education Centre, Conference Centre, Activation Room, Sensory Garden and The Hub Café which is a great social and recreational outlet for tenants.

Minister for Housing, Planning, Community and Local Government Simon Coveney TD visited John's College in September – Respond!'s latest social housing development – in Waterford city. To date, Respond! has built 574 social homes and 4 childcare centres in Waterford city and county alone.

"I'm delighted to be here today to visit this development provided by Respond! and I would like to congratulate them on their great work in transforming what was previously a disused building which is now being used to provide homes for elderly people. We need to see more projects like this which make use of derelict properties. Approved Housing Bodies such as Respond! are vital to the delivery of Rebuilding Ireland the Action Plan for Housing & Homelessness. The Action Plan is all about providing homes and sustainable communities for families nationwide and this project is a fine example of this with a community centre on site for the wider community".

This is an exemplar project in so many respects. It has transformed a disused building and brought it back into use. It also shows how approved housing bodies can secure financial backing from both public and private sources and Respond! deserves great credit for their pioneering role in securing funding for this project".

The Respond! model is not one where we simply build houses, but one where we are committed to the creation and development of resourced communities to enable and empower people to fulfil their potential. We do this through the provision of housing along with services, supports, education and life-skills.

“We need to see more projects like this which make use of derelict properties. Approved Housing Bodies such as Respond! are vital to the delivery of Rebuilding Ireland the Action Plan for Housing & Homelessness.”

Minister for Housing, Planning and Local Government

1 Minister of State Damien English, T.D. performed the official opening of the John's College in Waterford

2 Bernie Colgey, Geoff Harris and Eileen Connors were some of the first residents to move into Johns College in February 2016

3 Renovated Conference Centre

4 Apartments located at College House, Johns College

57

The impressive €12 million scheme has delivered 57 one bedroom apartments overlooking the Folly, a 10 bed group home and extensive communal facilities

5 The new College Mews apartment located at Johns College

6 Minister for Housing, Planning, Community and Local Government Simon Coveney TD visited John's College September 2016

7 Founder of Respond! Fr Pat Cogan turns the sod at Johns College in December 2013

8 The Waterford Branch of Down Syndrome Ireland are one of the main anchor tenants located at John's College

Moy Glas Lucan

Respond! officially opened 14 new social housing units in Moy Glas in Lucan, Co. Dublin. The development will house 14 families who previously were on the South Dublin County Council housing list, many for a very long time. There will be 40 children in the new development.

We held a street party to launch this development in July of 2016. The party included face-painting, a DJ, finger food and ribbon-cutting however the big hit of the day was the petting zoo where scorpions, spider, snakes etc. were available to see, touch and (for the very brave) to hold.

Attending the street party and official opening of the new homes, Mayor of South Dublin and local Councillor Guss O'Connell had this to say "I would like, on behalf of the people of South Dublin, to welcome all the new residents of Moy Glas Glade to the Lucan Community. It is wonderful that 14 Families including 40 Children have been taken off the housing list thanks to Respond!. If we are to really solve our housing crises, then we need many more initiatives such as this."

"In South Dublin we are not just about providing houses, urgent and all as that is, but even more importantly, we are about building communities. The involvement of Respond! therefore here in Moy Glas Glade is to be welcomed given their track record in this regard. In turn, they are coming into a most vibrant and active community here in Moy Glas Estate. We are enriched in our County by the presence of over 120 different nationalities. At the same time this poses a challenge to us all to ensure that everyone is felt welcome and that their culture, traditions, hopes and expectations are understood and respected. I look to the Moy Glas Residents Association in ensuring that we have full integration between the established and the new residents. This garden party is a mighty step in that direction and I hope it becomes an annual affair and that it can be replicated elsewhere across South Dublin County."

For our part, Respond! is are proud of this development and hopes that Moy Glas Glade will prove best practice in terms of the quality of the housing supplied, the quality of the support services for the residents, and true cohesion among our residents and their neighbours. Housing is only the first step – real success comes from the creation of flourishing communities.

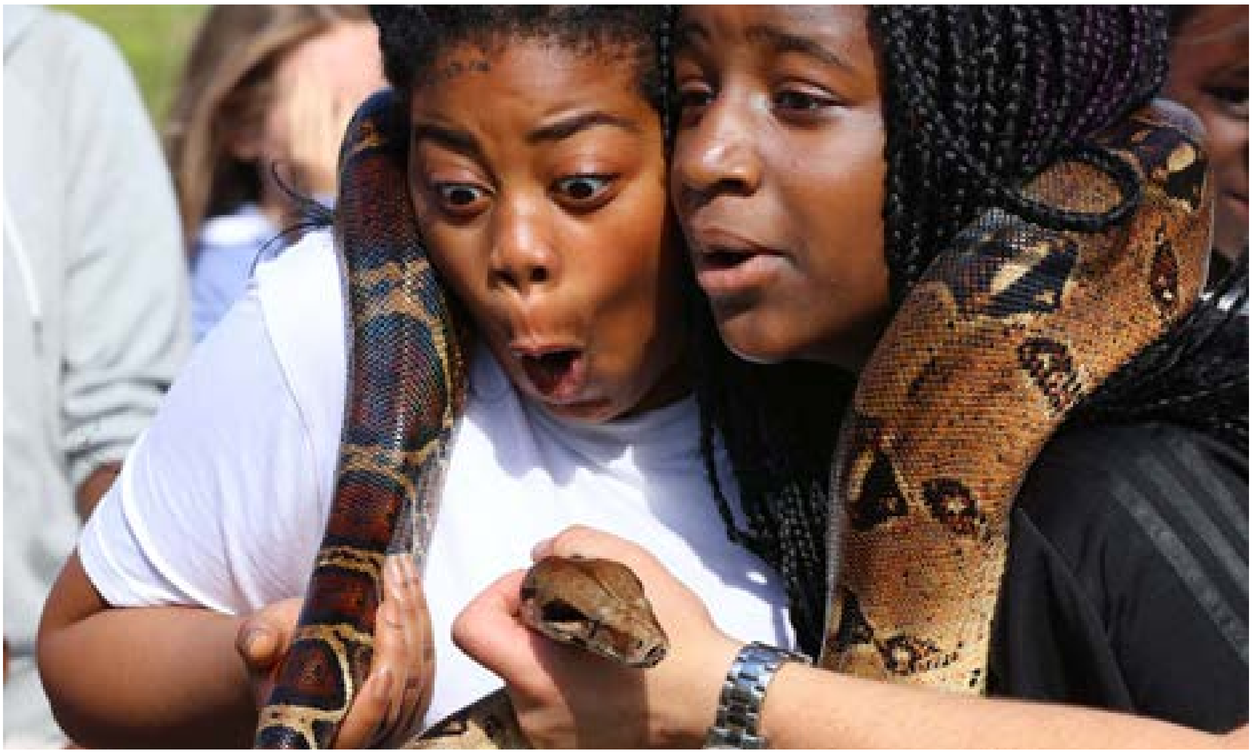
Respond! Housing will manage the Moy Glas Glade estate, providing family support services and attending to the day-to-day needs of the residents as well as the property.

The building of Moy Glas Glade was financed through a combination of the Capital Advance Leasing Facility (CALF) and a Payment and Availability Agreement (PAA).

> **"In South Dublin we are not just about providing houses, urgent and all as that is, but even more importantly, we are about building communities."**
>
> **Lord Mayor Guss O'Connell**

14

The development will house 14 families who previously were on the South Dublin County Council housing list, many for a very long time



Ashmount Mews

Phase I of Ashmount Mews in Mayfield in Cork was completed in 2016 and 16 families moved into their new home. Now complete, Ashmout Mews is home to 34 families.

