

Circle Voluntary Housing Association
Company Limited by Guarantee

Reports and Financial Statements
for the financial year ended
31 December 2023

Company Number 374693

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

CONTENTS	PAGE
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 11
DIRECTORS' RESPONSIBILITIES STATEMENT	12
INDEPENDENT AUDITOR'S REPORT	13 - 17
STATEMENT OF COMPREHENSIVE INCOME	18
STATEMENT OF FINANCIAL POSITION	19
STATEMENT OF CHANGES IN RESERVES	20
STATEMENT OF CASH FLOWS	21
NOTES TO THE FINANCIAL STATEMENTS	22 - 36
SUPPLEMENTARY FINANCIAL INFORMATION	37 - 39

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Chris Ellison
Chris White (resigned 1 March 2024)
Damian Kennedy
Garret Tynan
Joan Green (resigned 6 Feb 2023)
Gemma Kavanagh
Mary Slowey (resigned 20 June 2023)
Michelle Ní Riordáin
Richard McDonagh
Keith Gillmor
Eileen Patterson (appointed on 25 May 2023)
John Deegan (appointed 14 Feb 2024)

PATRON

Fr. Patrick Carolan

COMPANY SECRETARY

Colin Creedon

REGISTERED OFFICE

Phoenix House
32-34 Castle Street
Dublin 2

INDEPENDENT AUDITORS

Grant Thornton
Chartered Accountants and Statutory Audit Firm
6th Floor, Penrose One,
Penrose Dock, Cork.

BANKERS AND FINANCE PROVIDERS

Housing Finance Agency
46 St. Stephen's Green
Dublin 2

Allied Irish Bank plc
10 Molesworth Street,
Dublin 2

Bank of Ireland
College Green
Dublin 2

Multaque Funds ICAV
33 Sir John Rogerson's Quay
Dublin 2

SOLICITORS

Mason Hayes and Curran
Byrne Wallace
Walsh and Partners
Ferry Solicitors
Arthur Mc Clean Solicitors
OBH Partners
Kane Tuohy LLP
CC Solicitors

CHARITY REGISTRATION NUMBER

15529

COMPANY REGISTRATION NUMBER

374693

CHARITIES REGULATORY AUTHORITY NUMBER

20053840

PSRA LICENSE NUMBER

002408

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

The directors have great pleasure in presenting their annual report together with the audited financial statements for the financial year ended 31 December 2023.

PURPOSE, OBJECTIVES AND ACTIVITIES

Circle Voluntary Housing Association's ("Circle VHA" or the "Company") primary objective is to provide housing for persons deemed to be in housing need. Circle VHA's vision is "making a difference by providing quality homes for people in housing need".

Our purpose is "to deliver quality homes and services in partnership with our tenants and local services to create sustainable communities". As a socially responsible Approved Housing Body (AHB), Circle VHA actively engages with its tenants, other residents, statutory agencies and local communities to create socially responsible, environmentally acceptable and sustainable communities. We commenced the delivery of our housing and facilities management services in 2006.

REFERENCE AND ADMINISTRATIVE DETAILS - LEGAL STATUS

Circle VHA is a company limited by guarantee incorporated in Ireland in 2003, registered number 374693.

The Company has also been granted charitable status, for taxation purposes by the Revenue Commissioners, charity number CHY 15529. All income is applied only for the promotion of the charitable objectives of the Company.

ACHIEVEMENTS AND PERFORMANCE STRATEGIC PLANNING AND DIRECTION

The Board at its meetings reviews the strategic direction of the Company on a planned thematic basis over the 12-month period. Each year, the Board considers and approves a 5-Year Business Plan and a 30-year financial plan which incorporates an Asset Management Plan.

During 2021, the Board considered Circle VHA's strategic direction for the period 2021 to 2024 and set out the following strategic goals for the Company:

1. **Tenant First.** This is delivering the tenant engagement strategy which includes listening and responding to the tenant experience. An aim is to deliver a lifetime home which recognises the circle of life.
2. **Sustainable Growth.** We will invest in our people, business and in environmentally sustainable, quality homes and neighbourhoods. Our financial strength will grow through the targeted provision of new homes at scale.
3. **Quality through Innovation.** Develop and deliver quality systems and standards while maximising use of technology to drive efficiencies and outcomes. We will innovate through risk conscious solutions.
4. **Promote our Culture.** We will educate, involve and engage our staff in the delivery of tenant first services and promote and advocate our 'We Hear' values in all decisions. We will continue to build the trust in our brand with all stakeholders.

Circle VHA works actively with the Department of Housing, Local Government and Heritage (DHLGH), Local Authorities and other external stakeholders in the delivery of new social housing as outlined in the Government's housing strategy, *Housing for All*.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

ASSET MANAGEMENT

A Stock Condition Survey of all Circle owned stock was completed in 2023 which has provided the data for the purposes of this, the next iteration of the Asset Management Strategy for the period 2024-2029. This key action has provided Circle with the data required to plan future asset investment and underpins this strategy and the Planned Asset Investment Plan 2024-2029. Circle has also undertaken a review of the Building Energy Rating's (BER) of our Housing Stock and completed our first whole house energy retrofit pilot using SEAI grant funding to significantly improve the energy efficiency of the home and lift our tenants out of fuel poverty. The data collected and the knowledge gained from the pilot will allow us to make informed decisions about future Energy upgrades to our less efficient Housing Stock

MANAGEMENT AND STAFF

We acknowledge with appreciation the committed work of our staff. Our continuing growth and delivery of our housing services is due to their professionalism, dedication and commitment. There were 65 persons employed by Circle VHA at the year end.

