

**Simon Community (South East) Company Limited By Guarantee
(Company Limited by Guarantee having no share capital)**

Directors' Report and Financial Statements

For the year ended 31st December 2016

**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

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**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Directors and Other Information

Directors	Leslie Warren Liam Dunne (Resigned 31/05/2017) Mary Ryan Sean Ormonde Elizabeth Dowling Edward Grant
Secretary	Elizabeth Dowling
Company Number	376398
Charities Regulatory Authority Number	20055141
Charity Number	CHY 15749
Registered Office	Unit 33, Johnstown Business Park, Johnstown, Waterford.
Auditor	MK Brazil, Chartered Accountants & Registered Auditors, O'Connell Court, 64 O'Connell Street, Waterford.
Bankers	Allied Irish Banks, p.l.c., 72/73 The Quay, Waterford.
Solicitors	Nolan Farrell and Goff, Newtown, Waterford.

**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Directors' report

The directors present their annual report and audited financial statements of Simon Community (South East) Company Limited By Guarantee for the year ended 31st December 2016.

Objectives and activities

South East Simon Community was established in 2003 for the charitable purpose of alleviating homelessness and the problems associated with homelessness. South East Simon Community works in solidarity with men and women who have past or present experience of homelessness, or at risk of future homelessness. We campaign for a society without homelessness. South East Simon Community is particularly concerned for people whose experience of homelessness is not just a short term setback but is a longer term manifestation of deep social exclusion.

Homelessness takes many forms. Sleeping rough is very visible but many people's experiences of homelessness are often hidden. Homelessness causes countless practical difficulties. It also has a detrimental effect on people's health and well-being. It is an isolating experience and people experiencing homelessness are some of the most vulnerable and socially excluded people in our society.

South East Simon Community offers a range of services in response to these needs including low threshold accommodation, key working and case management, and a range of housing and accommodation with appropriate levels of care and support. We work from a Housing First philosophy in addressing homelessness.

The Housing First philosophy embodies a commitment to housing as a social right. The aim of the Housing First approach is to minimise the number of steps and the amount of time a person has to take from the point of becoming homeless to the point of being re-housed. The key idea is to provide immediate or near-immediate re-housing without any requirement that homeless people show themselves to be 'housing ready' before they are re-housed. Support to sustain their housing and improve their health, well-being and social integration is provided to people in their own home, and use of that support is something over which people exercise considerable choice and control.

Our commitment to housing first informs our approach to delivery of services across the South East.

In 2016, South East Simon Community provided the following services:

- i) We provide Supported Housing in Waterford, Tipperary, and Kilkenny.
- ii) We provide a Housing First service in Waterford, providing intensive support to those with the most complex needs among the long-term homeless population. Clients on the Housing First caseload have dual diagnosis (mental health and addiction) and histories of trauma including rough sleeping. The Housing First worker provides and coordinates intensive support to access and maintain housing and improve health outcomes. We have plans to significantly enhance the Housing First service in 2017 in both Waterford and Clonmel, to address identified needs in the South East.

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Directors' report

- iii) We provide Tenancy Sustainment Services and Resettlement Services which work to address and prevent homelessness by assisting people to maintain their tenancy or by supporting those at risk of a tenancy breakdown from our two regional offices in Clonmel and Waterford.
- iv) At the end of 2016 the Local Authority put the Tenancy Support and Sustainment Service in the Tipperary area to tender. We were not successful in this tender and transferred the Clonmel aspect of the Tenancy Sustainment Service to Focus Ireland. We continue to support people in South East Simon Community housing.
- v) We continue to act as social landlord in Clonmel and to provide an Advice and Information service.
- vi) In Waterford we provided a supported advocacy service to assist people who require advice and information on their housing and related entitlements delivered in partnership with Focus Ireland at a shared services centre in Waterside, Waterford. Following the departure of a staff member in 2016 Focus Ireland took responsibility for this service. We continue to support this service through food and settlement packs.
- vii) We run a charity shop on Michael Street, Waterford which provides low cost items for the community and is a net source of income to support our other services.
- viii) Fundraising aimed at raising the costs of running the continuing services listed above.

