Depaul Housing Association
(company limited by guarantee)

Annual Report and Audited Financial Statements

for the financial year ended 31 December 2021

Company Number: 590529

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DIRECTORS AND OTHER INFORMATION

Directors	Eamonn Conlon, Chairperson Frank Allen, Treasurer Miguel Fitzgerald John McPeake (resigned 31 August 2021) John Murphy Jacqueline Locke (appointed 26 May 2021) Laurence J. Tuomey
Company Secretary	Laurence J. Tuomey
Registration Numbers	Charity Registration Number: 20157746 Revenue Charitable Tax Exemption Number: CHY 21987 Company Registration Number: 590529
Registered Office and Principal Address	18 Nicholas St The Liberties Dublin 8 D08 VCP7
Auditors	Crowe Ireland Marine House Clanwilliam Place Dublin 2 D02 FY24
Bankers	AIB Bank 101 Grafton Street Dublin 2
Solicitors	A&L Goodbody IFSC 25-28 North Wall Quay Dublin 1 D01 H104

DIRECTORS' REPORT
for the financial year ended 31 December 2021

The directors are pleased to present their annual report and the audited financial statements for the financial year ended 31 December 2021 for Depaul Housing Association ("Depaul Housing").

One of the central tenets for Depaul Housing is that housing should and can be created for the most vulnerable in society. Everyone should have a stake in their community. Depaul works with people experiencing homelessness who can have the biggest challenges in sustaining a place within their communities due to mental health and addiction issues. Depaul Housing has been set up for the express intention of providing housing for our most vulnerable citizens and follows the Vision, Mission and Values of its parent company, Depaul Ireland.

Depaul Housing acquired its first properties and welcomed our first tenants in 2020 and continued to expand its operations in 2021 despite the difficulties created by Covid-19. The number of properties Depaul Housing owns grew to 21 during 2021, from the 11 owned at the start of the year, with a number more in the pipeline. The pace at which Depaul Housing will develop in the future will be affected by a range of factors including conditions within the property market in different parts of the country as well as changes in Government Policy, such as set out in 'Housing for All - a New Housing Plan for Ireland' published in September 2021.

Principal Activity

The principal activity of the company is the provision of shelter, accommodation, social housing and associated services and amenities to persons in need by reason of homelessness, deprivation, or social or economic circumstances.

The company is limited by guarantee not having a share capital, is registered as an Approved Housing Body with the Housing Agency and as a Charity with the Charities Regulator and the Revenue.

Financial Results

The surplus for the financial year amounted to €118,928 (2020 €77,758). At the end of the financial year, the company has property assets of €5.28m (2020: €2.56m) and total net assets of €219,193 (2020: €100,265). During the year, the company received €35,000 (2020: €110,000) in direct support from its parent, Depaul Ireland. This support with other generous donations allowed the company to continue to grow its operations during the year by providing support in what is still the early stages of the company's development.

RISKS

Depaul Housing faces a number of risks, the more significant of which are:

- *Property Risk*: there is a possibility that the costs of bringing newly acquired properties to an appropriate standard might exceed the funding secured for that purpose or the future costs of maintaining properties will exceed expectations. Depaul Housing works with suitably qualified advisors to estimate the future costs involved and establish appropriate reserves to deal with those costs.
- *Scale Financial Risk*: Depaul Housing acquired its first properties in 2020 and needs to attain sufficient scale to be financially sustainable. The company has plans to acquire enough properties to achieve this position over the next few years.
- *Funding Risk*: Depaul Housing has availed of Capital Assistance Scheme funding to acquire its properties. Should Government policy change it is possible that future funding sources would not be available to Depaul Housing. The Board monitors Government Policy and Depaul Housing will consider alternative sources of funding as it develops.
- *Voids and Bad Debt Risk*: As with any tenancy situation, there is a risk that a tenant may default on their rent or that Depaul Housing will not earn rents when properties are unoccupied. Depaul's commitment to support people with complex needs increases this risk. Management takes all reasonable steps to manage this risk by monitoring void periods and early intervention when arrears occur.
- *Operational Risk*: Depaul Housing has limited employees and as it develops, relies on assistance from its parent Depaul Ireland's support functions. The Board is confident that Depaul Ireland is appropriately structured to deliver these services to a high standard and has a written agreement with Depaul Ireland.