Ashmount Mews is a 34 house estate, all homes including 3 bedrooms. When filled, the development will be home to 44 adults and 70 children.

Ashmount Mews is exactly the type of integrated development envisaged in Rebuilding Ireland as our tenants will be alongside the wider Ashmount private development. All our tenants will have the benefit of our Resident Support workers to assist them in their new homes and to work with them in terms of improving their employment prospects and educational opportunities – that is the Respond! model, we are always there for our tenants whenever the need arises, and to support social inclusion measures. We will work to create a vibrant, thriving community in Ashmount.

Respond! has ambitious plans for further development in Cork city and beyond. We are particularly pleased that this development has gone so well as our first leasing from NARPS – NAMA's social housing vehicle. The north side of Cork city has long been underfunded and underdeveloped and we are happy to play our part in addressing Ireland's homelessness crisis by providing real housing solutions for people in dire need.

"We are absolutely thrilled to move into these beautiful new houses. We don't ever have to worry again about where we will raise our kids."

Lavina Higgins & Liam Sexton

"We would like to see the Respond! values of building communities as the standard for allocating houses and creation of real neighbourhoods as the standard for future developments for people in the same situation as ourselves. Respond! has changed our lives and we are so happy."

Sinéad Furlong and John Doherty

34

Ashmount Mews is a 34 house estate, all homes including 3 bedrooms

44
Adults

70
Children

When filled, the development will be home to 44 adults and 70 children

Ceol Na Mara

Ceol Na Mara, Kill, Co Waterford family estate was completed by Respond! in 2016.

The original incomplete properties were purchased by Respond! from National Asset Management Agency NAMA in 2015 with the full support of Waterford City and County Council.

The development consists of 19 No. properties, 15 No. three bed semi-detached, 1 No. three bed bungalow and 3 No. 2 bed bungalows. BER rating B3 – C3.

19

The development consists of 19 properties

Energy Efficiency upgrades

Respond! is committed to providing comfortable and energy efficient homes for its tenants. To this end Respond! has always designed its houses to the highest insulation levels applicable at the time of build. However as in excess of 50% of Respond!'s housing stock is over 15 years old, the need to cut down our carbon footprint and the rising energy efficiency and insulation standards, Respond! has put in place a programme of upgrading its housing stock. This started as far back as 2011/2012 in conjunction with the Warmer Homes Scheme. This on-going programme has involved up-grade works of various types to 1,844 houses and community buildings. The latest programme completed in 2016 covered 239 units with upgrades to a further 269 units planned under the SEAI 2017 BEC programme. The SEAI 2017 BEC works are scheduled for completion by December 2017 involving a financial commitment of €2.56m from Respond's own resources. The works include upgrading of heating systems, windows, doors, windows, lighting and insulation. These works will lead to more comfortable and economic housing units for our tenants who for the most part are designated as being "fuel poor".

Some of the older houses, apartments and community buildings that comprise the Irish Social Housing Stock are a product of the age when they were built. They are largely heated by storage inefficient methods and thus more expensive to run. With the poor heat retention of the older structures, heating them is labour and material intensive and costly for the tenants.

Retrofitting the structures to make them energy efficient lowers the running cost and improves quality of life for the occupant by allowing a greater availability of heat at a fraction of the previous cost and much less physical effort.

Upgrading these dwellings leads, not only to a warmer more comfortable home, but happier and healthier occupants in a much improved BER rated structure and a significant step towards meeting Ireland's carbon emissions reduction targets.

EnviroBead partnered with Respond! Housing Association on the SEAI Better Energy Communities (BEC) Scheme to enable Respond! progress the Energy Efficiency upgrades to their existing housing stock. The team identified suitable properties and compiled the information required by SEAI for the BEC scheme applications. Ensuring to liaise with the Respond! tenants in the housing units, informing them of the proposed works, and scheduling the works in such a manner, so as to minimise the disruption to the tenants throughout the project.

Over the past number of years, EnviroBead have worked successfully with Respond! on a number of BEC projects, obtaining up to 60% funding for Respond's Energy Efficiency Upgrade works.

Respond! has a current housing stock of in excess of 4000 units, and have been very proactive carrying out deep retrofits over a number of years. 2015 saw Respond! carry out various BEC schemes to allow hundreds of homes to be upgraded from BER G rating to BER B rating in Dublin, Carlow, Kilkenny, Wexford, Waterford to name a few. In 2016 units are being installed in Cork City and county estates.

Most of the refurbishments were single and two-storey units built in the early 1990s and were in need of refurbishment. The homes received Daikin Altherma air to water heat pumps, LED lighting upgrades, attic space insulation, wall pumped insulation, inset solid fuel stoves and new external doors and windows. The homes were assessed by Respond's Property Team and Regional Managers with respect to their requirement and suitability for an upgrade and application was made to be included in SEAI Better Energy Community Scheme 2015 and again in 2016.

Respond! Housing places our tenants' needs at the heart of our business. We are committed to maintaining and upgrading our housing stock throughout the country, for now and into the future. Of primary importance to us is alleviating fuel poverty faced by our residents.

Energy upgrades mean vastly reduced heating bills for residents particularly when gas and electricity costs are rising. This in turn leads to greater disposable income for our residents as well as warmer, more comfortable homes. Energy upgrades are a win-win for the resident, the housing provider, the contractor, the local economy and the wider environment. When it comes to properties to be re-furbished heat pumps are our first option considered, when selecting a replacement heating and hot water system.

Most tenants have a clear knowledge of their eating costs and very quickly they begin to understand that they are now fuel rich rather than fuel poor, with income released to help them live better and healthier.

“The upgrade of our heating system has meant my family’s house is more pleasant to live in and cheaper to run. We do not fear the onset of the winter now as we know we’ll be able to cope.”