KEY PERFORMANCE INDICATORS

The key performance indicators in housing management such as rent arrears levels, maintenance services, and empty homes are actively monitored and managed by the Management team and reported to the Board. We have adopted a balanced scorecard that enhances the strategic nature of our reporting to the Board and acts as an early warning system for the Board in terms of operational and strategic drift. Circle VHA aims to provide the best service possible to our tenants. From late 2021 tenant satisfaction surveys are carried out on a quarterly basis. The findings from these surveys provide insight into how satisfied tenants are with their homes and the services provided.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to financial risks. The Company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, in place to manage these risks. All key financial indicators are reported to the Board and monitored on an on-going basis by management and the Finance, Audit and Risk Committee.

CREDIT RISKS

The Company's principal financial assets are bank balances, cash and other debtors. The Company's credit risk is primarily attributable to its rental and other debtors. The management of rent payment is a critical housing management task and the active pursuit of rent arrears is an important task for the whole Company. We have specific roles in Housing Management for Income Management Officers, who ensure the effective and efficient collection of rents and support tenants in arrears to achieve agreements for the proactive reduction of arrears and sustainable tenancies.

We recognise that we provide housing to some tenants who are on low incomes and that rent management must be undertaken with firmness and fairness. The amounts presented as debtors in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

INTEREST RATE RISK

At the end of 2023, all long-term loans held by Circle VHA were on a fixed interest rate, either for the first 20 years of the loan with a further 5-year period at variable rate, or at a fixed interest rate for the full period of the loan.

OTHER RISKS

The Board and management have identified these risks, and the risks above, and put in place a series of steps to mitigate these risks. Risk management is a live agenda item for the Management team, the risk register is reviewed regularly to reflect changes in both the internal and external environment and is further considered at each Finance, Audit and Risk Committee meeting and reported to the Board for their consideration twice a year.

1. Economic Risk

Circle VHA recognises the current economic context and the changed housing policy framework as stated by the DfLGH and the Government in *Housing for All*. This policy provides a policy and governance framework for the delivery of new social housing homes by both the Local Authority and AHB sectors. There is a commitment to an increased range of funding for the sector via capital grants and loan options. There are ambitious growth targets being set for the sector which will present opportunity and potentially financial and other risks.

2. Financing

The focus is on ensuring that Circle VHA has sufficient resources available to meet short term funding requirements and any unforeseen events. Our Treasury Management policy is designed to ensure all loan covenants are met, mitigate the impact of any adverse movements in interest rates and explore any new potential type of funding. Circle VHA has sufficient Board and management knowledge and expertise on these issues.

3. Growth

Growing the Company significantly over the coming years also poses a number of risks. The Change Management processes need to be carefully controlled and monitored at all levels to ensure that there is appropriate risk mitigation, reporting, and internal control development by the Board and management to avoid loss of focus and delivery on day-to-day services.

4. Technology

Aligned to this growth is the adoption of new technological systems to drive efficiency and effectiveness in the delivery of our services. Circle VHA has implemented new software and hardware, to drive a modern approach to tenant engagement, service streamlining and service development.

This aligns with a main objective of the organisation, maximise the use of technology to drive efficiencies and outcomes

DIRECTORS' REPORT (CONTINUED)

RISKS (CONTINUED)

5. General Data Protection Requirements ("GDPR")

The requirement to be compliant with GDPR, imposed by the European Union, from 25th of May 2018 has been a focus for Circle VHA. As of 31st December 2023, the Directors are of the view that the company is adhering to the legislation.

We recognise the risks that are being placed upon the AHB sector and we are very conscious of the importance of our Risk Management Framework.

FINANCIAL REVIEW

RESULTS FOR THE FINANCIAL YEAR AND REVIEW OF OPERATIONS IN 2023

Circle VHA continued to increase the number of properties in its housing and facilities management during 2023 primarily via loan finance and capital grants. The scale of increase is outlined below.

	2023 No.	2022 No.
Dwelling homes owned	998	753
Dwelling homes managed	<u>814</u>	<u>720</u>
Total Social Housing homes	<u>1,812</u>	<u>1,473</u>
Dwelling homes provided with estate management services	1,580	1,289

The scale of the increase in housing management during 2023 was 339 additional homes which increased the homes available for social housing to 1,812 in total at the financial year end.

Our intention over the coming years is to develop social housing in Local Authority areas that offer an appropriate opportunity to create sustainable communities.

Circle VHA, as a general needs housing provider comes under the remit of the Residential Tenancies Board ("RTB") for all landlord tenant relationship and disputes that may arise. We continue to work closely with the RTB to ensure our responsibilities as a social landlord meet the legislation set out in the Residential Tenancies Act.

As per our responsibilities as a social housing landlord and as a duty of good governance and care to our tenants, we inform all of our tenants of the remit of the Residential Tenancies Board and how its processes work both for the tenant and the landlord. This ensures that our tenants are more informed of their rights as tenants.

In our role as a managing agent for Owner Management Companies we are approved and hold a Property Services Regulatory Authority license to deliver such services.

DIRECTORS' REPORT (CONTINUED)

FINANCIAL PERFORMANCE

Circle VHA's accounting policy for the measurement of its housing stock is to carry these at cost less provision for impairment. The basis for selecting this accounting cost policy over the alternative of a revaluation policy, is:

- 1) Circle VHA is a long-term provider of housing for people deemed to be in housing need. The housing stock is carried for this long-term purpose, temporary fluctuations in the value of the underlying housing stock do not impact the delivery of Circle VHA's primary objective.
- 2) Circle VHA benefits from having secured long term finance in place for much of its housing stock, with the intention of ensuring a long-term matching of Circle VHA's assets and liabilities.

In 2023, the Board considered the valuation of the properties in our portfolio, and given current market conditions, the Board are satisfied that no impairment adjustment is required in the financial year to 31st December 2023.

Total comprehensive income for the financial year €1.7m (2022: €1.9m). In 2023, Circle VHA shows an operating surplus of €3.3m on a turnover of €12.1m (operating surplus of €2.2m on a turnover of €10.4m in 2022).