DIRECTORS' REPORT
for the financial year ended 31 December 2021

Reserves
At the year end, Depaul Housing's reserves fall into two types:

- *Unrestricted funds – Designated reserves*: these reserves relate to funds set aside for a specific purpose or to cover possible risks. We monitor these funds to ensure they are spent in line with the agreed plans, whilst guaranteeing these resources are used effectively.
- *Unrestricted funds – General reserves:* these reserves include all current and prior year retained surpluses.

The directors have adopted a reserves policy, which they consider appropriate to ensure the continued ability of the charity to meet its objectives.

Future Developments

The company plans to continue its present activities and current trading levels and expects to complete the acquisition of between 15 and 20 additional dwellings in 2022 depending on market conditions. Depaul Housing expects to continue to avail of Capital Assistance Scheme funding and is actively considering other appropriate sources of funding to facilitate the development of its housing stock.

Directors and Secretary

The directors who served throughout the financial year, except as noted, were as follows:

- Éamonn Conlon, Chairperson
- Frank Allen, Treasurer
- Jacqueline Locke (appointed 26 May 2021)
- Miguel Fitzgerald
- John McPeake (resigned 31 August 2021)
- John Murphy
- Laurence J. Tuomey

The secretary who served throughout the financial year was Laurence J. Tuomey.

In accordance with the Constitution, the directors retire by rotation and, being eligible, offer themselves for re-election.

Going Concern

The company made a surplus of €118,928 for the period and had net current liabilities of €26,827 at year end. The current liabilities include the repayment of a debt facility which expires in December 2022. The directors have realistic plans to refinance this debt prior to the end of its term.

Depaul Housing has continued to provide its services during this period. The directors have prepared budgets for the12 months from the date of approval which show that the company will continue as a going concern.

Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Post Balance Sheet Events

There were no significant events affecting the company after the end of the year.

Books of Account

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285 of Companies Act 2014 regarding proper books of account, are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at 18 Nicholas Street, Dublin 8.

DIRECTORS' REPORT
for the financial year ended 31 December 2021

Auditors

The auditors, Crowe Ireland, have indicated their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act 2014.

Signed on behalf of the board

Eamonn Conlon, Chairperson

Date: 18 May 2022

Frank Allen, Treasurer

Date: 19 May 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2021

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

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

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board

Eamonn Conlon, Chairperson	Frank Allen, Treasurer
Date: 18 May 2022	Date: 19 May 2022

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Depaul Housing Association (the 'company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Opinion on the Other Matters Prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

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, and the financial statements are in agreement with the accounting records.

Matters on Which We Are Required to Report by Exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Directors for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://www.iaasa.ie/Publications/ISA 700 (Ireland). This description forms part of our Auditors' Report.

Depaul Housing

INDEPENDENT AUDITOR'S REPORT

The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by: Roseanna O'Hanlon
Roseanna O'Hanlon

for and on behalf of:
Crowe Ireland
Crowe Ireland
Chartered Accountants and Statutory Audit Firm
Marine House
Clanwilliam Place
Dublin 2
D02 FY24

Date: 23 May 2022

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2021

	Notes	2021 €	2020 €
Income	4	125,682	193,229
Other operating income	5	157,278	17,270
Operating costs		(155,906)	(130,274)
Surplus on ordinary activities	6	127,054	80,225
Interest Payable and similar charges	7	(8,126)	(2,467)
Surplus for the financial year		118,928	77,758

Depaul Housing

BALANCE SHEET
as at 31 December 2021

	Notes	2021 €	2020 €
Fixed Assets			
Tangible assets	10	5,275,600	2,560,179
Current Assets			
Debtors	11	81,575	136,402
Cash and cash equivalents		77,988	109,932
		159,563	246,334
Creditors: amounts falling due within one year	12	(186,390)	(66,096)
Net Current Assets		(26,827)	180,238
Total Assets less Current Liabilities		5,248,773	2,740,417
Creditors: amounts falling due after more than one year	12	(5,029,580)	(2,640,152)
Net Assets		219,193	100,265
Reserves			
Unrestricted funds – Designated reserves	15	50,000	50,000
Unrestricted funds – General reserves	15	169,193	50,265
		219,193	100,265

The financial statements have been prepared in accordance with the small companies' regime.