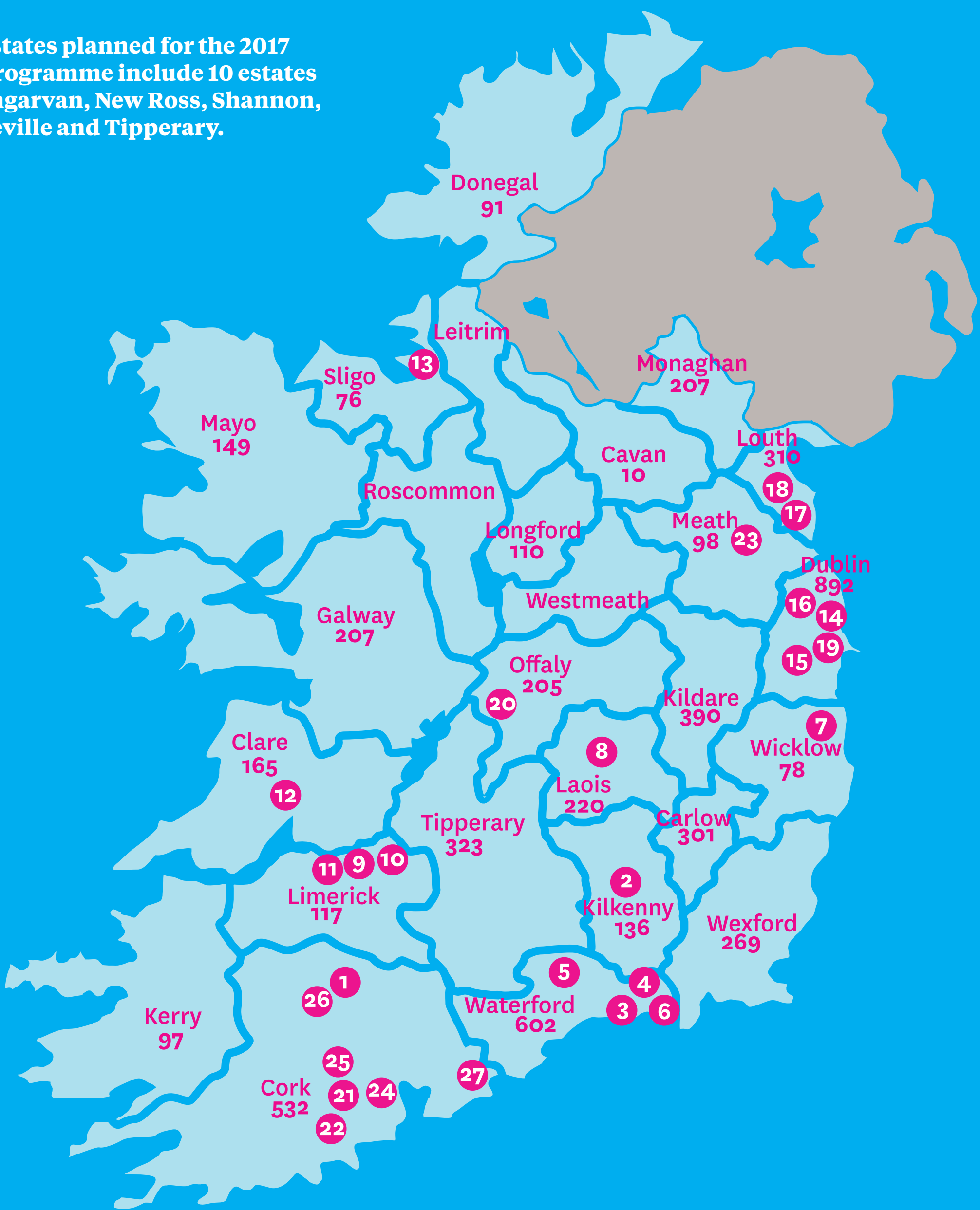
Respond! resident

Respond, with the assistance of SEAI, has upgraded 1500 homes at a total investment of €11.2 million

Energy Upgrades

1. Charleville, Cork
2. O'Loughlin Court, Kilkenny
3. Francis Tce, Airmount, Waterford
4. Shortcourse, Waterford
5. Wellington Ave, Waterford
6. Beachmount Waterford
7. Cois Sleibhe, Bray
8. Birch Grove, Portlaosie
9. Ballygrennan Close, Limerick
10. Summer Court , Limerick
11. Distillery View, Limerick
12. Waterpark View, Ennis
13. Rosewood Court, Sligo
14. LaVerna, Dublin
15. Armore Court, Dublin
16. Tolka Valley, Dublin
17. Tredagh, Louth
18. Rowan Heights, Louth
19. Castlekevin Aparments, Dublin
20. Chesterfield Close; Offaly
21. Ashbrook Cres, Cork
22. Kilcohan, Cork
23. Oaklands, Navan
24. Mount Vernon Cres, Douglas
25. Oakfield Close, Mallow
26. Ashbrook, Dromina, Newton Shandrum, Cork
27. Hillview, Beechers Yard, Youghal

The Estates planned for the 2017 BEC Programme include 10 estates in Dungarvan, New Ross, Shannon, Charleville and Tipperary.



Accommodation and services for homeless families

Family Hubs

> **Family Hubs are a caring new model of accommodation for families experiencing homelessness.”**

Family Hub Service is for Homeless families

As part of Respond! Strategy the Family Hub Drumcondra was commissioned in December 2016 as a Temporary Emergency Accommodation (TEA) service for families with low support needs, who are experiencing homelessness. The aim of the service is to support service users to progress along a pathway out of homelessness, through the provision of temporary emergency accommodation and supports. The service has been full since March 2017.

Family Hubs are a caring new model of accommodation for families experiencing homelessness. They include wrap-around services to help families be in a better position to move into their own homes in the short-term. Designed as a better alternative to commercial hotels and B&Bs, Respond! will work on this model in partnership with local authorities.

Respond! opened our doors just before Christmas 2016 and four families found homes of their own with the help of our support workers.

The Family Hub is our humanitarian response to address the needs of homeless families in Ireland today.

Many of the families here need and now have proper facilities, especially for their children. Our 24-hour support services are tailored to the needs of individual families with key workers for every resident. This is interim accommodation – with the aim that families leave Respond! in a better position than when they arrived and move into homes of their own.

Respond! will continue to ramp up our building and acquisition plans alongside our Family Hubs to fully play our part in fulfilling the ambitious targets in Rebuilding Ireland and help every family in Ireland have the home that they need, want and deserve.

The Respond! longer term commitment is to enable these families and individuals to access and sustain appropriate long term accommodation through the Housing Assistance Payment Scheme (HAP), or Respond! existing/new housing stock, other Approved Housing Bodies, Local Authority Housing or other housing providers with whom we cooperate. The new development at Drumcondra is one such housing option.

Drumcondra - Family Hub

The service consisting of 41 rooms accommodates approximately 35 families and the remaining rooms will be allocated to single people and will operate on a 24-hour basis. Referrals and allocations to the service are managed in conjunction with the Central Placement Service (CPS) and DRHE. Placements will be up to a six months term, with the option of an extension upon review. Secure parking has been provided on the premises, communal laundry facilities and communal apartment kitchens. High Park has a fully operational commercial kitchen which is being used to provide a wholesome hot evening meal to all service users.

All service users have a key worker allocated to them who will work with the service user to develop a support plan that outlines their progression into long term permanent homes.

We provide additional appropriate support in:

- Case Management and Key-working
- Access to Entitlements (Medical Card, Social Welfare, etc.) and Mainstream Services (Healthcare, Welfare, Education)
- Information/accommodation research facility.
- Internal and external play areas.
- Independent Living Skills, i.e. budgeting, cookery and personal and life skills
- Access to Public Health Nurse.
- MABS Support
- The Family Hub will also run a Breakfast Club and an After School Club which will be available to the children of all service users.
- A teenager hub/chill out room.
- Art room.

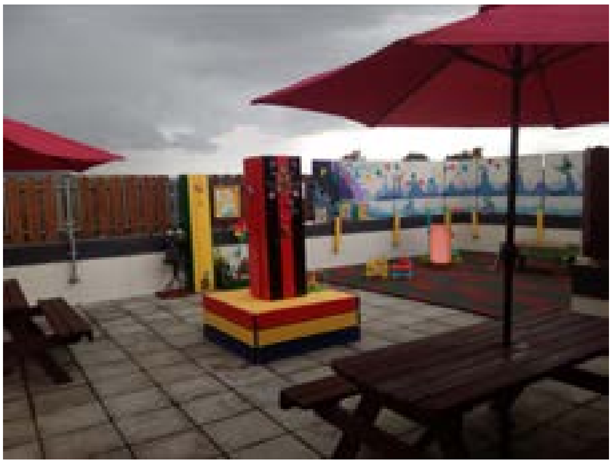
Tallaght Cuàn Alainn – Family Hub

Cuan Alainn in Springfield, Tallaght is a homeless service for families. Composed of nine units, seven two-bed family units and two single units. It is part of an integrated social housing scheme of 147 houses (mix of one, two and three beds). It has a community building which accommodates a privately managed Pre School. The service reopened in November 2016 and is full as of January 2017.

All service users have a key worker allocated to them who will work with the service user to develop a support plan that outlines their progression into long term permanent homes.

We provide additional appropriate support in:

- Case Management and Key-working
- Access to Entitlements (Medical Card, Social Welfare, etc.) and Mainstream Services (Healthcare, Welfare, Education)
- Independent Living Skills, i.e. budgeting, cookery and personal and life skills
- Access to Public Health Nurse
- MABS Support





Plans for the future

In the context of the on-going policy implementation of Rebuilding Ireland, Respond! stands committed to the delivery and provision of social housing.

