



Housing Agency Annual Report 2012

Housing and Sustainable Communities Ltd.

operating as 'Housing Agency'

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1. Directors and Other Information

The Housing Agency is managed by a full time executive board consisting of a chairperson and five members:

| Name | Organisation |
|---------------------------------------|--|
| Rich Howlin (Chair) | Independent |
| Peter Carey | Laois County Council |
| Eddie Lewis (Resigned 31/07/2012) | Department of the Environment, Community and Local Government |
| Michael Layde (Appointed 01/08/2012) | Independent |
| Ann McGuinness(Resigned 31/07/2012) | Department of Public Expenditure and Reform |
| Marie McLaughlin(Resigned 31/07/2012) | Housing Agency |
| John O'Connor | |

Secretary Katherine Banks

Company number 488341

Registered office 53 Mount Street Upper, Dublin 2

Auditors PricewaterhouseCoopers,
Chartered Accountants and Registered Auditors,
One Spencer Dock, North Wall Quay, Dublin 1

Bankers AIB, Lower Baggot Street, Dublin 2

Ulster Bank, 33 College Green, Dublin 2

2. Directors Report

for the period ended the 31st December 2012

The directors present their report and the audited financial statements for the period ended 31 December 2012.

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

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of accounts which disclose the reasonable accuracy at any time of the financial position of the company and enable them to ensure that the financial statements have been prepared in accordance with the requirements of the Companies Act, 1963 to 2012. 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.

2.1 Books of Account

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act 1990, 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 the Registered Office.

2.2 Incorporation of Housing and Sustainable Communities Limited

The company Housing and Sustainable Communities Limited (Housing Agency) was established as a subsidiary company of the National Building Agency Limited (NBA) on 30 August 2010. The company commenced trade on 1 January 2011. This subsidiary was formed to assist the Department of Environment, Community and Local Government in its

rationalisation of State Agencies, and in particular, to facilitate the Department in carrying out work in areas of Land Aggregation and Social Leasing.

The Authorised Share Capital of the company is 10,000,000 Ordinary Shares of €1 each and Issued Share Capital is 100 Ordinary Shares of €1 each. The company is wholly owned by the National Building Agency Limited. The Housing Agency was established on a not for profit basis and is prohibited from employing staff directly under its Articles of Association.

The work of the NBA has been wound down and some of its workload was transferred to the Housing Agency together with a number of NBA staff. The NBA continues as an entity until such time as primary legislation is passed to abolish it.

2.3 Principal activities and review of the business

The principal activity of the company is to assist local authorities and the Department of Environment, Community and Local Government (DoECLG) in policy implementation with particular reference to the current policy agenda of sustainable communities and to undertake such regulatory or other services as are requested by the Department. This includes the provision of services to support the delivery and management of social housing. The company also carries out specific projects and evaluations, studies information on housing matters and provides policy advice.

Consulting services for all aspects of housing regeneration and refurbishment are provided and work ranges from feasibility studies and brief formulation to complete project delivery services. Other works carried out include the refurbishment and retrofit of residential buildings.

A centralised service is also provided by the Agency for the following:

- Land Aggregation Scheme – management of housing land-bank.
- Loan Underwriting – house purchase loan underwriting service for all Local Authorities.
- Unfinished Housing Estates – support provided to Local Authorities and Department of the Environment, Community and Local Government.

2.4 Break Up Basis

The Directors have considered the appropriate basis on which to prepare the accounts. Following the recent enactment of the Local Government (Miscellaneous Provisions) Act 2012, the Housing and Sustainable Communities Agency was established on a statutory basis, by way of an Establishment Order, effective from the 1st August 2012 (S.I. No. 264 of 2012). The Agency took over the majority of the company's activities on the 1st January 2013.

The Company will continue to manage and maintain the lands transferred from Local Authorities under the land aggregation scheme together with the lands transferred from the NBA until these lands, together with other assets, are transferred to the Agency during 2013 subject to Ministerial consent. Once these assets are transferred to the Agency, the company will cease trading. Accordingly the accounts were prepared on a break up basis.

2.5 Results and dividends

The results for the period are set out on page 26. The directors do not recommend payment of a final dividend.

2.6 Directors and secretary and their interests in Shares of the Company

The interests of the directors and secretary in office at the 31st December, 2012 in the share capital of the company are as stated below:

| | Date of Appointment | Ordinary Shares |
|--------------------------|--------------------------------|------------------------|
| Peter Carey | 18 th November 2010 | 0% |
| John O' Connor | 10 October 2010 | 0% |
| Richard Howlin | 30 th August 2010 | 0% |
| Michael Layde | 1 st August, 2012 | |
| Company Secretary | | |
| Katherine Banks | 30 th August 2010 | 0% |

There were no changes in shareholding between 31 December 2012 and the date of signing the financial statements.

Eddie Lewis, Marie McLaughlin and Ann McGuinness ceased to act as directors on the board on the 31st July 2012 and Michael Layde was appointed from 1st August 2012. Gordon Richard ceased to act as a director on 1 January 2012.

Peter Carey, Michael Layde, John O' Connor and Richard Howlin each had a non-beneficial interest at 31 December 2012 in 1 ordinary share each in the company's parent company, National Building Agency Limited.

2.7 Subsequent Events

On the 19th February 2013 the board of the National Building Agency Ltd., with the consent of Company's board, passed a special resolution, subject to Ministerial consent, to amend the objects of the Memorandum of Association of the Company to allow it to transfer its assets to the Housing and Sustainable Communities Agency. Ministerial consent from both Minister for the Environment, Community and Local Government and the Minister for Public Expenditure and Reform was received on the 3rd May 2013. The objects of the

Memorandum of Association of the Company will now be amended to allow it to transfer its assets to the Agency.