TURNOVER

The income of the Company increased to €12.1m from €10.4m in 2022, an increase of 16%. The primary sources of income are payment and availability payments, rental income and management and maintenance allowances. P & A income of €6.0m for the financial year has become the main source of income in 2023, an increase of 18.5% on 2022 P&A Income. Rental income and service charges were the next main source of income at €5.4m for the financial year, an increase of 11.8% on 2022 rental income and service charges.

EXPENDITURE

Expenditure in the financial year was €8.8m compared to €8.3m in 2022 which was an increase of 6.9%. This increase was in line with budget and demonstrates the commitment of the Board to continue to invest in the Company. This investment, in both our people and our technology, will ensure that Circle VHA continues to provide a service which exceeds the expectations of our stakeholders.

Total staff costs were €3.2m compared to €2.9m in 2022 which was an increase of 9.2%. The increase is due to the increase in new homes and is required to provide the level of service to our current tenants and stakeholder satisfaction levels.

RESERVES

At the financial year end, total reserves were €31.1m compared to €29.5m at 31 December 2022.

The increase in reserves is attributed to the net adjustments for amortisation of CAS and CLSS loans of €3.3m and cumulative depreciation on CAS and CLSS properties of €1.1m. This is offset against the operating surplus for the financial year of €3.3m, net interest expense of €2.4m, cumulative depreciation on other properties of €3.6m.

It is Circle VHA's policy to maintain unrestricted reserves to ensure the long-term viability and future growth of the Company. The capital reserve comprises Capital Assistance Scheme and Capital Loan and Subsidy Scheme funding which has been amortised over the term of the scheme (30 years).

DIRECTORS' REPORT (CONTINUED)

EVENTS AFTER BALANCE SHEET DATE

There were no subsequent events noted post year end.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in Note 2 to the financial statements.

ACCOUNTING RECORDS

The measures that the Directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at 32-34 Castle Street, Dublin 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

During 2023, Circle VHA was governed by a Board of Eleven Directors (One new director joined and two directors resigned during the year) who are not paid for their services.

The Board is responsible for providing leadership, approving strategy for the Company to achieve its vision and purpose, reviewing the performance and management of our services, reviewing risk and ensuring proper probity and compliance with required governance and legal requirements. There is a clear division of responsibility between the Board and the Chief Executive.

The Directors bring their experience in corporate finance, housing policy, housing management, human resources, information technology, legal affairs, strategy, leadership and planning to bear on guiding the company. Matters such as policy, strategic planning, financial reporting and forecasts, budgets, and operational delivery of our housing services are reported to the Board for their consideration and approval.

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

In 2023, seven Board meetings were held, including two away days. The attendance of the directors at these Board Meetings were as follows:

Chris Ellison	Chair	6 of 7
Chris White	(resigned 1 March 2024)	4 of 7
Damian Kennedy		7 of 7
Garret Tynan		5 of 7
Gemma Kavanagh		7 of 7
Joan Green	(resigned 6 Feb 2023)	0 of 1
Mary Slowey	(resigned 20 June 2023)	1 of 3
Keith Gillmor		7 of 7
Michelle Ní Riordáin		6 of 7
Richard McDonagh		6 of 7
Eileen Patterson	(appointed 25 May 2023)	3 of 4

The Directors, who served at any time during the financial year, are as disclosed above. The Company Secretary is Colin Creedon.

The Board has reviewed its performance annually and its governance on a regular basis during the calendar year. The Board reviewed its governance and compliance with the Charities Governance Code as per the principles established in the Code in late 2017 and launched in November 2018. Circle VHA is compliant with the Charities Governance Code.

The Board is assisted by four committees which are authorised to make recommendations to the Board.

1. Finance Audit and Risk Committee

Chair: Damian Kennedy

(FARC met six times in 2023)

FARC members in 2023 were board members Damian Kennedy, Gemma Kavanagh, and Michelle Ní Riordáin and external member Aoife Watters. The role of this committee is to review the internal control systems and reporting and to review the external audit and risk management policies. The committee met on six occasions in 2023. It examined our existing financial controls, our corporate risk register and internal audit review. It also met with our auditors and reviewed the financial statements for 2022.

2. Development Committee

Chair: Keith Gillmor

(DevCom met seven times in 2023)

The committee members in 2023 were Jane Doyle, John Deegan, Keith Gillmor, Fr. Patrick Carolan, and Richard McDonagh. Fr. Patrick Carolan, John Deegan and Jane Doyle are external members. The role of the committee is to review proposed development opportunities and specific projects, and new funding opportunities. The committee met on seven occasions in 2023.

3. Remuneration and Nomination Committee

Chair: Chris White

(RemNom met once in 2023)

The committee members in 2023 were Chris White, Amanda Snee, Damian Kennedy and Eamonn McGee. Eamonn McGee and Amanda Snee are external members and Amanda Snee resigned in 2023. The role of the committee is to review the Company's human resource policies, manage succession planning, review staffing levels and remuneration of the CEO. The committee met once in 2023.

DIRECTORS' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

4. Strategic Purpose Group (SPG)

Chair: Garret Tynan

(SPG met seven times in 2023)

The SPG members in 2023 were board members Garret Tynan, Chris Ellison, Joan Green, Mary Slowey and Eileen Paterson who joined the Group on 25th May 2023. Joan Green resigned from the Group on the 6th February 2023 and Mary Slowey resigned from the Group on the 20th June 2023. The SPG reviews and considers matters of strategic importance to Circle. It will continue to monitor the delivery of the strategic plan targets but will widen its purpose to consider other strategic partnerships and alliances, merger, takeover and other proposals put to it by the Leadership Team that fall outside of the remit of the other committees. The SPG met seven times in 2023.

The Board recognises that to ensure good governance a renewal of Board Membership is an important facet of its considerations. The Board recruited one new Board Member in 2023 who is also a new member of two sub-committees. This is to ensure that there is sufficient scope for Board renewal and succession over the coming years.