The Respond! Board has approved a programme of delivery over the next 5 years through acquisitions and investment in a new-build development programme that is based on a sustainable housing strategy:

- Designed on principle of Integrated housing which promotes strong communities and enhances community development
- Creating places that generate a sense of place and pride.
- Of a quality, type and location to meet the needs of a wide range of current and future customers, including those with particular needs
- Environmentally sustainable and energy efficient
- Capable of being managed and maintained economically in the long-term

Respond! is currently engaged in delivery of housing through the Associations own new build programme and in association with Developers; with other Consortia and equity providers for PPP projects and development on strategic land initiatives. In addition to this, the organisation has further developed its Asset Management policies and delivery of same via an annual investment programme in responsive repairs, voids, cyclical and planned works. We continue to address Fuel Poverty and alleviation of same through investment in Deep Retrofit upgrades; in partnership with SEAI and other stakeholders, R! has to-date upgraded 1200 units and has planned investment for 270 units in 2017.

The Development & Asset Management programmes are delivered through the Association's own Property Department, consisting of 24 Architects, Quantity Surveyors, Planners, Clerk of Works, Technicians, Surveyors and BER Assessors.

Awards

The 2015 Long Service Awards ceremony was held in High Park campus, Dublin on Wednesday, 23rd March 2016 where fifty-one of our colleagues were awarded certificates in appreciation of their dedicated service. 29 colleagues received awards for 10 years' service, 13 colleagues received awards for 15 years' service, 9 colleagues received awards for 20 years' service. Colleagues travelled from all corners of the country to the event. The large number of awards is an indication of the dedication and commitment our colleagues have to Respond! and Respond (Support) Limited. Mr. Ned Brennan, CEO and Mr Michael O'Doherty, Board of Directors, addressed the group and thanked everyone for their contributions to the business since 1982. Ned stated "An organisation is only a shell without its people – each of you have been part of this movement" Congratulations to everyone on such an occasion.


1

2


3


4

1. Respond! staff from the Southern Region
2. Respond! was delighted to have been presented with a prestigious Saint-Gobain National Trophy 2016 for the Johns College Project. This trophy was awarded in the Irish Awards under the Residential Category.
3. Respond! staff from the Western Region
4. Respond! staff from the Eastern Region

Finance

Contents

Directors and Other Information

Board of Directors at 13 December 2016
Patrick Cogan ofm
Brian Hennebry
Michael O'Doherty
Tom Dilleen
June Ann Falconer (appointed 26 July 2016)
Noel Kelly (appointed 26 July 2016)
Katharine Larkin (appointed 26 July 2016)
Cathal O'Connell (appointed 26 July 2016)
Joe O'Connor (appointed 26 July 2016)

Secretary and Registered Office

B Hennebry
Airmount
Dominick Place
Waterford
Registered Number: 90576

Auditors

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
Ballycar House
Newtown
Waterford

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

Bankers

Allied Irish Bank
The Quay
Waterford

Ulster Bank
The Quay
Waterford

Directors' Report

The directors present their report and the financial statements of the company for the financial year ended 30 June 2016.

Principal activities

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

Corporate governance

For the most part of the year the Board was comprised of eight non-executive members, who are drawn from a wide background, bringing together professional, commercial and local experience.

Three members of the board completed their term of office in May 2016 and one member resigned in the previous month. The board has since been strengthened by the appointment of five new members in July 2016.

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 not a member of the Board.

On 1 June 2015, Fr Patrick Cogan, ofm, retired from the position of CEO of Respond!. He was a founding director of Respond! and CEO for more than 30 years and has continued to serve as a member of the Board. On the same date, 1 June 2015, Ned Brennan was appointed by the Board as acting CEO of Respond! for a period of one year, expiring 30 May 2016. On 1 June 2016, Fr Patrick Cogan took up the role of Acting Administrator for the company pending the recruitment of a new CEO. Declan Dunne was appointed as CEO in August 2016.

The CEO chairs regular management meetings throughout the year 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.

For the most part of the year the Finance, Risk and Audit Committee comprised of four independent non-executive members, one of whom was a non-executive Board member who chaired the Committee.

In July 2016 the Committee was re-constituted and it now comprises of five independent non-executive members, three of whom are non-executive Board members. The CEO and Company Treasurer also attend the meetings, by invitation. The Committee reviews financial performance, financial strategy, audit and risk policies and makes recommendations to the Board on these matters.

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 Housing, Planning, Community, and Local Government.

Directors' Report (continued)

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 statutory auditor to conduct regular internal audit reviews of the company's activities under the direction of the Finance, Risk and Audit Committee.

Internal financial controls - continued

The external statutory 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' 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 that give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*" and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Report (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Airmount, Dominick Place, Waterford.

Business review

Respond! has been to the forefront in the provision of social housing in the Republic of Ireland for the last 34 years and is one of the largest approved housing bodies in the country. We have continued to provide new units annually to meet the growing need for social housing for families, older persons, homeless persons, members of travelling community & people with special needs.

Business review - continued

We are committed to providing good quality homes that meets residents' needs and aspirations and strive to provide excellent support services. Respond! supports inclusive communities where individual talents and contributions are valued and we work in partnership with Local Authorities, Dept. of Housing, Planning, Community & Local Government, and lending institutions to enable delivery of new units.

We provide these homes with the assistance of Government funding in the form of Capital Assistance Subsidy (CAS), Capital Assisted Lease Finance (CALF) and Payment & Availability Agreement (PAA) monies, and balance funding from the Housing Finance Agency (HFA) and other private finance institutions.

Respond! has 4,255 housing units under its ownership / management at the balance sheet date and continues to invest in housing through its development program. We have ambitions to deliver a significant number of additional units over the next 5 years in support of the Government Program "Rebuilding Ireland: Action Plan on Housing and Homelessness" which was launched in July 2016.

Directors' Report (continued)

Financial performance for year

Respond! delivered another strong operating and financial performance for the year to June 2016. Annual turnover for the year of €12.9m increased by 6% on the previous year and profit for the financial year was €9.7m (2015: €11.8m). The surplus for the current year was impacted by €2.7m arising from a realignment to the amortisation of CAS mortgages over the remaining term of the mortgages.

Other Operating Income of €6.45m (2015: €9.36m) represents the net amortisation of government mortgages over the depreciation of social housing assets, and these figures have been impacted by the transition to FRS102, which is documented in note 29 to the accounts.

The company invested €16.5m in housing units during the year and delivered 126 additional homes, which were funded primarily by the drawdown of additional CALF & HFA funding of €13m which now stands at €14m on the balance sheet.

The company has a healthy aggregate bank balance of €14.2m held primarily in investments and short term deposits and these funds will be utilised to facilitate ongoing reinvestment in our existing stock and growth in the supply of new housing units over the coming years.

Reserves increased by €9.7m year on year and the overall reported equity figure of €108.6m was positively impacted by €45.6m arising from FRS102 adjustments, necessitated by a change in depreciation policy of our social housing assets to take account of component accounting and the amortisation of communal facilities over their estimated useful life.

Note, this is the first financial year that the company has presented financial statements complying with FRS102 and the comparative figures for the prior year have been adjusted appropriately. The last financial statements under Irish GAAP were for the financial year ended 30th June 2015. The company's date of transition to FRS102 is 1st July 2014. Set out in note 29 to the accounts are the changes in accounting policies which reconcile profit for the financial year ended 30 June 2015 and total equity as at 1 July 2014 and 30 June 2015 between Irish GAAP, as previously reported, and FRS102.