Review of activities in 2016

During the year we responded to people seeking our range of services.

- i) In 2016 we supported 37 people in tenancies; 15 through tenancy sustainment in Waterford; 11 with high intensity support through the Housing First service in Waterford; and 11 through tenancy sustainment in Clonmel.
- ii) We supported 33 people to move from homelessness to housing. Of these 24 were through our advice and information service, which involves navigating the social welfare system, contacting landlords, making referrals, advocacy and other supports. 9 were through the Homeless Action Team in Clonmel and Waterford.
- iii) We supported 52 people through our Advice and Information Service.
- iv) We supported 4 people, who were rough sleeping, through outreach activities.
- v) We acquired three new housing units. We act as social landlord for thirty housing units.
- vi) Our fundraising team and volunteers raised just under €200,000 in voluntary donations and bequests.
- vii) During 2016, the board of directors arranged for Cork Simon Community to provide operational and management supports.

Financial review

The financial results for the year ended 31st December 2016 are shown in the Income and Expenditure Account on page 12.

Income from allocations and grants from other agencies accounted for 18% of total gross income for 2016. Fundraising and other income account for 82% of gross income in 2016.

The net movement in funds is reported as an increase of €63,543.

**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Directors' report

The end of year reserves are reported as €184,655. This consists of :

€27,000	Restricted capital funds, received and spend on fixed assets.
€634	Restricted funds, income restricted to specific services and carried forward to 2017.
€20,000	Designated building fund, set aside for future property maintenance.
€137,021	Unrestricted funds, available for working capital and the continuity of services.

Reserves

South East Simon Community has a responsibility to ensure that it uses the funds and resources it receives for its charitable purpose of ending homelessness. There are uncertainties around most sources of funding and resources. South East Simon Community must plan its use of these funds and resources to ensure the continuity and sustainability of the services it offers. To this end, South East Simon Community aims to hold four months of operating costs in reserve. At the end of 2016 unrestricted funds represent 4.1 months of expenditure.

As is usual for housing bodies, South East Simon Community holds a property maintenance and development fund, often referred to as the 'sinking fund'. The directors have designated unrestricted funds for the future maintenance and development of the community's properties. At the year end this designated fund amounts to €20,000. The board of directors aims to increase this reserve.

Plans for future periods

South East Simon Community's main priorities are:

- i) Align all South East Simon Community services with a Housing First approach.
- ii) Facilitate faster onward progression for people out of homelessness.
- iii) Carry out a review of South East Simon Community governance and management structures and arrangements.
- iv) Develop a strategic plan for 2017-2020.
- v) Elaborate a model of key working and case management in line with new standards for homeless services, to better support people on their journey out of homelessness.
- vi) Offer an expanded range of housing options to people with high-support needs.
- vii) Identify and access an increased number of housing units suitable for the needs of people we support and through various sources.
- vii) Secure sustainable funding to support ongoing services.
- viii) Improve the situation of people who are currently homeless through South East Simon Community acting as a leading advocate for the right to housing and supports for all at a national and local level.
- ix) Continue to maintain and develop South East Simon Community support base, and promote a general understanding of the causes of and solutions to homelessness.
- x) Implement the National Quality Standards Framework across our services.

Relationships with other bodies

South East Simon Community recognises that the range of needs of people who are homeless are too complex for one organisation to solve. South East Simon Community fosters relationships and working arrangements with a variety of other agencies and providers of related services.