TRANSACTIONS INVOLVING DIRECTORS

During the financial year ended 31 December 2023, there were no transactions involving Directors. (2022: €Nil).

PENSIONS

The Company operates a defined contribution pension scheme which employees are eligible to join. The Company matches staff contribution up to 7% of salary. The assets of the scheme are managed by Zurich Pensions and BHP Insurances Brokers and are held separately from the Company. The Company is compliant with all requirements under pension legislation.

POLITICAL AND CHARITABLE CONTRIBUTIONS

There were no political or charitable contributions made by Circle VHA during the financial year (2022: €Nil).

EXEMPTIONS FROM DISCLOSURES

The board of directors did not avail of exemptions from disclosures when preparing this director's report.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Circle VHA does not act as a custodian trustee on behalf of others.

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors at the time the directors' report and financial statements are approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

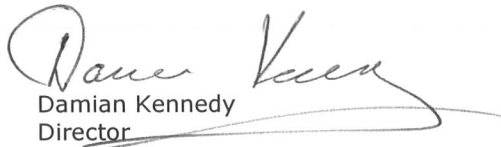
AUDITORS

Grant Thornton, Chartered Accountants and Statutory Audit Firm continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:



Chris Ellison
Director



Damian Kennedy
Director

Date: 4 July 2024

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). 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 profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company financial statements 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 the 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 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 profit or loss 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 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Chris Ellison
Director



Damian Kennedy
Director



Date: 4 July 2024

Independent auditor's report to the members of Circle Voluntary Housing Association Company Limited by Guarantee

Opinion

We have audited the financial statements of Circle Voluntary Housing Association Company Limited by Guarantee, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity for the financial year ended 31 December 2023, and the related notes to the financial statements, including a summary of significant accounting policies.

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 including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, Circle Voluntary Housing Association Company Limited by Guarantee's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended; 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 'Responsibilities of the auditor 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, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 the date 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.

Continued on next page/



Independent auditor's report to the members of Circle Voluntary Housing Association Company Limited by Guarantee (continued)

Other information

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, 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.

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.
- Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our 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.

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



Independent auditor's report to the members of Circle Voluntary Housing Association Company Limited by Guarantee (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine 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, management is 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Continued on next page/



Independent auditor's report to the members of Circle Voluntary Housing Association Company Limited by Guarantee (continued)

Responsibilities of the auditor for the audit of the financial statements

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

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The Auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Continued on next page/



Independent auditor's report to the members of Circle Voluntary Housing Association Company Limited by Guarantee (continued)

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 auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "Michael Nolan".

Michael Nolan

for and on behalf of

Grant Thornton

Chartered Accountants

Statutory Audit Firm

Cork

Date: 12 July 2024

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<i>Notes</i>	2023 €	2022 €
Turnover	<i>4</i>	12,143,908	10,424,343
Administrative expenses		(8,821,174)	(8,259,765)
Operating surplus before interest, amortisation and depreciation		<u>3,322,734</u>	<u>2,164,578</u>
Interest payable and similar charges	<i>7</i>	(2,374,410)	(1,821,845)
Amortisation of Local Authority Loans	<i>16</i>	3,309,520	3,313,587
Depreciation of housing properties	<i>10</i>	(2,587,350)	(1,740,329)
Surplus on ordinary activities before taxation	<i>8</i>	<u>1,670,494</u>	<u>1,915,991</u>
Tax on surplus on ordinary activities	<i>9</i>	-	-
Total comprehensive income for the financial year		<u><u>1,670,494</u></u>	<u><u>1,915,991</u></u>

There are no other recognised gains or losses other than those listed above and the total comprehensive income for the financial year. All income and expenditure derives from continuing activities.

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	2023 €	2022 €
Fixed Assets			
Tangible assets	10	254,922,462	166,250,269
Intangible assets	11	412,204	476,874
Properties in course of construction	12	31,728,985	6,142,537
		<u>287,063,651</u>	<u>172,869,680</u>
Current Assets			
Debtors: Amounts falling due within one financial year	13	4,115,920	2,434,655
Cash and cash equivalents	14	1,927,654	1,794,293
		<u>6,043,574</u>	<u>4,228,948</u>
Creditors: Amounts falling due within one financial year	15	(10,394,152)	(6,714,456)
Net current liabilities		<u>(4,350,578)</u>	<u>(2,485,508)</u>
Total assets less current liabilities		<u>282,713,073</u>	<u>170,384,172</u>
Creditors: Amounts falling due after more than one financial year	16	(251,577,625)	(140,919,218)
NET ASSETS		<u><u>31,135,448</u></u>	<u><u>29,464,954</u></u>
Reserves			
Retained earnings	18	2,038,667	2,612,420
Capital reserves	18	29,096,781	26,852,534
		<u><u>31,135,448</u></u>	<u><u>29,464,954</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 04/07/2024 and signed on its behalf by:


Chris Ellison
Director


Damian Kennedy
Director

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**STATEMENT OF CHANGES IN RESERVES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Retained Earnings (see note 18) €	Capital Reserves (see note 18) €	Total €
At 1 January 2022	3,005,938	24,543,025	27,548,963
Total comprehensive income for the financial year	1,915,991	-	1,915,991
Transfer amortisation and depreciation of housing property to capital reserves	(2,309,509)	2,309,509	-
At 31 December 2022	2,612,420	26,852,534	29,464,954
Total comprehensive income for the financial year	1,670,494	-	1,670,494
Transfer amortisation and depreciation of housing properties to capital reserves	(2,244,247)	2,244,247	-
At 31 December 2023	2,038,667	29,096,781	31,135,448