Principle risks and uncertainties

The company's activities expose to it a wide variety of operational, strategic, economic, market and environmental risks. Respond! is also conscious that as a registered charity it has both ethical and legal obligations to protect the assets of the company in the pursuit of its charitable objectives.

The company has developed a risk management framework and risk register as part of the ongoing process for the identification, evaluation and management of the significant risks faced by the company.

The principal risks identified by the company are:

Governance and the achievement of excellence in governance standards in adopting and complying with the principles outlined in The Governance Code for Community and Voluntary Organisations in Ireland.

Strategic risks in the achievement of our business objectives while keeping faith with the mission, ethos, values and charitable objectives of the company.

Financial risks in terms of treasury management, exposure to credit risk, interest rate risks, market rents, continued availability of loan finance at optimal rates, loan covenant compliance.

Operational risks in terms of human resource management and the company's capacity to deliver on its development plans. Health & Safety from a landlord and employer perspective in ensuring that the well being of our tenants and employees are safeguarded. Child Protection in terms of children and vulnerable adults. Tenancy management and the management of repairs and voids. Data Protection of the personal data of our employees and tenants.

Environmental in terms of minimising the adverse impact on society and the environment arising from our activities and the adoption and promotion of energy efficient sustainable solutions.

The board is assisted in the management of these and other risks through the engagement of an external firm of Chartered Accountants independent of the external statutory auditor who regularly conduct internal audits of the company's activities under the direction of the Finance, Risk and Audit Committee.

Directors' Report (continued)

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 financial year ended 30 June 2016 are set out below. Except where indicated, they served as directors for the entire financial year.

Patrick Cogan, ofm	Niall Bradley	(resigned 10 May 2016)
Michael O'Doherty	Seán Dorgan	(resigned 10 May 2016)
Brian Hennebry	Jill Jackman	(resigned 10 May 2016)
Tom Dilleen	Heather Reynolds	(resigned 22 April 2016)

The Charities Act 2009

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

Events since the end of the financial year

There have been no significant events affecting the company since the end of the financial year.

Members

The company is registered 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 were 7 members at the date of the balance sheet.

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

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

Statutory auditors

The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board

P Cogan ofm
B Hennebry
Date: 13 December 2016

Independent Auditors' Report

Report on the financial statements

Our opinion

In our opinion, Respond!'s financial statements (the "financial statements"):

> give a true and fair view of the company's assets, liabilities and financial position as at 30 June 2016 and of its profit and cash flows for the year then ended;
> have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
> have been properly prepared in accordance with the requirements of the Companies Act 2014.

What we have audited

The financial statements comprise:

> the balance sheet as at 30 June 2016;
> the profit and loss account for the year then ended;
> the statement of comprehensive income for the year then ended;
> the statement of changes in equity for the year then ended;
> the statement of cash flows for the year then ended; and
> the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements 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), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matters on which we are required to report by the Companies Act 2014

> We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
> In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
> The financial statements are in agreement with the accounting records.
> In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matter on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Independent Auditors’ Report (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 and for being satisfied that they give 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 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors’ judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.

Brendan O’Neill
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Ballycar House
Newtown
Waterford
Date: 13 December 2016

Profit And Loss Account
For the financial year ended 30 June 2016

	Notes	2016 €	2015 €
Turnover	5	12,943,452	12,228,667
Cost of sales		-	-
Gross profit		12,943,452	12,228,667
Administrative expenses		(10,710,532)	(10,316,010)
Other operating income	6	6,453,716	9,362,098
Operating profit	7	8,686,636	11,274,755
Interest receivable and similar income		384,164	573,459
Interest payable and similar charges	8	(125,461)	(12,489)
Exceptional item	9	725,953	-
Profit on ordinary activities before taxation		9,671,292	11,835,725
Tax on profit on ordinary activities	11	-	-
Profit for the financial year		9,671,292	11,835,725

Statement of Comprehensive Income
For the financial year ended 30 June 2016

The company had no recognised gains or losses in the financial year other than those included in the profit and loss account above and therefore no separate statement of comprehensive income has been presented.

Balance Sheet
As at 30 June 2016

	Notes	2016 €	2016 €	2015 €	2015 €
Fixed assets					
Intangible assets	13		391,138		560,307
Tangible assets	14		380,820,178		373,124,752
Current assets					
Debtors	15	8,323,173		7,769,103	
Investments	16	13,578,904		10,473,196	
Cash at bank and in hand		647,125		1,485,733	
		22,549,202		19,728,032	
Creditors: amounts falling due within one year	17	(3,887,614)		(4,537,637)	
		(3,887,614)		(4,537,637)	
Net current assets			18,661,588		15,190,395
Total assets less current liabilities			399,872,904		388,875,454
Less:					
Creditors: amounts falling due after more than one year	18		(291,291,357)		(289,965,199)
Net assets			108,581,547		98,910,255
Capital and reserves					
Reserves	21		108,581,547		98,910,255
Total equity			108,581,547		98,910,255

On behalf of the board

P Cogan ofm **B Hennebry**

Statement of Changes in Equity
For the financial year ended 30 June 2016

	Notes	Absorbed deficit €	Mortgage amortisation reserve €	Total €
Balance at 1 July 2014		(56,934,675)	144,009,205	87,074,530
Profit for financial year		11,835,725	-	11,835,725
Transfer to mortgage amortisation reserve		(16,049,162)	16,049,162	-
Balance at 30 June 2015	21	(61,148,112)	160,058,367	98,910,255
Balance at 1 July 2015		(61,148,112)	160,058,367	98,910,255
Profit for financial year		9,671,292	-	9,671,292
Transfer to mortgage amortisation reserve		(13,648,798)	13,648,798	-
Balance at 30 June 2016	21	(65,125,618)	173,707,165	108,581,547

Statement of Cash Flows
For the financial year ended 30 June 2016

	Notes	2016 €	2015 €
Cash from operations	23	1,751,927	4,777,368
Income taxes paid		-	-
Net cash generated from operating activities		1,751,927	4,777,368
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,504,315)	(13,794,935)
Purchase of intangible fixed assets		(69,143)	(207,369)
Proceeds from disposal of tangible fixed assets		-	1,000
Decrease/(increase) in investments		5,227,563	3,930,906
Interest received and similar income		384,164	573,459
Net cash used in investing activities		(10,961,731)	(9,496,939)
Cash flows from financing activities			
Mortgages		1,841,101	4,626,718
CALF loans		2,198,055	1,104,425
HFA loans		10,707,968	-
Capital grants		1,336,787	527,939
Interest paid on HFA loans		(84,670)	-
Net cash generated in financing activities		15,999,241	6,259,082
Net increase in cash and cash equivalents		6,789,437	1,539,511
Cash and cash equivalents at beginning of financial year		2,487,557	948,046
On transfer from East Wall Housing Association Limited (note 9)		130,054	-
Cash and cash equivalents at end of financial year		9,407,048	2,487,557
Cash and cash equivalents consists of:			
Cash at bank and in hand		647,125	1,485,733
Short-term deposits (included in current asset investments)		8,759,923	1,001,824
Cash and cash equivalents		9,407,048	2,487,557

Notes to the Financial Statements

1 General information

Respond! ('the company') is a registered charity with the Charities Regulator (registered charity no. 20012625) and has been granted charitable tax exemption by the Revenue Commissioners. The company is engaged in building housing schemes and providing these for rental.

The company is incorporated as a company limited by guarantee in the Republic of Ireland. The address of its registered office is Airmount, Dominick Place, Waterford.

2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014. In preparing the financial statements the company has referred to guidance included in the Statement of Recommended Practice (SORP): Accounting by registered social housing providers. Although the company is not required to comply with the SORP, it has adopted many of the recommendations in these financial statements where applicable.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated. The company has adopted FRS 102 for the first time in these entity financial statements. Details of the transition to FRS 102 are disclosed in note 29.