2.8 Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

2.9 Details of Fees paid to directors and expenses paid to the board

The HSC Ltd. as a subsidiary of the National Building Agency (NBA) has the same Board members. The Board meetings for both bodies were on the same dates throughout 2012 and the meetings were held consecutively. A single fee was paid to the Board members in respect of both Boards and this was paid by the NBA in 2012. Two of the board members were in receipt of a fee. No fees were paid to the members by HSC Ltd.

2.10 Board Attendance at meetings

A total of 11 board meetings were held throughout 2012. The following table outlines the attendance of each board member at same:

| Board Member | Attendance |
|----------------------------------|-------------------|
| Peter Carey | 82% |
| Ann McGuinness (to July 2012) | 100% |
| Eddie Lewis (to July 2012) | 83% |
| Marie McLaughlin (to July 2012) | 100% |
| John O'Connor | 100% |
| Richard Howlin | 91% |
| Michael Layde (From August 2012) | 100% |

2.11 Salary of the Chief Executive

The Chief Executive's salary for 2012 was €125,655. This is based on the scale for Manager Level 5, plus 7.5% expenses which amounted to €9,423. This also reflects the reduction in salary by 8% under the Financial Emergency Measures in the Public Interest (No. 2) Act 2009, and as directed by the Department of Environment, Community and Local Government. The Chief Executive is part of a Local Government model public sector defined benefit superannuation scheme

This report was approved by the Board on and signed on its behalf by

Richard Howlin
 Director

John O' Connor
 Director

3. Statement of Directors' Responsibilities for the Shareholders' Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Irish Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Companies Acts, 1963 to 2012. 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

Richard Howlin
Director

John O' Connor
Director

4. Staff

The Housing Agency has a staff of 28 providing housing management, research and technical services. There are an additional 22 NBA staff either redeployed or awaiting redeployment.

4.1 Committees

4.1.1 Audit & Risk Committee

The Housing Agency Audit and Risk Committee are comprised of 3 board members and the Internal Audit Officer, Katherine Banks, who is also the Chief Risk Officer.

5. Foreword by Chairperson

The Company had its second full year of trading in 2012, following its establishment in August 2010. The Housing and Sustainable Communities Agency was put on a statutory footing on the 1st August 2012 by Ministerial Order and the Agency took over all the operational activities of HSC Ltd. on the 1st January 2013 with the exception of the management of its land assets.

Following a special resolution of the National Building Agency Ltd Board which subsequently received the appropriate Ministerial consents, all assets of HSC Ltd. will transfer to the new Housing Agency during 2013. This will allow the new Housing Agency to undertake all of the activities performed by HSC Ltd.

2012 was a year in which the Company built on the work carried out in 2011, when the organisation was in transition from three separate bodies to one Agency. The key areas of work for the Company during 2012 included the provision of services to Local Authorities, Approved Housing Bodies and the Department to support the delivery and management of social housing.

This included support and advice on social leasing and policy implementation following the significant changes introduced by the 2009 Housing Act. An updated Housing Manual was launched on the Agency's website which is a valuable source of information and guidance across a wide range of housing topics.

A National Housing Practitioner Forum was established, with representatives from five regional practitioner groups who met on a regular basis throughout the year.

The Agency provided consulting services for all aspects of housing regeneration and refurbishment and this work ranged from feasibility studies and preparation of briefs to complete project delivery services. Other works carried out in the last year included the refurbishment and retrofitting of social housing. The Agency continued its involvement in the Limerick regeneration project and also established strong links with Cork City Council regarding its regeneration of Knocknaheeny.

The Wexford Library was completed and was opened to the public on the 23rd November 2012 by the Minister for Public Expenditure and Reform, Brendan Howlin.

The New Ross Boardwalk project which greatly enhances an existing amenity for both locals and tourists was also completed during the year.

The Agency undertook a number of research projects and evaluations during the year, carrying out studies on housing matters and the providing policy advice.

A centralised shared service was undertaken in a number of areas including the management of the housing land bank under the Land Aggregation Scheme, the provision of an underwriting service for house purchase loans and provision of support to Local Authorities and the Department on Unfinished Estates.

During 2012 the Agency project managed the Government's Mortgage to Rent initiative and consulted with the various stakeholders including lenders, approved housing bodies and local authorities in setting up the scheme.

In conclusion I would like to thank the Minister for the Environment, Phil Hogan, TD, Minister of State, Jan O'Sullivan TD, the Minister for Public Expenditure and Reform,

Brendan Howlin TD, and the for their support during the year.

I would like to thank the Board members for all their contributions to the HSC Ltd. and for all their work throughout the last year.

I would also like to thank the staff for all their excellent work building on the progress made in 2011 and in setting up the new Housing Agency.

The Housing Agency, now fully established as a State agency, is a valuable resource for all its stakeholders and I have every confidence that it will continue and grow in the years ahead.

Rich Howlin
Chairperson

6. Chief Executive's Statement

6.1 Overview of the Year

The Housing Agency was formerly established on a statutory basis in August 2012 under the Housing and Sustainable Communities Agency (Establishment) Order 2012 (S.I. No. 264 of 2012). This establishment followed on from the enactment of the Local Government (Miscellaneous Provisions) Act 2012. Achieving this legislative establishment of the Agency was a great achievement in confirming the functions and securing the structure of the organisation.

One of the immediate and key benefits of the new statutory footing for the Agency was the ability to provide staff with contracts of employment. All staff redeploying from the NBA staff and staff transferring from interim DECLG arrangements were offered employment contracts with the Housing Agency in December.

The main achievements of the organisation throughout the year were:

- a) Legislative establishment of the new Agency, which commenced in August 2012.
- b) Ongoing management and completion of work on legacy projects from the rationalised bodies and development of the corporate plan for the Agency.
- c) Resolving outstanding contractual issues for staff with the ability to provide staff with contracts of employment in the new Agency

6.2 Work Programme

Progress was made across the year in the ongoing management of significant legacy projects with the culmination of several technical projects such as the official opening of the Wexford Library and completion of the Athlone Canal study.