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 €	2022 €	
Net cash flows from operating activities	19	4,323,597	3,065,307	
Cash flows used in investing activities				
Purchase of tangible fixed assets	10	(91,339,822)	(14,029,541)	
Purchase of intangible assets	11	(42,817)	(50,811)	
Additions in work in progress	12	(25,586,448)	(5,132,880)	
Net cash flows used in investing activities		(116,969,087)	(19,213,232)	
Cash flows from financing activities				
Interest paid		(1,850,539)	(1,408,089)	
Increase in bank and HFA loans		79,528,894	8,194,079	
Increase in local authority (CALF) loans		19,049,655	7,203,478	
Increase in CLSS and CAS loans		16,050,841	2,265,516	
Net cash flows from financing activities		112,778,851	16,254,984	
Net increase in cash and cash equivalents		133,361	107,059	
Cash and cash equivalents at beginning of financial year		1,794,293	1,687,234	
Cash and cash equivalents at end of financial year		1,927,654	1,794,293	
Reconciliation to cash and cash equivalents:				
Cash at bank and in hand		182,971	1,049,120	
Retentions held on behalf of third parties		249,900	745,173	
Cash in solicitors' client account		1,494,783	-	
Cash and cash equivalents at end of financial year		1,927,654	1,794,293	
Analysis of changes in net Debt				
	At 1 January 2023 €	Cash flows €	Other non-cash changes	At 31 December 2023 €
Cash and Cash equivalents				
Cash at bank and in hand	1,794,293	133,361	-	1,927,654
Borrowings				
Debt due within one year	(1,504,749)	(1,185,334)	-	(2,690,083)
Debt due after one year	(140,919,218)	(112,902,654)	2,244,247	(251,577,625)
Total	(140,629,674)	(113,954,627)	2,244,247	(252,340,054)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year.

General Information and Basis of Accounting

The Company is limited by guarantee and has no share capital. Circle VHA is a Company incorporated in Ireland under the Companies Act 2014. The address of the registered office is noted on page 2. The nature of the Company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2014 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The functional currency of Circle VHA is considered to be euro because that is the currency of the primary economic environment in which the Company operates.

Going Concern

The Directors are required to make a statement on the adequacy of the Company's cash reserves over a 12-month period from the date of signing the Financial Statements, and its ability to continue as a going concern. A cashflow projection was undertaken to inform the statement being made by the Directors. The cashflow was prepared based on assumptions appropriate to the operating environment expected over the period to the end of June 2025. This cashflow projection showed that the Company should have adequate resources to operate effectively. In addition, a cashflow was prepared on a significant negative stress scenario basis. This scenario demonstrated that the company's cash position would remain well within the resources and facilities available to it.

Based on these factors, the Directors believe the Company has adequate resources to continue its operational existence for the foreseeable future.

Turnover

Turnover represents rental income from third parties, development allowances and revenue grants receivable from local authorities and the Department of Housing, Local Government and Heritage, and other government departments, management fees, payments and availability income, service charges and other income. Where income is received from tenants, local authorities or other funders in advance, the amounts are recorded as deferred income and included as part of creditors due within one financial year.

Development Allowances

Development allowances receivable are credited to income in the period in which the development work is undertaken, and the administrative expenses are incurred in respect of the relevant project.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

Tangible Assets - Housing Properties

Housing properties and other fixed assets are stated at cost. The cost of housing properties comprises the following:

- a) Cost of acquiring land and buildings
- b) Construction and development expenditure

Depreciation of Tangible Assets

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

In accordance with the depreciation policy of the Company, the Board Members consider that the land and structures' residual value is considered not less than the cost capitalised and therefore is not depreciated. The significant components of tangible fixed assets include Roof Structure and Coverings, Windows and External Doors, Gas Boilers, Kitchens, Bathrooms, Heating, Ventilation and Plumbing Systems, Electrics and Lifts. These components are depreciated over a period of 15 to 70 years to write off the components over their estimated useful economic lives. The Company perform rolling stock condition surveys to ensure their assessment of residual value remains appropriate.

In addition, under the terms of the Company's funding and loan agreements with respective local authorities, government departments and the HFA, the Company is required to keep the properties in good structural order, repair and condition and not to permit the funded/mortgaged properties to depreciate by neglect or mismanagement. Detailed reviews for impairment are therefore only carried out if Board Members are satisfied that there are definite indicators that impairment has occurred. The Board Members are satisfied that in the current market, land and the residual value of structures is an appreciable asset and that an annual charge for depreciation would be inappropriate.

Intangible Assets

The cost of development or acquisition of new software is recognised as an intangible asset and will be amortised on a straight-line basis over five to eight years. The measurement of intangible assets is to carry these at cost less depreciation and impairment.

Housing Loans

Funding was primarily advanced by local authorities and the DHLGH, CLSS and CAS. Funds advanced under CLSS and CAS have been amortised over the period of the scheme from the date of advance, which is 30 years and transferred to a Capital reserve. On completion of the funding period, provided certain conditions are met, the balances are relieved in full and will be released from the capital reserve to the retained earnings reserve. Specific loans are advanced by the DHLGH under CALF, subject to the terms of individual loan agreements. Interest and capital repayments are required. These facilities, together with other housing loans, are measured at amortised cost.

Capitalisation of Labour costs

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the entity intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the entity can measure reliably the expenditure attributable to this development. Development activities involve the design, construction and completion of housing projects. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances that are classified as payable or receivable within one financial year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Any initial costs relating to raising finance are amortised over the period of the loan.

Pensions

The Company operates a defined contribution pension scheme for certain employees who opt to participate in the scheme. The assets of the scheme are held separately from those of the Company. The pension cost charge represents contributions paid in the period by the Company to the fund.