(a) Basis of preparation

The entity financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

(b) Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the euro, denominated by the symbol "€".

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Notes to the Financial Statements (continued)

Foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

(c) Revenue recognition

(i) Turnover

Turnover is the amount of revenue derived from the provision of goods and services falling within the company's ordinary activities. For Respond!, turnover comprises rental income, payment and availability income, maintenance grant income and sundry income, which are accounted for in the financial year to which they relate.

Turnover is measured at the fair value of the consideration received or receivable.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

(ii) Other revenue

Interest income is recognised using the effective interest rate method. Interest income is presented as 'interest receivable and similar income' in the profit and loss account. Income from third party donations and fund raising is credited to the profit and loss account 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.

(d) Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) Short term employee benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which the employees render the related service.

(ii) Post-employment benefits

Defined contribution plan
The company operates defined contribution plans for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the company in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

(e) Income tax

The company has been granted charitable tax exemption by the Revenue Commissioners.

(f) 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.

Notes to the Financial Statements (continued)

(g) Intangible fixed assets

Intangible assets (computer software) are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful lives, of four years, on a straight-line basis.

Where factors, such as technological advancement or changes in market prices, indicate that the intangible's useful life has changed, the useful life is amended prospectively to reflect the new circumstances.

Intangible fixed assets are reviewed for impairment if there is an indication that the intangible fixed asset may be impaired.

(h) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs.

(i) Capital expenditure on building programmes

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 company. Liabilities in respect of local authority mortgages on these properties are shown 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. 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 profit and loss account. As the company does not pay interest in respect of these mortgages, they are treated as interest free.

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 company is reflected in the profit and loss account in the period to which it relates.

Development expenditure which cannot 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.

(ii) Depreciation and residual values

Land is not depreciated.

Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives, as follows:

	Years
- Buildings – social housing	Refer note 4
- Buildings – other	30
- Fittings and equipment	5
- Computer equipment	4
- Motor vehicles	5

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

3 Summary of significant accounting policies – continued

(h) Tangible assets - continued

(iii) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(iv) Assets in the course of construction

Assets in the course of construction are stated at cost. These assets are not depreciated until it is available for use.

(v) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(i) Government grants

Government grants, including non-monetary grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. The company recognises grants on the accrual model and measures grants at the fair value of the asset received or receivable. Where a grant becomes repayable it is recognised as a liability when the repayment meets the definition of a liability.

The company classifies grants either as a grant relating to revenue or a grant relating to assets.

(i) Revenue grants

Grants relating to revenue are recognised in the profit and loss account on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs is recognised in the profit and loss account in the period in which it becomes receivable.

(ii) Capital grants

Grants relating to capital projects including communal facilities are recognised in the profit and loss account on a systematic basis over the expected useful life of the asset.

(j) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Leased assets

(i) Finance leases

Finance leases transfer substantially all the risks and rewards incidental to ownership to the lessee.

3 Summary of significant accounting policies – continued

(k) Leased assets - continued

(i) Finance leases – continued

At the commencement of the finance lease term the company recognises its right of use and obligation under a finance lease as an asset and a liability at the amount equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental and directly attributable costs incurred in negotiating and arranging a finance lease are included in the cost of the asset.

Assets under finance leases are depreciated over the estimated useful life of the asset. Assets are assessed for impairment at the end of each financial year.

The minimum lease payments are apportioned between the outstanding liability and finance charges, using the effective interest method, to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating leased assets

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessee. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the period of the lease.

(l) Impairment of non-financial assets

At the end of each financial year non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash-generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value in use pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current risk-free market rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), the carrying amount of the asset (or asset's cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the profit and loss account, unless the asset is carried at a revalued amount.

(m)Investments

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

3 Summary of significant accounting policies – continued

(n) Cash and cash equivalents

Cash at bank and in hand includes cash in hand, cash held in bank current accounts, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash at bank and in hand are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are presented as current asset investments.

(o) Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

a) In particular:

b) Restructuring provisions are recognised when the company has a legal or constructive obligation at the end of the financial year to carry out the restructuring. The company has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and the company has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected; and

Provision is not made for future operating losses.

(ii) Contingencies

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

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

3 Summary of significant accounting policies – continued

(p) Financial instruments

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

(i) Financial assets

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

Trade and other debtors, cash and cash equivalents, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

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

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such financial assets are subsequently measured at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

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

(ii) Financial liabilities

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

Trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the Financial Statements (continued)

3 Summary of significant accounting policies – continued

(p) Financial instruments - continued

(ii) Financial liabilities - continued

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as financial liabilities. The dividends on these preference shares are recognised in profit or loss within ‘interest payable and similar charges’.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4 Critical accounting judgements and estimation uncertainty

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

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Major components of social housing buildings

Major components of social housing buildings are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life. The company has made a number of assumptions in determining the cost of each major component, which are set out below.

Component	Cost as %	Useful economic lives
Bathroom	2%	30 years
Boundaries	3%	20 years
Windows/doors	6%	25 years
Electrics	2%	30 years
Heating	2%	20 years
Kitchen	1%	20 years
Roof	6%	50 years
Structure	78%	75 years

Notes to the Financial Statements (continued)

4 Critical accounting judgements and estimation uncertainty - continued

(ii) Useful economic lives of tangible assets

The annual depreciation on tangible fixed assets and amortisation of capital grants are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the tangible fixed assets, and note 3(h) for the useful economic lives for each class of tangible fixed assets.

(iii) Impairment of debtors

The directors make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the directors consider factors including the age profile of outstanding debt, recent correspondence and historical experience of cash collections from the debtor. See note 15 for the net carrying amount of the debtors.

5 Turnover

Analysis of turnover by category:

	2016 €	2015 €
Rental income	10,471,363	10,190,534
Payment and availability income	509,730	320,559
Maintenance grant	1,209,240	1,184,788
Sundry income	753,119	532,786
	12,943,452	12,228,667

Analysis of turnover by geographical market:

	2016 €	2015 €
Republic of Ireland	12,943,452	12,228,667

Notes to the Financial Statements (continued)

6 Other operating income

	2016 €	2015 €
Amortisation of capital funding		
Mortgage amortisation CLSS	8,557,402	8,579,802
Mortgage amortisation CAS	5,091,396	7,469,360
Amortisation of capital grants	654,024	602,422
	14,302,822	16,651,584
Depreciation of capital expenditure		
Depreciation – social housing	(7,849,106)	(7,289,486)
Amortisation of capital funding (net)	6,453,716	9,362,098

7 Operating profit

The operating profit for the financial year is stated after charging or (crediting):

	2016 €	2015 €
(a)Depreciation - Charity assets	171,388	163,900
(b)Amortisation of intangible fixed assets	238,312	237,618
(c) Loss on disposal of fixed assets	396,382	186,574
(d) Impairment charge – trade debtors	125,171	121,471
(e) Operating lease expense	25,162	-

8 Interest payable and similar charges

	2016 €	2015 €
Interest on CALF loans	40,791	12,489
Interest on HFA loans	84,670	-
	125,461	12,489

Notes to the Financial Statements (continued)

9 Exceptional item

On 9 December 2015, the company took over the activities and certain assets and liabilities of East Wall Housing Association Limited, for no consideration. The assets and liabilities arising from the transaction were as follows:

	2016 €	2015 €
Tangible fixed assets	12,654	-
Debtors	42,508	-
Investments	575,172	-
Cash and bank balances	130,054	-
Creditors and accruals	(34,435)	-
	725,953	-

10 Employees and directors

(i) Employees

The average number of persons employed by the company during the financial year was:

	2016 Number	2015 Number
Management	16	17
Operational	83	87
	99	104

Staff costs comprise:

	2016 €	2015 €
Wages and salaries	3,569,616	3,957,533
Social insurance costs	373,793	398,007
Other retirement benefit costs (note 24)	103,332	99,180
	4,046,741	4,454,720

Of the total staff costs €276,114 (2015: €334,377) has been capitalised into tangible fixed assets and €3,770,627 (2015: €4,120,343) has been treated as an expense in the profit and loss account.