The Agency played an important role in helping to secure a social housing dividend from NAMA by working with its Special Purpose Vehicle, the local authorities and Approved Housing Bodies to identify and source suitable social housing through NAMA.

- The Agency's Online Housing Manual was re-developed to provide more comprehensive information across all areas of housing in a user-friendly format. The housing manual is a resource for all housing practitioners and managers in both Local Authorities and Approved Housing Bodies, providing up to date information and guidance across all areas of housing delivery.

The Agency's services are outlined in the following section.

6.3 Shared and Centralised Services

The Agency provides a number of shared and centralised services as follows:

- **Land Aggregation Scheme** - Under the Land Aggregation Scheme, housing authorities may, transfer lands they bought for residential development to the Housing Agency where there are outstanding loans from the Housing Finance Agency and these are due for redemption. These transfers are subject to approval from the Department of the Environment, Community and Local Government (DECLG) on the basis that there are no short to medium term plans for their development. The Agency is continuing to manage the aggregation of these Local Authority lands. A policy on the Operating Systems and Procedures was approved in 2012, which outlines the various stages of submission, assessment and approval and the role of the Housing Agency and DECLG at each stage.
- **Loan underwriting** – The agency provides a centralised shared underwriting service for local authority loans. Almost 700 applications were processed throughout the year.
- **Unfinished Estates** - The Agency helped to coordinate and contribute to the resolution of issues in the unfinished housing developments. A dedicated team in the Agency liaises regularly with the respective contacts in the local authorities to report on progress and raise issues. The Agency input includes coordinating stakeholders, providing, collating and disseminating information, drafting guidance on various topics relating to unfinished developments and carrying out appraisals on Public Safety Initiative funding with the DECLG. The DECLG carried out a national housing survey in 2012, which showed the following progress:
 - a decrease of 37% in the number of unfinished developments since 2010;
 - a 27% decrease in the number of vacant units since 2010; and
 - 296 developments were effectively resolved in 2012.
- **Mortgage to Rent Scheme** – The Mortgage to Rent Scheme is a Government initiative to help home owners who are in mortgage arrears and are at risk of losing their homes. The scheme works by enabling the home owner to stay living in their home as a tenant of a housing association. Participation in the scheme involves a change in tenure from owner to tenant.

The Agency streamlined the process and carried out a number of early checks with the various stakeholders to reduce the risk of cases being excluded from the process as it progresses. The Agency provided a monitoring role and issued weekly reports to the Department of Finance and to the DECLG in addition to ongoing liaison with officials in the Central Bank.

A pilot Mortgage to Rent Scheme for Local Authority Loans was commenced with two local authorities and work was also started on the possible introduction of a Mortgage to Lease pilot project. The Agency prepared a Process Map on the scheme for discussion and held a series of meetings with lenders that may have an interest in the scheme.

6.4 Research Services

The Agency carries out specific research projects and evaluations, studies information on housing matters and provides policy advice.

The following studies were completed in 2012:

- a) An independent report by Indecon on the Feasibility of a Tenancy Deposit Protection Scheme in Ireland.
- b) A Review of Part V consultation document by DKM Economic Consultants and Brady Shipman Martin
- c) Regeneration Indicators developed by Dr. Michelle Norris, University College Dublin and tested on two areas in Cork City.

6.4.1 Additional Research

The Agency was involved in the following projects:

- Management of the tendering process for the provision of evaluation services for the Cork City Northwest Regeneration
- Work commenced on a study to generate a rental index for the Private Residential Tenancies Board (PRTB). The ESRI were commissioned by the Agency to undertake this work.

6.5 Advisory and Information Services

The Housing Agency provides services to support local authorities, approved housing bodies, and the DECLG in the delivery and management of social housing. These services can be categorised as follows:

- a) **Social Housing Supply Services** provided for leasing and renting, including:
 - Development of standardised legal and contractual documentation for the delivery of social housing.
 - Engaging with various investors, banks and approved housing bodies to ensure additional finance is available to fund social housing delivery.
 - Supporting local authorities and approved housing bodies
- b) **Policy Implementation Services** promoting consistency in the implementation of the significant changes introduced by the 2009 Housing Act by providing guidance to local authorities in the following areas:
 - Eligibility and Assessment of need for social housing support
 - Key housing management issues, such as allocation and rent policy;
 - Advice and Support Services provided for local authorities and approved housing bodies on all social housing related matters;

- The Agency also provides assistance to the DECLG's policy development and legislation to support the sector to deliver housing solutions.

6.5.1 Engagement with Housing Practitioners

During the year the Agency continued to host the National Housing Practitioner Forum to share information on new policy developments and to get feedback from practitioners on the implementation of policy.

The Agency's Online Housing Manual was re-developed to provide more comprehensive information across all areas of housing, and make it easier for housing practitioners to find the relevant information. The revised and updated Housing Manual went live in 11th December. The information in the Manual is supported, where applicable, to corresponding legislation, regulations, circulars, guidance notes, policy documents, templates, etc. All housing practitioners in the local authorities were informed via email newsletter about the revised Housing Manual and how to access it. The Manual has also been made available to approved housing bodies.

6.5.2 Social Housing Leasing Scheme

The Agency continued to support the implementation of the Social Housing Leasing Scheme in 2012. The Agency liaised with Local Authorities, Approved Housing Bodies and private sector investors and assisted the DECLG in assessing proposals and supported the sourcing of suitable properties. A total of 1,205 units were leased under the scheme in 2012.

The Capital Advance Leasing Facility (CALF) is a facility that has been created to support the acquisition or development of new homes by Approved Housing Bodies using funding from financial institutions. The Agency carried out financial appraisals submissions for CALF funding, mainly involving acquisitions but also including some construction projects.