Finance Leasing

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Operating Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Provision for Irrecoverable Debts

Provision is made for rent arrears balances existing at the financial year end, which by the date of signing, have not reduced and where a reasonable level of doubt exists as to whether these amounts remain recoverable.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

1. ACCOUNTING POLICIES (CONTINUED)

Reserves Policy

Circle VHA classifies reserves into two categories. The retained earnings reserve represents both the reserve for future maintenance and the general reserve. The purpose of the general retained earnings reserve is to facilitate Circle VHA's program of growth over the coming financial years while ensuring the long-term viability of the Company. There is a minimum working capital reserve in place within this reserve.

The portion of reserves which have been identified as required to meet the future costs of planned and cyclical maintenance programmes are subject to annual review by the Board Members. A program of rolling stock condition surveys (every 3 financial years), commenced in 2015, with 18% of the current stock inspected by a suitably qualified third party. Over the coming financial years, the aim is to have precise data on the entire portfolio. This will provide the required intelligence to the Board in assessing the component replacement and upgrade requirements of Circle VHA in the longer term. The capital reserve is represented by CAS and CLSS funding which is being amortised over the term (30 financial years) of the scheme from the date of advance and the related depreciation on housing properties. At the end of the term of the scheme the related funding and the related housing properties depreciation will be released to the retained earnings reserve.

2. GOING CONCERN

In 2023 the company received 54% (2022: 50%) of its income directly from the State through government departments and local authorities which will not reduce. Tenant rents and service charges are 44% (2022: 46%) of company income where rental collections have remained stable and consistent in 2023 with this trend continuing into 2024. Consequently, this has no impact on cash flow and profitability.

The Directors are required to make a statement on the adequacy of the Company's cash reserves over a 12-month period from the date of signing the Financial Statements, and its ability to continue as a going concern. A cashflow projection was undertaken to inform the statement being made by the Directors. The cashflow was prepared based on assumptions appropriate to the operating environment expected over the period to the end of June 2025. This cashflow projection showed that the Company should have adequate resources to operate effectively. In addition, a cashflow was prepared on a worst-case scenario basis. This scenario demonstrated that the company's cash position would remain well within the resources and facilities available to it. Based on this cashflow exercise, the Directors believe the Company has adequate resources to continue its operational existence for the foreseeable future.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that financial period, or, in the financial period of the revision and future financial periods if the revision affects both current and future financial periods. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and the notes to the financial statements.

Critical judgements in applying the Company's accounting policies

In the opinion of the directors, there were no critical judgements, apart from those involving estimations (which are dealt with separately below), made in the process of applying the Company's accounting policies.

Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the Company's 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 amount of assets and liabilities within the next financial year are addressed below.

(i) Residual Value

Land and structures' residual value is considered not less than the cost capitalised and therefore is not depreciated for the majority of Circle VHA's housing units.

(ii) Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are reviewed annually. They are amended when necessary to reflect current estimates, based on economic utilisation, technological advancements and the physical condition of the assets.

(iii) Going Concern Basis

The financial statements are prepared on a going concern basis after the management's assessment of the company's cashflow projections that requires management's critical judgment.

4. TURNOVER

The turnover and surplus before taxation are attributable to the principal activities of the Company. An analysis of the turnover is as follows:

	2023 €	2022 €
Rent and service charges	5,402,110	4,829,879
Payment and availability income	6,013,091	5,075,632
Management and maintenance fees	102,846	78,264
Other income	625,861	440,568
	<u>12,143,908</u>	<u>10,424,343</u>

All turnover arises in the Republic of Ireland.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. EMPLOYEES AND REMUNERATION

The average monthly numbers of persons employed by the Association during the financial year was as follows:

	2023	2022
	No.	No.
Management and staff	59	56

The aggregate payroll cost of these persons was as follows:

	2023	2022
	€	€
Wages and salaries	2,871,725	2,635,168
Termination payments	32,189	-
Social welfare costs	316,023	306,467
Pension costs	102,036	96,080
Total Payroll costs before Capitalisation	3,321,973	3,037,715
Capitalised labour	111,848	97,406
Amounts charged to the Profit and Loss	3,210,125	2,940,309

Salary banding for all employees earning over €60,000 (including salaries, benefit in kind but excluding pension contributions paid by the employer, employer's PRSI and any termination payments):

	2023	2022
€60,000 - €70,000	8	9
€70,000 - €80,000	2	2
€80,000 - €90,000	1	1
€90,000 - €100,000	3	2
Over €100,000	1	1

6. KEY MANAGEMENT COMPENSATION

The total remuneration for key management personnel for the financial year amounted to €508,318 (2022: €493,603). Remuneration includes basic pay, PRSI and employer pension contributions.

BOARD MEMBER EXPENSES

No member of the Board receives payment other than the reimbursement of direct expenses incurred as a result of their duties for the association.

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023****7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2023	2022
	€	€
Bank loans	1,850,539	1,107,806
CREL loans	15,697	-
CALF loans	508,174	714,039
	<u>2,374,410</u>	<u>1,821,845</u>

8. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2023	2022
	€	€
The surplus for the financial year is stated after charging/ (crediting):		
Directors' remuneration (note 6)	-	-
Depreciation – Land and buildings (note 10)	2,587,350	1,740,329
Depreciation – Other assets (note 10)	80,280	76,285
Depreciation – Intangible assets (note 11)	107,486	95,783
Amortisation (note 16)	(3,309,520)	(3,313,587)
Statutory & Internal Auditors' remuneration	47,466	47,048
Operating lease payments – see note 20	1,148,670	1,105,132
	<u></u>	<u></u>

9. TAXATION

Circle Voluntary Housing Association Company Limited by Guarantee (CHY No. 15529) has charitable objectives and has been granted charitable status by the Irish Revenue Commissioners and is exempt from corporation tax, under the provision of section 207 of the Taxes Consolidation Act 1997.