Notes to the Financial Statements (continued)

10 Employees and directors – continued

(ii) Directors

	2016 €	2015 €
Emoluments	21,759	25,951
Contributions to retirement benefit schemes:		
-Defined contribution	1,123	1,300

(iii) Key management compensation

Key management includes the directors, CEO and members of the senior management team who report directly to the CEO, which at the balance sheet date comprised of 9 persons (2015:11). The compensation paid or payable to key management for employee services is shown below and includes employers contribution to social insurance and pension scheme:

	2016 €	2015 €
Total key management compensation	673,543	737,734

11 Taxation

No liability to corporation tax arises as the company has been granted charitable tax exemption by the Revenue Commissioners.

12 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. 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)

13 Intangible assets

	Software €
Cost	
At 1 July 2014	2,255,394
Additions	207,369
Disposals	-
At 30 June 2015	2,462,763
At 1 July 2015	2,462,763
Additions	69,143
Disposals	-
At 30 June 2016	2,531,906
Amortisation	
At 1 July 2014	1,664,838
Charge for the financial year	237,618
On disposals	-
At 30 June 2015	1,902,456
At 1 July 2015	1,902,456
Charge for the financial year	238,312
On disposals	-
At 30 June 2016	2,140,768
Net book value	
At 1 July 2014	590,556
At 30 June 2015	560,307
At 30 June 2016	391,138

Notes to the Financial Statements (continued)

14 Tangible fixed assets

	Social housing land and buildings €	Other land and buildings €	Fittings and equipment €	Computers €	Motor vehicles €	Total €
Cost						
At 1 July 2014	445,934,342	521,036	1,298,188	1,955,771	31,218	449,740,555
Additions	13,710,914	4,729	45,224	22,419	11,649	13,794,935
Disposals	(825,654)	-	-	-	(10,000)	(835,654)
At 30 June 2015	458,819,602	525,765	1,343,412	1,978,190	32,867	462,699,836
At 1 July 2015	458,819,602	525,765	1,343,412	1,978,190	32,867	462,699,836
Additions	16,461,359	-	25,518	17,438	-	16,504,315
Disposals	(1,574,703)	-	-	-	(4,650)	(1,579,353)
Projects written off	(404,667)	-	-	-	-	(404,667)
Transfer (a)	-	-	31,638	-	-	31,638
At 30 June 2016	473,301,591	525,765	1,400,568	1,995,628	28,217	477,251,769
Accumulated depreciation						
At 1 July 2014	79,820,472	121,431	1,102,872	1,708,637	16,366	82,769,778
Charge for the financial year	7,289,486	17,351	62,181	78,855	5,513	7,453,386
On disposal	(638,080)	-	-	-	(10,000)	(648,080)
At 30 June 2015	86,471,878	138,782	1,165,053	1,787,492	11,879	89,575,084
At 1 July 2015	86,471,878	138,782	1,165,053	1,787,492	11,879	89,575,084
Charge for the financial year	7,849,106	17,508	68,787	78,675	6,418	8,020,494
On disposal	(1,181,160)	-	-	-	(1,811)	(1,182,971)
Transfer (a)	-	-	18,984	-	-	18,984
At 30 June 2016	93,139,824	156,290	1,252,824	1,866,167	16,486	96,431,591
Net book value						
At 1 July 2014	366,113,870	399,605	195,316	247,134	14,852	366,970,777
At 30 June 2015	372,347,724	386,983	178,359	190,698	20,988	373,124,752
At 30 June 2016	380,161,767	369,475	147,744	129,461	11,731	380,820,178

(a) Represents the cost and accumulated depreciation of assets transferred from East Wall Housing Association Limited (note 9).

Notes to the Financial Statements (continued)

15 Debtors

	2016 €	2015 €
Amounts falling due within one year:		
Trade debtors	3,723,755	3,501,955
Amounts due from related company (note 22)	114,091	30,947
Prepayments and accrued income	4,485,327	4,236,201
	8,323,173	7,769,103

16 Investments

	2016 €	2015 €
Investment funds (i)	4,000,000	8,400,000
Deposits	9,578,904	2,073,196
	13,578,904	10,473,196

(i) All investment funds are fixed for a period. These investments are capital guaranteed if held to maturity, which is the intention of the directors.

17 Creditors - amounts falling due within one year

	2016 €	2015 €
HFA loans (note 18 (ii) and (iii))	495,722	-
Trade creditors	477,359	1,540,906
Accruals	2,593,026	2,460,781
PAYE and social insurance	91,410	90,386
Value added tax	213,977	435,365
Relevant contractors tax	16,120	10,199
	3,887,614	4,537,637

Trade creditors at 30 June 2016 and 30 June 2015 include amounts owing to suppliers who include reservation of title conditions in their conditions of sale. Due to legal interpretation involved it was not practical to quantify same.

Trade and other creditors are payable at various dates in accordance with the suppliers usual and customary credit terms.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Notes to the Financial Statements (continued)

18 Creditors - amounts falling due after more than one year

	2016 €	2015 €
CALF loans (i)	3,355,760	1,116,914
HFA loans (ii) and (iii))	10,212,246	-
Capital grants (note 19)	23,485,706	22,802,943
Mortgages (note 20)	254,237,645	266,045,342
	291,291,357	289,965,199

(i) CALF loans represent loans received under the Capital Advance Leasing Facility scheme. The CALF loans are unsecured and are subject to simple interest at a rate of 2% per annum. The capital advance and interest is repayable on demand in the absence of a payment and availability agreement for the properties for which the capital advance was provided, however notwithstanding the demand nature of the loan the capital and all other amounts outstanding are to be repaid after more than 5 years. The company has payment and availability agreements in place relating to the above loans. Accrued interest included within the balance above amounts to €53,280 (2015: €12,489).

(ii) HFA loans represent loans received from the Housing Finance Agency. The loans were received for financing Sustainable Energy Authority of Ireland (SEAI) approved energy efficiency upgrades and for the purchase of housing units. The SEAI related loan is secured by a charge over bank deposits. The housing unit loans are secured by a fixed charge over the housing units and assignment of the related payment and availability agreements. The repayment schedule of the loans is set out in (iii) below. Interest on the loans was charged and paid on 30 June 2016 and hence there is no accrued interest within the above balance at year end.