**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Directors' report

- i) South East Simon Community is part of a network of eight independent Simon Communities operating in the Republic, the others being in Dundalk, Dublin, Midlands, Cork, Galway, North West and Mid-West. All eight Simon Communities share common values and ethos in tackling all forms of homelessness throughout Ireland, and work collectively through a National Office to conduct valuable research and to inform and influence national policy.
- ii) South East Simon Community is an Approved Housing Body and a member of the Irish Council for Social Housing.
- iii) South East Simon Community has good working relationships with the Health Service Executive, Waterford City and County Council, Tipperary County Council, Department of Social Protection, and the Community Gardaí. We work with private landlords, voluntary housing bodies and a range of Community groups.
- iv) South East Simon Community has close links with other agencies in providing services for people who are homeless. We are members of the Waterford Homeless Service Providers Network and of the South East Regional Homeless Forum.

Structure governance and management

South East Simon Community is a charitable company limited by guarantee not having a share capital. South East Simon Community has a Memorandum and Articles of Association. The members of the board of directors are the members of the company. The directors are volunteers.

The board of directors have signed up to the Governance Code for Voluntary Organisations and the Voluntary Regulation Code for Approved Housing Bodies. South East Simon Community adheres to the Statement of Guiding Principles for Fundraising. In service delivery South East Simon Community is applying the Putting People First Code, the National Quality Standards Framework, and the Quality Standards in Alcohol and Drugs Services.

The board of directors is responsible for governance, and developing and approving policies and strategies of the Community. In 2016 the day to day management of the Community was delegated to the Director of Cork Simon Community, Dermot Kavanagh, who is supported by the management team in Cork Simon Community. No remuneration or employee benefits are paid by South East Simon Community to the Director.

**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Directors' report

Principal risks and uncertainties

The directors have ultimate responsibility for managing risk and are aware of the risks associated with the operating activities of the Community. The directors carry out an annual risk audit and review the risks on an ongoing basis. The directors are satisfied that adequate systems of governance, supervision, procedures and internal controls are in place to mitigate the exposure to the major risks and that these controls provide reasonable assurance against such risks. The major risks include financial risks, operational and safety risks, compliance risks and reputational risks.

External risks include the impact of the current housing crisis. An increase to the number of people needing homeless services, or an inability of South East Simon Community to access more move-on accommodation / housing options for people, or a change in government policy or de-prioritisation of homelessness can all impact on the services Simon Community (South East) Company Limited By Guarantee can offer.

Taxation

The company has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act, 1997 (Charity No. CHY 15749).

Directors

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

Leslie Warren

Liam Dunne (Resigned 31/05/2017)

Mary Ryan

Sean Ormonde

Elizabeth Dowling

Edward Grant

There were no changes, other than those noted, in the board of directors between 31st December 2016 and the date of signing the financial statements.

In accordance with the Constitution the directors Elizabeth Dowling and Edward Grant retire by rotation at the next Annual General Meeting and, being eligible, offer themselves for re-election.

Going concern

The directors, after making enquiries and having considered the Community's financial position and expected future cash flows, conclude there are no material uncertainties about the Community's ability to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Directors' report

Accounting records

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act, 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at Unit 33, Johnstown Industrial Estate, Johnstown, Waterford.

Statement on Relevant Audit Information

In accordance with Section 330 of the Companies Act 2014:

- i) so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- ii) each director has taken all the steps that he or she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

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

Events since the end of the year

There have been no significant events affecting the Community since the year end.

On behalf of the Board

Mary Ryan

_____ Director

Edward Grant

_____ Director

20th July 2017

_____ Date

**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 Financial Reporting Council.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for that financial year and otherwise comply with the Companies Act 2014.

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

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

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be 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.

**Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Directors' responsibilities statement

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board

Mary Ryan
_____ Director

Edward Grant
_____ Director

20th July 2017
_____ Date

**Independent auditor's report to the members of
Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

We have audited the financial statements of Simon Community (South East) Company Limited By Guarantee for the year ended 31st December 2016 which comprise the Income and Expenditure Account, Balance Sheet, the Reconciliation of Funds, the Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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 including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 20 to the financial statements.

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Independent auditor's report to the members of
Simon Community (South East) Company Limited By Guarantee
for the year ended 31st December 2016**

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31st December 2016 and its results for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by Sections 305 to 312 of the Act are not made.