6.5.3 NAMA Project

The Housing Agency worked with NAMA and the DECLG to develop a process to ascertain whether residential properties made available by NAMA, through its borrowers and receivers, were suitable for social housing. Properties that are deemed suitable may be leased or purchased by local authorities or Approved Housing Bodies (housing associations and co-operatives) through engagement with the property owners or, on their behalf, appointed insolvency practitioners, facilitated by NAMA.

The Agency's involvement in the project included negotiating the rents with NAMA for properties that may be suitable for social housing and seeking the approval of the DECLG. The Agency was also responsible for nominating the AHB to engage with NAMA in each case, following consultation with the relevant local authority.

6.5.4 Differential Rent Framework

The aim of the Differential Rent Framework is to bring about a greater level of standardisation of rents nationally. The framework will provide for some differences in relation to the percentage of differential rent charged. In preparation for the introduction of new regulations on differential rent, the Agency completed an analysis of rents data received from local authorities detailing the potential impact on local authority rent revenue and on particular tenant household types.

6.5.5 Housing Needs Assessments

A full Housing Needs Assessment will take place in 2013, which will involve a data extract from iHouse/Housing IT systems in relation to each household that has been approved for social housing support at 30th April 2013. In preparation for this, the Agency worked with the DECLG to develop guidance for local authorities, including identifying any IT updates required. Full guidance as to the conduct of the assessment was issued to local authorities before the end of the year.

6.5.6 Housing Assistance Payment (HAP)

Work on the Regulatory Impact/Economic Assessment of the Housing Assistance Payment is ongoing. The Agency has contributed to the design of the pilot projects due to take place in the second half of 2013 and the establishment of HAP.

6.5.7 Tenant Purchase of Apartments

The Tenant Purchase of Apartments Scheme will enable tenants in certain circumstances to buy their local authority apartment. The Agency prepared guidance documentation for tenants, councillors and local authorities. Financial templates were also prepared to inform potential buyers about their capacity to obtain a mortgage.

6.6 Technical Services

Technical and professional services were provided by a team of experienced architects, engineers, planners and quantity surveyors. This team worked to provide practical advice and input on all aspects of regeneration and related projects, from feasibility studies and brief formulation to complete project delivery.

A significant milestone was the completion of the Wexford Library project. The Housing Agency oversaw the implementation of the original design and the completion of the fit-out. The library was officially opened on 26th November, 2012 by Minister Brendan Howlin T.D.

The scope of work in 2012 included advising local authorities and regeneration agencies in relation to project planning and implementation, providing full design services for new build projects and estate wide refurbishments, carrying out condition surveys, preparing capital appraisals, planning studies, master planning and implementation documentation. In addition the Housing Agency acted as Employer's Representative, Client Representative and PSDP (Project Supervisor Design Process) for local authorities on a number of construction projects.

The following is an outline of specific projects worked on in 2012:

6.6.1 Limerick Regeneration:

- **Framework Plans and Implementation Reports** for each of the four regeneration areas in Limerick were prepared.
- **Cliona Park, Moyross:** The Agency acted as Employer's Representative and Client Design Advisors in liaising with the contractor and his design team for the construction of 33 units at Cliona Park, Moyross.
- **Capital appraisals** for both new build and refurbishment projects within the regeneration areas were prepared.

6.6.2 Refurbishment Projects

The Housing Agency had on-going responsibility for the design and project management of the following refurbishment projects:

- **Carrigeen and The Wilderness Estates:** refurbishment of 56 units for Clonmel Borough Council.
- **Skerries Phase 2B:** refurbishment of 30 dwellings for **Fingal County Council.**
- Refurbishment Projects at **Ard Mhuire Templetuoghy, Derrynaflan, Littleton and Clohessy Place, Bouladuf** for **North Tipperary County Council.**
- **Mullaghmatt Remedial Works: Phase 3:** Preparation of tender documentation for the upgrading of 21 dwellings in Mullaghmatt for Monaghan County Council.

6.6.3 Other Projects

- **Boardwalk New Ross:** Work progressed on site and construction of the new boardwalk was completed by the end of the year.
- **Extension to Sports Centre, for Dundalk Town Council,** as part of Muirhevnamor regeneration, to provide a new entrance, changing facilities, and additional recreational space. Work progressed on the design and preparation of tender documentation.

- Completion of Housing Project at **Bosheen, New Ross, Co. Wexford**
- **Tralee Masterplan Review:** A review of the existing masterplan, in association with Tralee Town Council was undertaken.
- **Traveller Accommodation, Cork:** Quantity surveying services were provided to Cork City Council.
- **Athlone Canal Planning:** A Planning Study of the Athlone Canal was completed to guide future land use policy for Westmeath County Council.
- **The ‘Bank’ New Ross:** A report/feasibility study was completed in relation to the provision of office space for New Ross Town Council.

6.6.4 Audits and inspections

On-going **audits and inspections** of existing housing units as part of the implementation of the Government’s housing policy (i.e. social leasing) were undertaken.

6.7 Prompt Payments

On behalf of the Board, I acknowledge our responsibility for ensuring compliance with the Prompt Payments of Accounts Act 1997. The Housing Agency incurred late payments charges in respect of 9 payments in 2012 but these have not been charged to the Agency.

Under government decision in 2011, the Agency was required to make payment of all invoices within 15 days. The performance of the Agency from the implementation of this policy in 2012 is outlined below.

| Details | Number | Value (€) | Percentage (%) of total invoices paid | Percentage (%) of the total amount paid |
|--|--------|--------------|---------------------------------------|---|
| Total invoices paid in 2012 | 974 | 3,532,782.99 | 100% | 100% |
| Number of invoices paid within 15 days | 965 | 3,512,101.33 | 99.08% | 99.4% |
| Number of invoices paid within 16 days to 30 days | 6 | 8,823.86 | 0.62% | 0.2% |
| Number of invoices paid in excess of 30 days | 3 | 11,857.80 | 0.31% | 0.3% |
| Number of invoices disputed in the year 2012 | 0 | 0 | 0% | 0.0% |
| Total | 974 | 3,532,782.99 | 100% | 100.0% |

On behalf of the Board, I acknowledge our responsibility for ensuring full compliance with all Government Policy and Corporate Governance Guidance as set by Government. I am satisfied that the Housing Agency is compliant with the travel policy set by the Government, and I would like to affirm that all travel taken was in line with this policy.