Eamonn Conlon, Chairperson
Date: 18 May 2022

Frank Allen, Treasurer
Date: 19 May 2022

RECONCILITATION OF MEMBERS FUNDS
as at 31 December 2021

	Designated funds	Retained surplus/ (deficit)	Total
	€	€	€
At 1 January 2021	50,000	50,265	100,265
Surplus for the financial year	-	118,928	118,928
At 31 December 2021	50,000	169,193	219,193

Depaul Housing

STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2021

	2021	2020
	€	€
Cash flows from operating activities		
Surplus for the financial year	118,928	77,758
Adjustments for:		
Depreciation	24,281	5,008
Amortisation	(157,278)	(17,270)
Interest paid	8,126	2,467
Movement in debtors	54,827	(125,614)
Movement in creditors	19,853	42,293
Net cash from operating activities	68,737	(15,358)
Cash flows from investing activities		
Acquisition of tangible fixed assets	(2,739,702)	(2,565,187)
Net cash used in investing activities	(2,739,702)	(2,565,187)
Cash flows from financing activities		
Repayment of loans	(9,221)	(3,536)
New Loans and grants	2,656,368	2,670,274
Interest paid	(8,126)	(2,467)
Net cash generated from financing activities	2,639,021	2,664,271
Net (decrease)/increase in cash and cash equivalents	(31,944)	83,726
Cash and cash equivalents at 1 January 2021	109,932	26,206
Cash and cash equivalents at 31 December 2021	**77,988**	109,932

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021

1. COMPANY INFORMATION

Depaul Housing is a company limited by guarantee incorporated in the Republic of Ireland. 18 Nicholas Street, The Liberties, Dublin 8 is the registered office. The nature of the company's operations and its principal activities are set out in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation
The financial statements have been prepared on a going concern basis under the historical cost convention, unless otherwise specified within these accounting policies, and in accordance with Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

In preparing the financial statements, the company has referred to guidance included within the following Statement of Recommended Practice (SORP): Housing SORP: 2018 update (Statement of Recommended Practice for registered social housing providers) (2019). The company has adopted best practice to the extent that requirements contained within the aforementioned SORPs are applicable to the company.

Going concern
The company made a surplus of €118,928 for the year and had net assets of €219,193 at the year end.

During 2021, The Covid-19 pandemic spread from Asia to Europe and subsequently worldwide. The economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are ongoing restrictions placed on “non-essential” businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus. Depaul Housing has continued to provide its services during this period.

The directors have considered the potential financial effects from the changing economic environment for the upcoming 12 months. The directors have prepared budgets for the 12 months from the date of approval of these financial statements which show that the company will have sufficient reserves to meet its working capital requirements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Functional currency
The company's functional and presentational is euro (€).

Turnover
All turnover is recognised once the company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Rental income represents rent receivable from tenants during the year.

Allowance for impairment of trade debtors
The company estimates the allowance for doubtful trade receivables based on assessment of specific accounts where the company has objective evidence (comprising default in payment terms or significant financial difficulty) that certain tenants are unable to meet their financial obligations. In these cases, the judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship.

Government Grants (Capital Assistance Scheme)
Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the income statement over 30 years. Grants towards revenue expenditure are released to the income statement as the related expenditure is incurred.

Expenditure
Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governancecosts are allocated to the applicable expenditure headings.

Finance costs
Finance costs are charged to the Statement of comprehensive income over the term of the debt, using the effective interest method, so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Taxation
Depaul Housing was granted charitable status on the 29 April 2019. As a registered charity Depaul Housing is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Pension costs
The company participates in the Depaul Ireland defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations. The contributions are recognised as an expense when they fall due. The assets of the plan are held separately from the company in independently administered funds.