(iii) HFA Loans

	2016 €	2015 €
Not later than one year	495,722	-
Later than one year and not later than five years	2,149,027	-
Later than five years	8,063,219	-
	10,707,968	-

Notes to the Financial Statements (continued)

19 Government grants toward capital projects

	2016 €	2015 €
Received and receivable		
At 1 July	30,068,265	29,540,326
Additions during year	1,336,787	527,939
Redeemed	-	-
At 30 June	31,405,052	30,068,265
Amortisation		
At 1 July	7,265,322	6,662,900
Amortised to profit and loss account	654,024	602,422
Redeemed	-	-
At 30 June	7,919,346	7,265,322
Net book value at 30 June	23,485,706	22,802,943

Notes to the Financial Statements (continued)

20 Mortgage liabilities

	2016 €	2015 €
(a) Capital assistance scheme		
Received and receivable		
At 1 July	161,639,077	157,032,123
Reclassification from CLSS	2,999,223	-
Received/adjustments during year	2,411,223	4,606,954
At 30 June	167,049,523	161,639,077
Amortisation		
At 1 July	61,389,977	53,920,617
Amortised to profit and loss account	5,091,396	7,469,360
At 30 June	66,481,373	61,389,977
Net book value at 30 June	100,568,150	100,249,100
(b) Capital loan on subsidy scheme		
Received and receivable		
At 1 July	264,464,632	264,444,868
Reclassification to CAS	(2,999,223)	-
Received/adjustments during year	(570,122)	19,764
At 30 June	260,895,287	264,464,632
Amortisation		
At 1 July	98,668,390	90,088,588
Amortised to profit and loss account	8,557,402	8,579,802
At 30 June	107,225,792	98,668,390
Net book value at 30 June	153,669,495	165,796,242
Total net book value at 30 June	254,237,645	266,045,342

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

Notes to the Financial Statements (continued)

21 Reserves

A description of each reserve is outlined below:

Absorbed deficit
Absorbed deficit represents accumulated comprehensive income for the financial year and prior financial years, less amounts transferred to mortgage amortisation reserve.

Mortgage amortisation reserve
The amount transferred to the Mortgage Amortisation Reserve Fund 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.

22 Related party transactions

During the year the company effectively managed, 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 €575,334 (2015: €98,056). The balance owed by that company at 30 June 2016 was €114,091 (2015: €30,947).

23 Note to the statement of cash flows

	2016 €	2015 €
Profit for the financial year	9,671,292	11,835,725
Tax on profit on ordinary activities	-	-
Interest receivable and similar income	(384,164)	(573,459)
Interest payable and similar charges	125,461	12,489
Exceptional item	(725,953)	-
Operating profit	8,686,636	11,274,755
Depreciation of tangible fixed assets	8,020,494	7,453,386
Amortisation of intangible fixed assets	238,312	237,618
Amortisation of capital grants	(654,024)	(602,422)
Amortisation of mortgages	(13,648,798)	(16,049,162)
Project assets written off	404,667	-
Loss on disposal of tangible fixed assets	396,382	186,574
Working capital movements:		
(Increase)/decrease in debtors	(511,562)	1,029,815
(Decrease)/increase in creditors	(1,180,180)	1,246,804
Cash flow from operating activities	1,751,927	4,777,368

24 Retirement benefit costs and similar obligations

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 €103,332 (2015: €99,180). Accrued costs at year end amounted to €Nil (2015: €Nil).

Notes to the Financial Statements (continued)

25 Contingent liabilities

The company has received grants which may become repayable if certain circumstances set out in the agreements occur. The directors are of the opinion that these contingencies will not result in any material loss for the company.

26 Bank security

The company's bankers hold a letter of lien, in the amount of €750,000 in relation to its overdraft facility (2015: €750,000). No element of the facility had been drawn down at year end.

27 Financial instruments

The company has the following financial instruments:

	2016 €	2015 €
Financial assets at fair value through profit or loss	-	-
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	3,723,755	3,501,955
- Amount due from related company	114,091	30,947
- Investment in short-term deposits	13,578,904	10,473,196
	17,416,750	14,006,098
Cash at bank and in hand	647,125	1,485,733
Financial assets that are equity instruments measured at cost less impairment	-	-
Financial liabilities measured at fair value through profit or loss		
- Derivative financial instruments	-	-
Financial liabilities measured at amortised cost		
- Trade creditors	477,359	1,540,906
- Accruals	2,593,026	2,460,781
- Capital Grants	23,485,706	22,802,943
- CALF loans	3,355,760	1,116,914
- HFA loans	10,707,968	-
- Mortgages	254,237,645	266,045,342
	294,857,464	293,966,886

Notes to the Financial Statements (continued)

28 Operating lease commitments

Future minimum lease payments under non-cancellable operating leases at the end of the financial year were:

	2016 €	2015 €
Payments due:		
Not later than one year	208,164	-
Later than one year and not later than five years	832,656	-
Later than five years	3,253,421	-
	4,294,241	-

29 Transition to FRS 102

This is the first financial year that the company has presented financial statements complying with FRS 102. The last financial statements under Irish GAAP were for the financial year ended 30 June 2015. The company's date of transition to FRS 102 is 1 July 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 30 June 2015 and total equity as at 1 July 2014 and 30 June 2015 between Irish GAAP as previously reported and FRS 102.

	Notes	30 June 2015 €
Profit for the financial year		
Irish GAAP – As previously reported		6,272,334
Adjustments:		
Holiday pay liability	(a)	(10,224)
Rental security	(b)	(78,150)
Social housing components – depreciation	(c)	6,231,176
Social housing components – loss on disposal	(c)	(187,574)
Social housing components – capital grant amortisation	(c)	(391,837)
Total adjustment to profit for the financial year		5,563,391
FRS 102		11,835,725

Notes to the Financial Statements (continued)

29 Transition to FRS 102 - continued

	Notes	1 July 2014 €	30 June 2015 €
Total equity			
Irish GAAP – As previously reported		47,008,392	53,280,726
Adjustments:			
Holiday pay liability	(a)	(102,194)	(112,418)
Rental security deposit	(b)	(831,860)	(910,010)
Social housing components – depreciation	(c)	44,035,338	50,266,514
Social housing components – loss on disposal	(c)	-	(187,574)
Social housing components – capital grant amortisation	(c)	(3,035,146)	(3,426,983)
		87,074,530	98,910,255

(a) Holiday pay liability

Prior to applying FRS 102 Respond! did not make provision for holiday pay earned but not taken at the end of the financial year. The cost of holiday pay was recognised as an expense in the profit and loss account as and when employees used their holiday entitlement.

FRS 102 requires short-term employee benefits to be recognised as an expense in the profit and loss account as the employees render service.

On transition to FRS 102 a liability for holiday pay of €102,194 was recognised at 1 July 2014. The holiday pay liability at 30 June 2015 was €112,418.

(b) Rental security deposit

Prior to applying FRS 102 Respond! did not make provision for rental security deposits at the end of the financial year. The rental security deposit was recognised within income in the profit and loss account as and when they were received or refunded.

On transition to FRS 102 a liability of €831,860 was recognised at 1 July 2014. The liability at 30 June 2015 was €910,010.

(c) Social housing components

Prior to applying FRS 102 Respond! depreciated social housing and communal facilities over 30 years and related capital grants were amortised to the profit and loss account over the same period.

FRS 102 and the SORP for registered social housing providers requires major components of social housing buildings to be treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life. Details in relation to the assumptions made by the company are set out in note 4.

On transition to FRS 102 a write back on accumulated depreciation of €44,035,338 and a write back on capital grant amortisation by €3,035,146 was recognised at 1 July 2014. In the financial year ended 30 June 2015 a reduction in the depreciation expense of €6,231,176 and a reduction in the capital grant amortisation of €391,837 were recognised in the profit and loss account.

Related to this adjustment, assets with a cost of €825,654 and accumulated depreciation of €638,080 were disposed of and recognised in the profit and loss account.

Notes to the Financial Statements (continued)

29 Transition to FRS 102 - continued

(d) Statement of cash flows

The statement of cash flows reflects the presentation requirements of FRS 102, which differ to FRS 1. In addition the statement of cash flows under FRS 102 reconciles profit for the financial year to cash and cash equivalents at the end of the financial year whereas under previous Irish GAAP the cash flow statement reconciled profit for the financial year to cash at the end of the financial year. Cash and cash equivalents are defined in FRS 102 as 'cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value' whereas cash is defined in FRS 1 as 'cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand.'

30 Approval of financial statements

The financial statements were approved by the directors on 13 December 2016.

Respond! Housing Association

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