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. TANGIBLE ASSETS

	Long leasehold land and housing properties €	Equipment €	Fixtures and fittings €	Total €
Cost:				
At 1 January 2023	180,208,625	489,137	244,639	180,942,401
Additions	91,282,956	52,605	4,261	91,339,822
Disposals	-	-	-	-
At 31 December 2023	271,491,581	541,742	248,900	272,282,223
Depreciation:				
At 1 January 2023	14,128,649	339,576	223,907	14,692,132
Charge for the financial year	2,587,350	70,673	9,607	2,667,630
Disposals	-	-	-	-
At 31 December 2023	16,715,999	410,249	233,514	17,359,762
Carrying Amount:				
At 31 December 2023	254,775,582	131,493	15,386	254,922,461
At 31 December 2022	166,079,976	149,562	20,731	166,250,269

Circle VHA's accounting policy for the measurement of its housing stock is to carry these at cost less depreciation and impairment.

In the financial year ended 31 December 2023, the directors are of the view that there are no impairment charges due to the conditions of the residential property market.

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

11. INTANGIBLE ASSETS

	Computer Software €
Cost:	
At 1 January 2023	751,249
Additions	42,817
At 31 December 2023	794,066
Depreciation:	
At 1 January 2023	274,376
Charge for the financial year	107,486
At 31 December 2023	381,862
Carrying Amount:	
At 31 December 2023	412,204
At 31 December 2022	476,874

Circle VHA's accounting policy for the measurement of its intangible assets is to carry these at cost less depreciation and impairment.

12. PROPERTIES IN COURSE OF CONSTRUCTION

	2023 €	2022 €
Opening balance	6,142,537	1,009,657
Additions	25,586,448	5,132,880
Closing balance	31,728,985	6,142,537

Properties in course of construction relate to the cost spent on uncompleted development properties. These assets are stated at cost. There are currently two properties under construction in Railway Street, Dublin and St Michaels Estate Inchicore, Dublin. These are expected to be completed in 2024.

13. DEBTORS: Amounts falling due within one financial year

	2023 €	2022 €
Trade debtors	1,512,027	610,801
Other debtors	1,683,262	918,144
Prepayments and accrued income	920,631	905,710
	4,115,920	2,434,655

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

14. CASH AND CASH EQUIVALENTS

	2023	2022
	€	€
Cash in hand and at bank	182,971	1,049,120
Retentions held on behalf of third parties	249,900	745,173
Cash held with solicitors	1,494,783	-
	<u>1,927,654</u>	<u>1,794,293</u>

15. CREDITORS: Amounts falling due within one financial year

	2023	2022
	€	€
Trade and other creditors	3,051,547	1,972,025
Retentions payable to third parties	1,717,538	745,173
Accruals	475,002	634,924
Taxation and social welfare (see below)	978,929	792,685
Deferred income and rents paid in advance	993,852	760,186
Rent deposits held	61,250	-
Financing liability	425,951	304,714
Bank and Housing Finance Agency loan (note 16)	2,690,083	1,504,749
	<u>10,394,152</u>	<u>6,714,456</u>
Taxation and social welfare comprise of the following:		
PAYE/PRSI	366,212	364,228
VAT	611,731	402,640
RCT	986	25,817
	<u>978,929</u>	<u>792,685</u>

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

16. CREDITORS: Amounts falling due after more than one year

	2023 €	2022 €
Bank and Housing Finance Agency loans	120,520,797	53,856,838
Housing Agency (CREL) loan	11,695,298	-
Local authority (CALF) loan	46,731,845	27,174,016
Local Authority CLSS and CAS loans	72,629,685	59,888,364
Loans at 31 December	<u>251,577,625</u>	<u>140,919,218</u>

Bank loans and Local Authority CALF loans are comprised of amounts payable as follows:

Bank and HFA Loans:

	2023 €	2022 €
Amounts falling due within one financial year (note 15)	2,690,083	1,504,749
Amounts falling due after more than one financial year	120,520,797	53,856,838
	<u>123,210,880</u>	<u>55,361,587</u>

Local Authority CLSS and CAS Loans:

	2023 €	2022 €
Local Authority CLSS and CAS loans at 1 January 2023	59,888,364	60,936,435
Additions	16,050,841	2,265,516
Amortisation	(3,309,520)	(3,313,587)
Local Authority CLSS and CAS loans at 31 December 2023	<u>72,629,685</u>	<u>59,888,364</u>

Allied Irish Bank and HFA bank loans are secured by a series of first legal charges over specific housing properties. A detailed list of all relevant charges is available on the Companies Registration Office website.

Local Authority CALF loans refer to loans from Local Authorities where no first charge is secured against the properties for which the monies were advanced. These loans are subject to the terms of the individual loan agreements; interest accrues on these amounts at 2% simple interest per annum and principal and accrued interest are repayable on completion of the loan agreement term.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

16. CREDITORS: Amounts falling due after more than one year (continued)

Housing Agency CREL loans represent loans received under the Cost Rental Equity Loan scheme. The CREL loans are secured by way of second charge over the properties ranking after the HFA. These loans are subject to the terms of the individual loan agreements; interest accrues on these amounts at 1% simple interest per annum and principal and accrued interest are repayable on completion of the loan agreement term which is 40 years. The capital advance and interest is repayable on demand in the event that the properties are no longer used for the designated purpose

Housing funding is primarily advanced by local authorities and the DHLGH, under CLSS and CAS funding schemes. Loans under CLSS and CAS have been amortised on the basis that they are grants in substance and on completion of the funding period, provided certain conditions are met, the balances are relieved in full and will be released to the retained earnings reserve. The DHLGH hold charges against the Company until the conditions and funding period of the agreement have been met. Specific loans are advanced by the DHLGH under CALF, subject to the terms of individual loan agreements. No interest or capital repayments are required to be made in respect of these loans.