**John Foley FCA
For and on behalf of
MK Brazil,
Chartered Accountants & Registered Auditors,
O'Connell Court,
64 O'Connell Street,
Waterford.
28th July 2017**

Simon Community (South East) Company Limited By Guarantee
Income and expenditure account
for the year ended 31st December 2016

	Notes	2016 €	2015 €
Income	3	487,400	511,192
Expenditure			
Costs of service provision		(400,221)	(548,939)
Operating surplus/(deficit)		<u>87,179</u>	<u>(37,747)</u>
Interest receivable and similar income	4	17	23
Interest payable and similar charges	5	(2,141)	(2,336)
(Deficit)/surplus for the year	6	<u><u>85,055</u></u>	<u><u>(40,060)</u></u>

The company has no recognised gains or losses other than the results for the year. The results for the year have been calculated on the historical cost basis. The company's income and expenses all relate to continuing operations.

Simon Community (South East) Company Limited By Guarantee
Balance sheet
as at 31st December 2016

	Notes	2016		2015	
		€	€	€	€
Fixed Assets					
Tangible Assets	11		2,581,561		2,582,575
Current Assets					
Debtors	12	21,716		48,564	
Cash at Bank and in Hand		150,984		102,779	
		<u>172,700</u>		<u>151,343</u>	
Creditors: amounts falling due within one year	13	<u>(161,600)</u>		<u>(142,566)</u>	
Net Current Assets			<u>11,100</u>		<u>8,777</u>
Total Assets Less Current Liabilities			2,592,661		2,591,352
Creditors: amounts falling due after more than one year	14		(2,408,006)		(2,470,240)
Net Assets			<u><u>184,655</u></u>		<u><u>121,112</u></u>
Reserves					
Restricted capital fund			27,000		28,350
Restricted Funds			634		20,796
Designated building fund			20,000		20,000
Income and Expenditure Account			137,021		51,966
			<u><u>184,655</u></u>		<u><u>121,112</u></u>

On behalf of the Board

Mary Ryan

_____ Director

Edward Grant

_____ Director

20th July 2017

_____ Date

Simon Community (South East) Company Limited By Guarantee
Statement of changes in funds
For the Year Ended 31st December 2016

	Restricted Capital Fund €	Restricted Funds €	Designated Building Fund €	Unrestricted Funds €	Total Funds €
Balance at 1st January 2015	29,700	36,230	-	112,026	177,956
Deficit for the Year	-	-	-	(40,060)	(40,060)
Other movements in the year	(1,350)	(15,434)	20,000	(20,000)	(16,784)
Balance as at 31st December 2015	<u>28,350</u>	<u>20,796</u>	<u>20,000</u>	<u>51,966</u>	<u>121,112</u>
Balance as at 1st January 2016	28,350	20,796	20,000	51,966	121,112
Surplus for the Year	-	-	-	85,055	85,055
Other movements in the year	(1,350)	(20,162)	-	-	(21,512)
Balance as at 31st December 2016	<u><u>27,000</u></u>	<u><u>634</u></u>	<u><u>20,000</u></u>	<u><u>137,021</u></u>	<u><u>184,655</u></u>

Simon Community (South East) Company Limited By Guarantee
Cashflow statement
for the year ended 31st December 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		<u>€</u>	<u>€</u>
Cash flows from operating activities			
Surplus/(deficit) for the year		85,055	(40,060)
Adjustment for:			
Depreciation		130,193	125,302
Amortisation of grant		(1,350)	(1,350)
Release of loan funding		(116,966)	(113,191)
Interest receivable and similar charges		(8)	(23)
Interest payable and similar charges		1,725	2,336
		<u>98,649</u>	<u>(26,986)</u>
Movements in working capital:			
Movement in debtors		26,848	5,994
Movement in creditors		(43,394)	(107,152)
Cash generated from operations		82,103	(128,144)
Interest paid		(1,725)	(2,336)
Net cash generated from operating activities		<u>80,378</u>	<u>(130,480)</u>
Cash flows from investing activities			
Interest received		8	23
Payments to acquire tangible fixed assets		(129,179)	(25,880)
Release of loan funding		116,966	113,191
		<u>(12,205)</u>	<u>87,334</u>
Cash flows from financing activities			
Movement in Restricted Reserves		(20,162)	(15,434)
Net decrease in cash and cash equivalents		48,011	(58,580)
Cash and cash equivalents at beginning of the year		102,760	161,340
<u>Net cash inflow/(outflow) from operating activities</u>	19	<u>150,771</u>	<u>102,760</u>