I would like to take this opportunity to thank all of the staff of the Housing Agency for their ongoing hard work and commitment.

Finally, I wish to express my sincere thanks to my fellow board members and the Audit Committee. I wish to thank the Minister for the Environment, Community and Local Government, Mr. Phil Hogan T.D. and Minister of State at the Department of Environment, Community and Local Government, Ms Jan O'Sullivan T.D. and officials of the Department for their support in the operation of the Housing Agency, along with all the local authorities for all their co-operation and assistance.

John O' Connor
Chief Executive

7. Statement of Internal Financial Control

7.1 Responsibility for System of Internal Financial Control

On behalf of the Board, I acknowledge our responsibility for ensuring that an appropriate system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

7.2 Key Control Procedures

The Board has taken steps to ensure an appropriate control environment by:

- Clearly defining management responsibilities where procuring services and goods to achieve the best value possible to the Housing Agency;
- Establishing controls and procedures to ensure compliance with national and EU procurement requirements.
- Establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action

The Board has established processes to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the body including the extent and categories which it regards as acceptable;
- Assessing the likelihood of identified risks occurring;
- Assessing the body's ability to manage and mitigate the risks that do occur;
- Assessing the costs of operating particular controls relative to the benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:

- A budgeting system with an annual budget which is reviewed and agreed by the Board;
- Reviews by the Board with periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance.

The Audit and Risk Committee met regularly under formal terms of reference. It reviewed the annual financial statements and accounting policies. The Housing Agency outsources its internal audit function, but also has an Internal Audit Officer to carry out smaller adhoc

checks. The Committee may review any matters relating to the internal control systems and the Internal Audit Officer.

7.3 Review of Internal Financial Controls

I confirm that the Board carried out a review of the effectiveness of the system of internal financial controls in respect of 2012.

I am satisfied that the Housing Agency complied with all the relevant policies and guidance that governs the Housing Agency, and that the Housing Agency adhered to all appropriate guidance set down by the Department of Finance in relation to governance and procurement.

Rich Howlin
Chairman

Date

8. Independent Auditors' Report

Independent auditors' report to the shareholders of Housing and Sustainable Communities Limited

We have audited the financial statements of Housing and Sustainable Communities Limited for the year ended 31 December 2012 which comprise of the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) and they have been prepared on a break-up basis of accounting.

Respective responsibilities of directors and auditors

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2012 and of its surplus for the year then ended; and have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion proper books of account have been kept by the company.

The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the company, as stated in the Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Basis of preparation

Without qualifying our opinion, we draw your attention to note 1.1 to the financial statements. The directors have reviewed the financial position of the company and they do not consider it appropriate to prepare the financial statements on the going concern basis as the company has ceased to trade. Consequently, the directors have prepared the financial statements on a break-up basis. All assets have been written down to their realisable values and fixed assets and long term liabilities have been re-classified as current assets and liabilities. Provision has been made for anticipated closure costs.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test

basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Billy Sweetman

for and on behalf of PricewaterhouseCoopers

Chartered Accountants and Statutory Audit Firm

Dublin

20 June 2013

9. Profit and Loss Account for year ended 31 December 2012

| | | 2012 | 2011 |
|---|-----------|-------------|-------------|
| | Notes | € | € |
| Income | 2 | 4,802,243 | 3,491,561 |
| Expenditure | | (4,748,854) | (3,261,037) |
| Operating surplus | 3 | 53,389 | 230,524 |
| Interest receivable and similar income | | 46,509 | 8,481 |
| Interest payable and similar charges | | - | (342) |
| Surplus on ordinary activities before taxation | | 99,898 | 238,663 |
| Tax on surplus on ordinary activities | 4 | (25,399) | - |
| Surplus for the period | 13 | 74,499 | 238,663 |

There were no recognised gains and losses other than those disclosed in the income and expenditure account.

All the company's activities are considered to be discontinued.

Signed on behalf of the Board by

Peter Carey
Director

John O' Connor
Director

10. Balance Sheet as at 31 December 2012

| | | 2012 | | 2011 | |
|---|-------|-----------|-----------|-------------|-----------|
| | Notes | € | € | € | € |
| Fixed assets | | | | | |
| Tangible assets | 7 | | 35,110 | | 38,219 |
| Current assets | | | | | |
| Work In Progress | 8 | 290,512 | | 78,052 | |
| Development Lands | 9 | 736,822 | | - | |
| Debtors | 10 | 84,307 | | 431,770 | |
| Lands Held, Aggregation Scheme | 15 | 18 | | 3 | |
| Cash at bank and in hand | | 1,053,545 | | 2,060,634 | |
| | | | 2,165,204 | | 2,570,459 |
| Creditors: amounts falling due within one year | 11 | (672,434) | | (1,997,356) | |
| Net current assets | | | 1,492,770 | | 573,103 |
| Total assets less liabilities | | | 1,527,880 | | 611,322 |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 100 | | 100 |
| Capital Contribution | 13 | | 1,214,618 | | 372,559 |
| Revenue Reserves | 13 | | 313,162 | | 238,663 |
| Total shareholders' funds | 14 | | 1,527,880 | | 611,322 |

These accounts have been prepared in accordance with section 156(1) of the Companies Act 1963 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

The financial statements were approved by the Board and signed on its behalf by

Peter Carey
 Director

John O' Connor
 Director

11. Notes to the Financial Statements

For the period ended 31 December 2012

11.1 Statement of 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.

11.1.1 Basis of Preparation

The audited financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Following the recent enactment of the Local Government (Miscellaneous Provisions) Act 2012, the Housing and Sustainable Communities Agency (the Agency) was established on a statutory basis, by way of an Establishment Order on the 1st August 2012 (S.I. 264 Of 2012). The Agency took over the majority of the Company's activities on the 1st January 2013. The Company will continue to manage and maintain the lands transferred from Local Authorities under the land aggregation scheme and lands transferred from the NBA until these lands, together with other assets, are transferred to the Agency during 2013 subject to Ministerial consent. Once these assets are transferred to the Agency the Company will cease trading. Accordingly, the accounts have been prepared on a break-up basis.