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. FINANCIAL INSTRUMENTS

The carrying value of the Company's financial assets and liabilities are summarised by category below:

	2023 €	2022 €
Financial assets		
<i>Measured at undiscounted amount receivable</i>		
- Trade debtors (note 13)	1,512,027	610,801
- Other debtors (note 13)	1,683,262	918,144
Financial liabilities		
<i>Measured at amortised cost</i>		
- Bank & Housing Finance Agency loan (note 16)	(134,906,178)	(55,361,587)
- Housing Agency loans (note 16)	(11,695,298)	-
- Local authority (CALF) Loan (note 16)	(46,731,846)	(27,174,016)
Measured at undiscounted amount payable		
- Trade and other creditors (note 15)	(4,769,085)	(2,717,198)
- Deferred income and rents paid in advance (note 15)	(993,852)	(760,186)
- Financing liability (note 15)	(425,951)	(304,714)
- Local Authority CLSS and CAS loans (note 16)	(72,629,685)	(59,888,364)

18. RESERVES

The categories of reserves are designated as follows:

Retained Earnings

The company's policy is to maintain unrestricted reserves to ensure the long-term viability and future growth of the company. The future costs of planned and cyclical maintenance programmes will be funded through the Retained Earnings reserve and are subject to annual review by the Board Members. A program of rolling stock condition surveys will inform the Board of the adequacy of this reserve.

Capital Reserves

The capital reserve is represented by capital assistance scheme and capital loan and subsidy scheme funding which has been amortised over the term (30 years) of the scheme from the date of advance and the related depreciation on housing properties. At the end of the term of the scheme the related funding and the related housing properties depreciation will be released to the retained earnings reserve.

There are certain conditions attaching to funds received under capital assistance scheme and capital loan and subsidy scheme funding and deeds of charge have been registered by Local Authorities and the Department of Housing, Local Government and Heritage. This funding may become repayable in the event that the conditions of the related agreements are not adhered to.

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

19. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2023	2022
	€	€
Surplus for the financial year	1,670,494	1,915,991
Adjustments for:		
Depreciation (note 10 and 11)	2,775,115	1,912,397
Amortisation (note 16)	(3,309,520)	(3,313,587)
Effects of:		
Decrease/(Increase) in debtors	(1,681,265)	(76,544)
Increase in creditors	2,494,363	805,204
Increase /(Decrease) in provisions	-	-
Interest payable and similar charges (note 7)	2,374,410	1,821,845
Net cash flows from operating activities	<u>4,323,597</u>	<u>3,065,307</u>

20. LEASE COMMITMENTS

	2023	2022
	€	€
<i>Operating lease commitments</i>		
Total future contracted lease commitments which exist under non-cancellable operating leases as follows:		
Within one financial year	1,382,530	1,194,177
Between two to five financial years	5,092,269	4,433,525
More than five financial years	<u>9,075,080</u>	<u>8,766,227</u>

21. PENSION

The Company operates a defined contribution pension scheme. The contribution for the financial year amounted to €102,036 (2022: €96,080). The amount of pension contributions outstanding at 31 December 2023 was €37,159 (2022: €51,165).

22. CAPITAL COMMITMENTS

The Company had capital commitments contracted at 31 December 2023 of €62.4m (2022: €12.8m). Capital commitments relate to the purchase of housing properties.

23. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events affecting the Company since the balance sheet date.

24. RELATED PARTY TRANSACTIONS

During the financial year ended 31st of December 2023 there were no related party transactions (2022: Nil).

25. COMPARATIVE FIGURES

Comparative figures have been restated where necessary to ensure consistency with current year presentation.

SUPPLEMENTARY INFORMATION

(NOT COVERED BY THE INDEPENDENT AUDITORS' REPORT)

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	2023 €	2022 €
TURNOVER		
Rent income	5,122,394	4,553,928
SLL grant	167,516	168,503
Management fees	103,806	73,359
Development allowances	398,641	225,442
Service charge income	279,716	275,951
Payment and availability agreement	6,013,091	5,075,632
Other income	58,744	51,528
	<u>12,143,908</u>	<u>10,424,343</u>

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	€	€
ADMINISTRATIVE EXPENSES		
Staff costs		
Salaries	3,108,089	2,844,229
Pension	102,036	96,080
Staff training and recruitment	153,981	216,208
Travel and subsistence expenses	152,095	136,838
	<u>3,516,201</u>	<u>3,293,355</u>
Legal and Professional		
Legal and professional fees	174,696	189,602
	<u></u>	<u></u>
Development Costs		
Development costs	25,915	64,304
	<u></u>	<u></u>
Office expenditure		
Office rent and service charges	103,004	114,716
Insurance	24,309	21,870
Heating and lighting	11,593	9,999
Stationery and printing	55,059	50,877
Advertising and publicity	13,708	17,273
Telephone/mobiles	66,647	44,166
Post/couriers	39,664	54,980
General office costs	137,024	116,336
Board expenses	10,715	12,897
Sundry	2,067	15,167
Equipment, fixtures and fittings depreciation	187,765	189,181
IT software	524,513	418,879
Other staff costs	122,524	75,381
Membership/Subscriptions	74,168	47,865
	<u>1,372,760</u>	<u>1,189,587</u>
Finance costs		
Audit fees	47,466	47,048
Bank fees	29,619	31,933
Insurance financing	13,744	12,726
Operating lease	58,780	45,920
	<u>149,609</u>	<u>137,626</u>

CIRCLE VOLUNTARY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

**SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	€	€
ADMINISTRATIVE EXPENSES (CONTINUED)		
Property maintenance costs		
Social development and project costs	18,087	13,396
Property insurance	324,254	295,210
Service charges	901,823	785,421
Repairs and maintenance costs	993,498	974,270
Estate management costs	207,911	233,426
Local property tax	59,570	56,251
NARPS lease costs	1,045,666	990,416
Residential Tenancies Board registration	31,184	36,901
	<u>3,581,993</u>	<u>3,385,291</u>
TOTAL ADMINISTRATIVE EXPENSES	<u><u>8,821,174</u></u>	<u><u>8,259,765</u></u>