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
for the year ended 31st December 2016

1. 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.

1.1. Statement of compliance

The financial statements of the company for the year ended 31st December 2016 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

1.2. Basis of preparation

The financial statements have been prepared under the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
for the year ended 31st December 2016

..... continued

1.3. Income

Donations and other fundraising income

In common with many similar charitable organisations, the company derives a proportion of its income from voluntary donations and fund raising activities held by individuals or parties outside the control of the company. Accordingly, incoming resources, including incoming resources received in kind, are recognised only when realised in the form of cash or other assets, the ultimate cash realisation of which can be reliably measured and assessed with reasonable certainty. In the case of voluntary income receivable by way of donations, gifts and bequests, income is recognised when the donation is entered into the company's bank accounts or entered into the company's accounting records. Fundraising is shown gross without deduction of any overhead costs involved in raising such funds.

Revenue grants

Revenue grants relating to charitable activities are recognised when receivable and are reflected in the statement of financial activities on this basis.

Rental income

The company has a number of properties which it manages and lets to its clients. Rental income is recognised on a cash receipts basis.

Capital assistance scheme loans

Loans under Capital Assistance Schemes, receivable from local authorities for the purposes of acquiring and developing specified housing properties and advanced to the company under the terms of a mortgage agreement, are recognised in the financial statements as creditors repayable over fixed terms ranging from 20 to 30 years. Under the terms of the mortgage agreement the company is relieved of monthly capital and interest repayments by the relevant local authority provided the company is in compliance with certain specific conditions. The repayments so relieved are recognised in the Income and Expenditure Account as they are waived or relieved.

The amounts repayable to the local authorities under the terms of the Capital Assistance Scheme, representing advances received as reduced by repayments relieved, are disclosed as creditors classified as amounts repayable within one year and amounts repayable after more than one year.

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
for the year ended 31st December 2016

..... continued

1.4. Restricted funds

Restricted funds represent grants, donations and sponsorships received which can only be used for particular purposes specified by the donors or sponsorship programmes binding on directors. Such purposes are within the overall objectives of the company.

1.5. Unrestricted funds

Unrestricted funds are income received or generated for the charitable purposes which can be used at the discretion of South East Simon Community to deliver its charitable objectives.

1.6. Capital funds

Grants and loan funding towards capital expenditure are released to the income and expenditure account over the expected useful life of the assets. Grants towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.

1.7. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and Buildings	- 3.33% Straight Line
Fixtures and Fittings	- 12.5% / 20% Straight Line
Office Equipment	- 12.5% / 20% Straight Line
Shop Equipment	- 12.5% / 20% Straight Line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

It is a requirement, under FRS 102 - Impairment of Fixed Assets and Goodwill, that the carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. As our Fixed Assets are not held for the purpose of generating cashflows, but were acquired for the purpose of carrying out charitable activities, the value cannot be meaningfully measured in terms of cashflow as the benefits that derive from their use are not financial. Accordingly, an impairment of Fixed Assets will only arise where the asset suffers impairment in a physical sense resulting in physical damage and the use of the asset has reduced significantly or is no longer in use or where the quality of service it provides has deteriorated. As long as such assets continue to provide the anticipated benefits to the company, the consumption of such benefits will be reflected in regular depreciation charges.

1.8. Trade and other debtors

Debtors are stated at their net realisable value in the balance sheet.