Tangible assets
Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Housing properties are properties available for rent, which are held at cost less depreciation. Housing properties have been split between their land and structure costs and a specific set of major components which require periodic replacement.

Depreciation
Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

Housing Property Asset Component	*Useful economic life (years)*
• Land	not depreciated
• Structure	100
• Kitchen	20
• Bathroom	30
• Roof	70
• Windows & external doors	30
• Electrical	40
• Boiler & hot water system	15

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of financial activities.

Cash and cash equivalents
Cash at bank and in hand included cash and short term highly liquid investments with short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Trade and other debtors
Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Deposits for housing units which represents deposits paid for assets which the company does not yet have title toward are recognised as deferred acquisition costs.

Trade and other creditors
Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Reserves
Restricted funds: These funds are generated when the donor stipulates how their donation must be spent or as a result of an appeal that has been run for a specific project or activity and the expenditure has not been incurred by the balance sheet date.

Unrestricted funds: These funds are generated from the trading activities of the company and form donations where when the donor does not stipulate how their donation must be spent. Unrestricted funds include designated funds.

Designated funds: The directors have designated funds to be held for the long-term maintenance of the company's housing properties. Funds transferred into this reserve are based on an assessment of the long-term amounts required. Funds transferred out of this reserves are based on actual spend on an agreed planned maintenance programme, which reflects the needs of our tenants and the adequate maintenance of housing stock.

Financial instruments
The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. 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 discussed below.

Establishing lives for depreciation purposes of property, plant and equipment
Long-lived assets, consisting primarily of land and freehold buildings, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The Directors regularly review the assets residual values and the useful lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation charge for this period. Details of the useful lives is included in the accounting policies.

Provision for doubtful debts
The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an ongoing basis.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2021	2020
	€	€
Development allowances	42,385	9,689
Rental income	37,589	7,329
Donations	45,000	167,986
Other income	708	8,225
	125,682	193,229

All turnover arose in Ireland.

5. OTHER OPERATING INCOME

	2021	**2020**
	€	**€**
Amortisation of government grants	157,278	17,270

6. SURPLUS ON ORDINARY ACTIVITIES

The operating surplus is stated after charging/(crediting):

	2021	2020
	€	€
Depreciation on tangible assets	24,281	5,008
Amortisation of government grants	(157,278)	(17,270)
Defined contribution pension costs	2,947	2,931
Auditors' remuneration (including VAT)	9,155	12,959

7. INTEREST AND FINANCING COSTS

	2021 €	2020 €
Loan interest paid	8,126	2,467

8. TAXATION

As a result of the company's charitable status, no charge to corporation tax arises under the provision of Section 207 of the Taxes Consolidation Act 1997.

9. EMPLOYEES

	2021 €	2020 €
Wages and salaries	58,941	58,627
Social security costs	6,527	6,492
Defined contribution pension costs	2,947	2,931
	68,415	68,050

	2021 Number	2020 Number
Average monthly number of employees	1	1

No employee had employee benefits (excluding employer pension costs) in excess of €60,000 in the year (2020: nil).

During the year, no directors received any remuneration (2020: €nil).
During the year, no directors received any benefits in kind (2020: €nil).
During the year, no directors received reimbursement of vouched expenses (2020: €NIL).

10. TANGIBLE FIXED ASSETS

	Housing properties €	Total €
Cost		
At 1 January 2021	2,565,187	2,565,187
Additions	2,739,702	2,739,702
At 31 December 2021	5,304,889	5,304,889
Accumulated depreciation		
At 1 January 2021	(5,008)	(5,008)
Charge for year	(24,281)	(24,281)
At 31 December 2021	(29,289)	(29,289)
Net book value at 31 December 2021	5,275,600	5,275,600
Net book value at 31 December 2020	2,560,179	2,560,179

11. DEBTORS

	2021	2020
	€	€
Trade debtors	11,219	22,274
Deferred acquisition costs	70,356	111,728
Prepayments	-	2,400
	81,575	136,402

Included within debtors is an amount for bad and doubtful debts of €3,921 (2020: €nil).