All assets have been written down to their estimated realisable values and long-term assets and liabilities have been reclassified as current assets and liabilities. Provision has been made for anticipated closure costs. The directors have reviewed the adjustments to the financial statements and they are satisfied that no additional adjustments are required.

11.1.2 Income Policy

Income represents Department of The Environment, Community and Local Government (DoECLG) grants, fees and other recouplements which are used to fund the agencies activities as it provides assistance to The Department and local authorities in the implementation of housing policy. Grant income is included in the income and expenditure account in line with the conditions of the grant agreement.

Income from professional fees represents income value, excluding value added tax, of work performed during the period.

11.1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use.

11.1.4 Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset systematically over its expected useful life, as follows:

Fixtures, fittings and equipment -20% Straight Line

11.1.5 Work in Progress

The value of the work in progress comprises direct costs incurred plus the appropriate portion of overhead together with profit recognised as a percentage of completion basis.

11.1.6 Land Aggregation Scheme

Properties transferred to the company under the Land Aggregation Scheme are held in trust on behalf of the housing authorities. The company is responsible for the management and maintenance of the lands transferred under the scheme.

Land acquired by the company under the land aggregation scheme for nominal consideration is not held beneficially and therefore is included at nil value in these financial statements.

11.1.7 Taxation

The yearly charge for taxation is based on the profit for the year and is calculated with reference to the tax rates applying at the balance sheet date.

11.1.8 Pensions

As the company has no obligation to fund pension arrangements for seconded staff over and above the level of contributions made on a periodic basis. Such contributions are treated on a defined contribution basis.

The pension costs charged in the financial statement represents the contribution payable by the company in respect of seconded employees.

11.2 Income

| | 2012 | 2011 |
|--|----------------|---------------|
| | € | € |
| The total income of the company for the year has been derived from its principal activity wholly undertaken in Ireland | | |
| Class of Business | | |
| Department of the Environment, Community and Local Government Grant | 1,600,000 | 1,800,000 |
| Income from National Building Agency Ltd | 36,943 | 251,465 |
| Department of the Environment, Community and Local Government grants for assigned staff | 1,415,091 | 599,375 |
| Recoupment of legal, professional and associated fees costs | 1,119,213 | 541,626 |
| Fee Income | 406,536 | 217,872 |
| Other Income | - | 3,171 |
| Tender Deposits | (3,300) | - |
| Rent Receivable | 15,300 | - |
| Movement in Work in Progress | <u>212,460</u> | <u>78,052</u> |

11.3 Operating Surplus

| | 2012 | 2011 |
|--|---------------|----------|
| | € | € |
| The operating surplus for the year is stated after charging: | | |
| Depreciation and other amounts written off tangible assets | 9,578 | 4,616 |
| Loss on revaluation of development land | <u>98,000</u> | <u>-</u> |

11.4 Tax on surplus on ordinary activities

| | 2012 | 2011 |
|---|---------------|----------|
| | € | € |
| Analysis of charge in period | | |
| Corporation tax | <u>25,399</u> | <u>-</u> |
| Total current tax charge | <u>25,399</u> | <u>-</u> |
| Deferred Tax: | | |
| Timing difference, origination and reversal | <u>-</u> | <u>-</u> |
| Tax on surplus on ordinary activities | <u>25,399</u> | <u>-</u> |

11.4 Tax on surplus on ordinary activities - continued

The current tax charge for the year the higher than the charge that would result from applying the standard rate of corporation tax on the surplus on the ordinary activities before taxation. The differences are explained below:

| | 2012 | 2011 |
|---|---------------|-----------------|
| | € | € |
| The charge based on the profit on ordinary activities comprises: | | |
| Surplus on ordinary activities before tax | <u>99,898</u> | <u>238,663</u> |
| Surplus on ordinary activities multiplied by the average rate of Irish corporation tax for the year of 12.5% (2011:12.5%) | 12,487 | 29,833 |
| Effects of: | | |
| Depreciation in excess of capital allowances | (2,885) | (2,449) |
| Disallowable expenses | 8,042 | - |
| Passive income charged at higher rate | 7,775 | 1,060 |
| Grouping of losses incurred by National Building Agency Ltd | <u>-</u> | <u>(28,444)</u> |
| Current tax charge for the year | <u>25,399</u> | <u>-</u> |

11.5 Employees

| (a) Number of employees | 2012 | 2011 |
|--|------------------|------------------|
| | € | € |
| The average monthly numbers of employees (including the directors) during the year were: | <u>50</u> | <u>33</u> |
| (b) Employment costs | | |
| Wages and salaries | 1,863,267 | 1,383,473 |
| Social Welfare costs | 136,678 | 119,011 |
| Other pension costs | 56,435 | 32,512 |
| Costs in respect of National Building Agency Ltd assigned staff | 1,259,525 | 523,159 |
| Social welfare Costs – National Building Agency Assigned | <u>126,549</u> | <u>53,286</u> |
| | <u>3,442,454</u> | <u>2,111,441</u> |
| | 2012 | 2011 |
| | € | € |
| (c) Directors' Emoluments | | |
| Non executive directors' fees | 13,894 | - |
| Executive directors' remuneration and other emoluments | <u>-</u> | <u>-</u> |
| | <u>13,897</u> | <u>-</u> |

11.6 Related Party Transactions

In normal course of business the Company may enter into contractual arrangements with other government bodies in which company Board Members are employed or otherwise interest or which are connected with the Company's shareholdings. The Company adopted procedures in accordance with the Code of Practice for the Governance of State Bodies issued by the Department of Finance in relation to the disclosure of interest by Board Members and these procedures have been adhered to by the Company during the year.