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
for the year ended 31st December 2016

..... continued

1.9. Taxation

No charge to current or deferred taxation arises as the charity has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act, 1997 (Charity No. CHY 15749). The charity is eligible under the Scheme of Tax Relief for Donations to Eligible Charities and Approved Bodies under Section 848A of the Taxes Consolidation Act, 1997. Irrecoverable VAT is expensed as incurred.

1.10. Borrowing costs

Borrowing costs are recognised in income and expenditure in the period in which they are incurred.

1.11. Foreign currencies

The Accounts are expressed in Euro (€).

2. Critical Accounting Judgements and Estimates

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

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Establishing useful economic lives for depreciation purposes of property, plant and equipment

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

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
for the year ended 31st December 2016

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3. Income

The income for the year has been derived from:-

		2016	2015
Restricted income received			
South Tipperary CC	(a)	37,146	37,146
HSE Wexford		-	27,507
HSE Waterford	(b)	6,250	20,000
Waterford CCC	(c)	35,000	10,000
Other grant income		10,501	55,110
		<u>88,897</u>	<u>149,763</u>
Other income			
Rent and contributions received		91,951	82,674
Fundraising income		239,008	210,657
Bequests		400	1,233
Shop		65,794	66,865
Other operating income		1,350	1,350
		<u>487,400</u>	<u>512,542</u>

(a) South Tipperary County Council grant towards tenancy sustainment and resettlement services based in Clonmel

(b) HSE Waterford grant towards Housing First service in Waterford.

(c) Waterford City and County Council, grant towards Housing First service in Waterford.

4. Interest receivable and similar income

2016 **2015**
€ **€**

Deposit interest		<u>17</u>	<u>23</u>
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5. Interest payable and similar charges

2016 **2015**
€ **€**

Bank interest and charges		<u>2,141</u>	<u>2,336</u>
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Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
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6. Surplus/(deficit) for the year was arrived at after charging	2016	2015
	€	€
Depreciation	130,193	125,302
Auditor's remuneration	4,694	4,571
Release of loan funding	(116,966)	(113,191)
Amortisation of capital grants	(1,350)	(1,350)
	<u> </u>	<u> </u>

7. Staff numbers and costs		
The average number of employees were as follows:	2016	2015
	Number	Number
Service	6	13
Shop	1	1
	<u> </u>	<u> </u>
	7	14
	<u> </u>	<u> </u>

The aggregate payroll cost of these employees were as follows	2016	2015
	€	€
Staff wages and salaries	192,841	309,995
Social welfare costs	19,440	33,361
Redundancy Payments	-	33,089
	<u> </u>	<u> </u>
	212,281	376,445
	<u> </u>	<u> </u>

At the end of 2016, 7 individual people were employed on a full time basis.
The day to day management of the Community is delegated to Dermot Kavanagh, the Director of Cork Simon Community. No remuneration or employee benefits are paid by South East Simon Community to the Director.

8. Directors' remuneration
The directors were not in receipt of any remuneration during the year.

9. Directors' transactions
No director or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the current year or the prior year.

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
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10. Tax on surplus on ordinary activities

No charge to current or deferred taxation arises as the company has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997, (Charity No. 15749).

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
for the year ended 31st December 2016

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11. Tangible assets

	Land and Buildings	Fixtures and Fittings	Office Equipment	Shop Equipment	Total
	€	€	€	€	€
Cost/revaluation					
At 1st January 2016	2,922,217	22,173	48,787	4,807	2,997,984
Additions	129,179	-	-	-	129,179
At 31st December 2016	<u>3,051,396</u>	<u>22,173</u>	<u>48,787</u>	<u>4,807</u>	<u>3,127,163</u>
Depreciation					
At 1st January 2016	367,107	7,132	37,352	3,818	415,409
Charge for the year	122,156	3,927	3,550	560	130,193
At 31st December 2016	<u>489,263</u>	<u>11,059</u>	<u>40,902</u>	<u>4,378</u>	<u>545,602</u>
Net Book Values					
At 31st December 2016	<u>2,562,133</u>	<u>11,114</u>	<u>7,885</u>	<u>429</u>	<u>2,581,561</u>
At 31st December 2015	<u>2,555,110</u>	<u>15,041</u>	<u>11,435</u>	<u>989</u>	<u>2,582,575</u>