At the end of the year the company was in the process of acquiring a number of housing properties. Deferred acquisition costs are the refundable deposits and costs incurred by the balance sheet date in the acquisition process that will be capitalised once the acquisition completes. Should the acquisition ultimately not complete then an element of the deferred acquisition costs would not be recoverable.

12. CREDITORS

	2021	2020
Creditors: Amounts falling due within one year	**€**	€
Community financing: loans (Note 13)	109,757	9,316
Amounts owed to connected parties (Note 18)	64,912	17,047
Trade creditors	6	27,835
Payroll taxes	1,715	1,681
Accruals	10,000	10,217
	186,390	66,096
Creditors: Amounts falling due after more than one year		
Community financing: loans (Note 13)	27,476	137,138
Government grants	5002,104	2,503,014
	5,029,580	2,640,152

Government grants represent grants made to the company from Local Authorities under the Capital Assistance Scheme. No capital or interest are required to be paid on these grants, provided that the company continues to comply with certain conditions of the local authorities in relation to the properties acquired with the grants. These grants are secured by charges on the properties funded. The amount included in Creditors represents grants which will be released to income in future years.

13. LOANS

	2021	2020
Amounts falling due:	**€**	€
- within 1 year	109,757	9,316
- 1 to 2 years	10,245	109,762
- 2 to 5 years	17,231	27,376
	137,233	146,454

Contractual cash flows including interest payable on loans is set out below.

Interest is calculated based on the drawn balance and rate applicable at year end.

		2021			2020	
	Loan	**Interest**	**Total**	Loan	Interest	Total
Due:	**€**	**€**	**€**	€	€	€
- in less than 1 year	109,757	7,319	117,076	9,316	8,020	17,336
- between 1 and 2 years	10,245	1,091	11,336	109,762	7,314	117,076
- between 2 and 3 years	11,663	619	12,282	10,250	1,086	11,336
- between 3 and 5 years	5,568	76	5,644	17,126	686	17,812
	137,233	9,105	146,338	146,454	17,106	163,560

14. CONTINGENT LIABILITIES

Grants that have been amortised to income are at risk of requiring repayment should the conditions set out in the agreement not be met over the term. The term is for a period of 30 years from initial drawdown.

	2021	2020
	€	€
Cumulative amount amortised by start of year	17,270	-
Amount of grants amortised in the year	157,278	17,270
Cumulative amount amortised by end of year	174,548	17,270

15. CAPITAL COMMITMENTS

	2021	2020
	€	€
Commitments in respect of housing properties	400,937	141,126

The company is committed to the above amounts in bringing acquired housing properties into use.

16. RESERVES

Unrestricted funds – Designated reserves

The designated reserves are for the long-term maintenance of the company's properties.

Unrestricted funds – General reserves

The general reserves include all current and prior year surpluses.

17. STATUS

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding €1.

18. RELATED PARTY TRANSACTIONS

The following amounts are due to other connected parties:

	Net balance 2021	**Movement in year**	Net balance 2020
Due to connected parties:	**€**	**€**	**€**
Depaul Ireland	64,912	47,865	17,047
Depaul Northern Ireland	-	-	-
	64,912	47,865	17,047

Depaul Housing is a subsidiary of Depaul Ireland.

During the year Depaul Ireland donated €25,000 (2020: €60,000) to support the operational costs and €nil (2020: €50,000) to support the future housing property maintenance costs of the company.

19. PENSION CONTRIBUTION

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 costs for 2021 amounted to €2,947 (2020: €2,931). The amount of outstanding contributions at 31 December 2021 was €982 (2020: €970).

20. POST-BALANCE SHEET EVENTS

There were no significant subsequent events, with the exception of the ongoing impact of the Covid-19 pandemic which the company is managing, and which commenced before the balance sheet date, that require disclosure or adjustment to the financial statements.

21. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

In common with many other businesses of our size and nature, we use our auditors to assist with the preparation of the financial statements.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 19 May 2022.