The Directors have no beneficial interests in these contracts. There was no related party transaction with the directors during the period.

11.7 Fixed assets

| | Fixtures fittings and equipment | Total |
|------------------------|--|---------------|
| | € | € |
| Opening Balance | 42,835 | 42,835 |
| Additions | 6,469 | 6,469 |
| Closing balance | <u>49,304</u> | <u>49,304</u> |
| Opening balance | 4,616 | 4,616 |
| Charge for the year | 9,578 | 9,578 |
| Closing balance | <u>14,194</u> | <u>14,194</u> |
| Net Book Value | | |
| At 31 December 2012 | <u>35,110</u> | <u>35,110</u> |
| At 31 December 2011 | <u>38,219</u> | <u>38,219</u> |

11.8 Work in Progress

| | 2012 | 2011 |
|------------------|----------------|---------------|
| | € | € |
| Work in Progress | <u>290,512</u> | <u>78,052</u> |

Work in Progress comprises work carried out but not yet invoiced for.

11.9 Development Lands

| | 2012 | 2011 |
|-------------------|----------------|----------------|
| | € | € |
| Development Lands | <u>736,822</u> | <u>736,822</u> |

Development Lands held by the Housing and Sustainable Communities Limited are lands which were transferred by the National Building Agency Limited to Housing and Sustainable Communities Limited during 2012. These lands are held in trust by Housing and Sustainable Communities Limited on behalf of the national Building Agency Limited. These lands have been valued by Sherry Fitzgerald as at 06 March 2013. This value has been taken up in the accounts for the year ended 31 December 2012.

11.9 Debtors

| | 2012 | 2011 |
|--------------------|---------------|----------------|
| | € | € |
| Trade Debtors | 52,775 | 426,340 |
| Other Debtors | 7,609 | 3,309 |
| Bad Debt Provision | (2,425) | - |
| Prepayments | <u>26,348</u> | <u>2,124</u> |
| | <u>84,307</u> | <u>431,773</u> |

11.10 Creditors: amounts falling due within one year

| | 2012 | 2011 |
|---------------------|----------------|------------------|
| | € | € |
| Trade Creditors | 6,490 | 15,573 |
| Other Creditors (a) | - | 950,000 |
| Accruals | 130,753 | 122,436 |
| PAYE/PRSI | 4,069 | - |
| Value Added Tax | 34,142 | 8,722 |
| Corporation Tax | 11,446 | - |
| Deferred Income (b) | <u>485,534</u> | <u>900,625</u> |
| | <u>672,434</u> | <u>1,997,356</u> |

(a) Other creditors

In the prior period the company received a transfer in the amount of €950,000 by direction of the Department of Environment, Community and Local Government (DECLG). On the dissolution of the Affordable Homes Partnership (AHP) the AHP had held these funds in respect of a contingent liability relating to possible litigation relating to a land exchange for property at Harcourt Terrace, Dublin 2 with Durkan New Homes.

11.10 Creditors: amounts falling due within one year Continued

All liabilities of the AHP at 31 December 2010 were taken over by DECLG including contractual obligations in respect of the above matter. During 2012, a High Court Case in respect of this matter was concluded in favour of Durkan New Homes. In accordance with an agreement reached with the ultimate beneficiary of the settlement, the DECLG and the OPW advanced €5,664,188 and €5,100,000 respectively to the company and on their

direction the company paid over €11,523,604 to the beneficiary of the settlement. The remaining amount of €190,584 was transferred to the Housing Agency at 31 December 2012 and is held at the direction of DECLG. At 31 December 2012, the company has no other liabilities to any party in respect of these matters.

(b) Deferred income

During the year, funding was received in the amount of €1m from the DoECLG to cover the cost of t National Building Agency staff assigned by the Department to Housing and Sustainable Communities Ltd on a temporary basis. By year end, the following expenses had been incurred in relation to these staff members:

| | |
|---|-----------|
| Salary Costs to 31 December 2012 | 1,259,525 |
| Employers PRSI to 31 December 2012 | 126,549 |
| Accountancy Services & Storage Services to Dec 2012 | 29,018 |
| | 1,415,092 |

A balance of €900,625 has been carried forward in relation to income received in 2011. The remaining balance of €485,534 is included in the accounts as deferred income as 31 December 2012.

11.11 Share Capital

| | 2012 | 2011 |
|---|------------|------------|
| | € | € |
| Authorised | | |
| 10,000,000 Ordinary shares of €1 each | 10,000,000 | 10,000,000 |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of €1 each | 100 | 100 |

100 Ordinary shares were issued at par value on incorporation.

11.12 Reserves

| | Capital Contribution | Profit and Loss account | Total |
|---|---------------------------------|------------------------------------|------------------|
| | € | € | € |
| At 01 January 2012 | 372,559 | 238,663 | 611,222 |
| Profit for the period | - | 74,499 | 74,499 |
| Net assets transferred for nil consideration | 842,059 | - | 842,059 |
| At 31 December 2012 | <u>1,214,618</u> | <u>313,162</u> | <u>1,527,880</u> |