For the prior year

	Land and Buildings	Fixtures and Fittings	Office Equipment	Shop Equipment	Total
	€	€	€	€	€
Cost/revaluation					
At 1st January 2015	2,910,587	7,923	48,787	4,807	2,972,104
Additions	11,630	14,250	-	-	25,880
At 31st December 2015	<u>2,922,217</u>	<u>22,173</u>	<u>48,787</u>	<u>4,807</u>	<u>2,997,984</u>
Depreciation					
At 1st January 2015	249,883	3,205	33,802	3,217	290,107
Charge for the year	117,224	3,927	3,550	601	125,302
At 31st December 2015	<u>367,107</u>	<u>7,132</u>	<u>37,352</u>	<u>3,818</u>	<u>415,409</u>
Net Book Values					
At 31st December 2015	<u>2,555,110</u>	<u>15,041</u>	<u>11,435</u>	<u>989</u>	<u>2,582,575</u>
At 31st December 2014	<u>2,660,704</u>	<u>4,718</u>	<u>14,985</u>	<u>1,590</u>	<u>2,681,997</u>

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
for the year ended 31st December 2016

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12. Debtors	2016	2015
	€	€
Trade Debtors	16,635	33,702
Other Debtors	-	3,000
Prepayments and Accrued Income	5,081	11,862
	<u>21,716</u>	<u>48,564</u>

The fair values of trade and other debtors approximate to their carrying amount. Trade debtors are stated after provisions for impairments of €3,556 (2015: €4,383).

13. Creditors: amounts falling due within one year	2016	2015
	€	€
Bank Overdraft (Note 15)	213	19
Creditors and Accruals	44,089	28,455
Capital Assistance Scheme Loans (Note 15 & 16)	117,298	114,092
	<u>161,600</u>	<u>142,566</u>

14. Creditors: amounts falling due after more than one year	2016	2015
	€	€
Simon Communities of Ireland (Note 15)	76,281	112,875
Capital Assistance Scheme Loans (Note 15 & 16)	2,331,725	2,357,365
	<u>2,408,006</u>	<u>2,470,240</u>

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
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15. Details of borrowings

Maturity analysis	Within One Year €	Between One and Two Years €	Between Two and Five Years €	After Five Years €	Total €
Repayable other than by instalments					
Bank Overdraft	213	-	-	-	213
Repayable by instalments:					
Simon Communities of Ireland	-	-	-	76,281	76,281
Government / CAS Housing Loan	117,298	117,298	351,894	1,862,533	2,449,023
	<u>117,511</u>	<u>117,298</u>	<u>351,894</u>	<u>1,938,814</u>	<u>2,525,517</u>

16. Loan security

Loans under Capital Assistance Schemes are received by the company from local authorities, by way of mortgage, and are repayable over the repayment periods for each funding agreement ranging from 20 to 30 years.

The local authorities have charges over the company's properties as security for the finance received. Under the terms of the mortgage, the company is relieved of monthly capital and interest repayments so long as the company is in compliance with the specific conditions set out in the relevant mortgage agreement, primarily with respect to the use and upkeep of the related properties.

17. Status

The company is limited by guarantee, not having a share capital and consequently the liability of the members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding €1.27.

18. Capital commitments

There were no capital commitments at the year ended 31st December 2016.

Simon Community (South East) Company Limited By Guarantee
Note forming part of the financial statements
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19. Cash and cash equivalents

	2016	2015
	€	€
Cash and bank balances	150,984	102,779
Bank overdrafts	(213)	(19)
	<u>150,771</u>	<u>102,760</u>

20. Provisions available for small entities

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

21. Post balance sheet events

There were no significant events affecting the company since the year end.