The capital contribution relates to the transfer of net assets from the National Building Agency to Housing and Sustainable Communities Limited for Nil consideration on direction of the Department of the Environment, Communities and Local Governments. The total value of the assets transferred during 2011 and 2012 as follows:

| | 2012 |
|--------------------------------|------------------|
| | € |
| Net Assets transferred in 2011 | 372,559 |
| Net Assets transferred in 2012 | 842,059 |
| Total Contribution | <u>1,214,618</u> |

11.13 Reconciliation of movements in shareholders' funds

| | 2012 | 2011 |
|------------------------------------|------------------|----------------|
| | € | € |
| Surplus for the period | 74,499 | 238,663 |
| Net proceeds of share issue | - | 100 |
| Capital contributions | <u>842,059</u> | <u>372,559</u> |
| Net addition to shareholders' fund | 916,558 | 611,322 |
| Opening Shareholders' funds | <u>611,322</u> | <u>-</u> |
| Closing Shareholders' funds | <u>1,527,800</u> | <u>611,322</u> |

11.14 Lands Held under Aggregation Scheme

| | |
|--|----------------|
| Cost | € |
| Lands held under aggregation scheme in 2011 | 3 |
| Additions to Lands held under aggregation scheme in 2012 | 15 |
| | <hr/> 18 <hr/> |

During 2011, 3 sites were transferred to the company under the Land Aggregation Scheme. In 2012 an additional 15 were transferred. A total of 18 are now held by the Housing and Sustainable Communities Limited, listed below. The company holds these properties in trust and at the direction of the Minister of the Environment, Community and Local Government. The Land Aggregation Scheme provided that housing authorities nationally may transfer lands to Housing and Sustainable Communities Ltd, subject to approval from the Minister of the Environment, Community and Local Government, following the redemption of the outstanding loans on the land from the Housing Finance Agency. Funding to pay the loan is made available to the Housing authority by the Department of the Environment, Community and Local Government.

| Site | County | Acre |
|--------------------------|---|------|
| Tubbercurry | Co. Sligo | 0.4 |
| Ballintogher | Co. Sligo | 3.2 |
| Lissywollen & Cartontroy | Athlone, Co. Weshmeath, Kilnafaddoge, Co. Westmeath | 13.6 |
| Hampton, Balbriggan | Co. Dublin | 59.4 |
| Ballyhahill | Co. Limerick | 3 |
| Gibbet Hill | Co. Waterford | 7.2 |
| Castletown | Co. Laois | 3.7 |
| Portlaoise Road | Mountrath, Co. Laois | 7.7 |
| Golflinks Road, | Rathdowney, Co. Laois | 4.9 |
| Woodbrook | Mountrath, Co. Laois | 4.4 |
| Cemetery Ballinakill | Co. Laois | 3.1 |
| Shinrone | Co. Offaly | 4.9 |
| Enniskerry Road | Sandyford, Co. Dublin | 6.9 |
| Hillview | Ballynerrin, Co. Wicklow | 7.2 |
| Mountcollins | Co. Limerick | 3.6 |
| Glin | Co. Limerick | 2 |
| Knocklong | Co. Limerick | 8.54 |

Housing and Sustainable Communities Limited is a 100% owned subsidiary of the National Building Agency Limited.

11.15 Ultimate Parent Undertaking

Housing and Sustainable Communities Limited is a 100% owned Subsidiary of the National Building Agency Limited, who in turn regards its ultimate controlling party to be the Department of Public Expenditure and Reform.

11.16 Accounting Periods

The current accounts are for a full financial year.

11.17 Subsequent events

On the 19th February 2013 the Board of the National Building Agency Limited., with the consent of the Company's Board, passed a special resolution, subject to Ministerial consent, to amend the objects of the Memorandum of Associations of the Company to allow it transfer its assets to the Housing and Sustainable Communities Agency. Ministerial consent from both the Minister of the Environment, Community and Local Government and the Minister of Public Expenditure and Reform was received on the 3rd May 2013. The objects of the memorandum of Association of the Company will now be amended to allow it transfer its assets to the Agency.

11.18 Approval of financial statements

The board of directors approved these financial statements for issue on 19th June 2013.

Administrative Expenses

For the period ended 31 December 2011

| | 2012 | 2011 |
|---|------------------|------------------|
| | € | € |
| Administrative Expenses | | |
| Wages and Salaries | 1,863,267 | 1,383,473 |
| Salaries - Cost of Assigned NBA staff | 1,259,525 | 523,159 |
| Employer's PRSI/NI contributions | 125,522 | 119,011 |
| Employer's PRSI/NI contributions - Cost of Assigned NBA Staff | 137,705 | 53,286 |
| Staff Costs - Superannuation | 56,435 | 32,512 |
| Staff Training | 13,684 | 44,813 |
| Rent Payable | 155,250 | 151,313 |
| Rates | 30,840 | 31,374 |
| Interest Accrued and transferred to Agency | 5,822 | - |
| Insurance | 44,035 | 19,085 |
| Light and Heat | 15,671 | 11,763 |
| Cleaning | 25,390 | 26,742 |
| Repair and Maintenance | 5,252 | 12,514 |
| Printing, postage and stationary | 20,894 | 26,751 |
| Advertising | 28,818 | 4,826 |
| Information Communications Technology | 119,107 | 80,592 |
| Board Fees | 14,226 | - |
| Travelling and Subsistence | 86,779 | 49,273 |
| Research | 10,436 | 69,742 |
| Legal and Professional | 470,162 | 480,286 |
| Consultancy Fees | - | 33,513 |
| Accountancy | 65,115 | 28,486 |
| Audit | 24,600 | 20,000 |
| Bank Charges | 698 | 389 |
| Bad Debts | 2,425 | 7,523 |
| Canteen | 3,896 | 2,222 |
| General Expenses | 31,106 | 26,744 |
| Professional Body Subscriptions | 24,616 | 17,029 |
| Depreciation on FF & Equipment | 9,578 | 4,616 |
| Impairment of Lands | 98,000 | - |
| | 4,748,854 | 3,261,037 |