

SOUTH EAST SIMON COMMUNITY
(Not having share capital and limited by guarantee)

Financial Year Ended 31 December 2017

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REFERENCE AND ADMINISTRATION DETAILS

Board of Directors

Elizabeth Dowling
Edward Grant
Sean Ormonde
Mary Ryan
Leslie Warren

Secretary and Registered Office

Elizabeth Dowling
Unit 33 Johnstown Business Park
Johnstown
Waterford

Key Management Staff

Dermot Kavanagh (Director), (Not a member of the Board of Directors)

Charitable Status No: CHY 15749

Charity Regulatory Authority No: 20055141

Registered No: 376398

Auditors

MK Brazil
Chartered Accountants and Statutory Auditors
O'Connell Court
64 O'Connell Street
Waterford

Bankers

Allied Irish Banks plc
The Quay
Waterford

Solicitors

Nolan Farrell and Goff
Newtown
Waterford

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Simon Community (South East) Limited, ('South East Simon Community') for the year ended 31 December 2017.

The financial statements have been prepared in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014, which is effective from 1 January 2015. The financial statements have also been prepared with reference to the Charities SORP (FRS 102). Charity SORP (FRS 102) is not currently obligatory under Charities Act, 2009.

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 rehoused. 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.

Review of Activities in 2017

- We provided Supported Housing in Waterford, Tipperary, and Kilkenny.
- We provided 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 service provides and coordinates intensive support to access and maintain housing and improve health outcomes.
- We provided 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.
- We acted as social landlord in Clonmel and to provide an Advice and Information service.
- In Waterford we supported the advocacy service through food and settlement packs.

- We ran a charity shop on Michael Street, Waterford which provides low cost items for the community and to raise income to support our other services. In 2018 we have closed this shop.
- Our fundraising team and volunteers raised just over €220,000 in voluntary donations.
- The board of directors continued the arrangement whereby Cork Simon Community provided operational and management supports.

Financial review

The Board decided to prepare the 2017 financial statements in the Charities SORP (FRS 102) format. While it is not as yet compulsory to adopt the SORP, it is considered best practice for charities.

The financial results for the year ended 31 December 2017 are shown in the Statement of Financial Activity report on page 9.

Income from allocations and grants from other agencies accounted for 15% of total gross income for 2017. Fundraising and other income account for 85% of gross income in 2017. The net movement in funds is reported as an increase of €3,168.

The end of year reserves are reported as €187,823. This consists of :

€ 25,650	Restricted capital funds, received and spend on fixed assets.
€ 65,748	Restricted funds, income restricted to specific services and carried forward to 2018.
€ 20,000	Designated building fund, set aside for future property maintenance.
<u>€ 76,425</u>	Unrestricted funds, available for working capital and the continuity of services.
€ 187,823	Total funds

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 2017 unrestricted funds represent 1.6 months of expenditure. The Board are working to improve this reserve position.

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:

- Align all South East Simon Community services with a Housing First approach.
- Facilitate faster onward progression for people out of homelessness.
- Carry out a review of South East Simon Community governance and management structures and arrangements.
- Develop a strategic plan for 2018-2021.
- 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.
- Offer an expanded range of housing options to people with high-support needs.
- Identify and access an increased number of housing units suitable for the needs of people we support and through various sources.
- Secure sustainable funding to support ongoing services.
- 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.

- Continue to maintain and develop South East Simon Community support base, and promote a general understanding of the causes of and solutions to homelessness.
- 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.

- 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.
- South East Simon Community is an Approved Housing Body and a member of the Irish Council for Social Housing.
- 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.
- 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 2017 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.

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 South East Simon Community 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 (retired 31 May 2017)
Mary Ryan
Sean Ormonde
Elizabeth Dowling
Edward Grant

There were no other changes in the board of directors between 31 December 2017 and the date of signing the financial statements.

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.

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 Business Park, Johnstown, Waterford.

Auditors

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.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the net movement in funds of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

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

Disclosure of information auditors

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 the information.

Signed on behalf of the board

Leslie Warren

Mary Ryan

Date: 27th June 2018

Independent Auditors Report to the Members South East Simon Community (Not having a share capital and limited by guarantee) for the year ended 31 December 2017

Opinion

We have audited the financial statements of South East Simon Community (Not having a share capital and limited by guarantee) (the 'company') for the year ended 31 December 2017 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 and of its results for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard as issued by the Irish Auditing and Accounting Service Authority ("IAASA") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the [company or charity]'s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- 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;
- the information given in the Director's/Trustees Report is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of directors/trustees for the financial statements

As explained more fully in the Directors Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

http://www.iaasa.ie/getmedia/b2389013-1cf6-458b9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our audit report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members as a body in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit 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 or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed by:



John Foley FCA

For and on behalf of:

MK Brazil,

Chartered Accountants and Statutory Auditors,

O'Connell Court,

64 O'Connell Street,

Waterford.

Date: 31st July 2018

SOUTH EAST SIMON COMMUNITY
(Not having share capital and limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2017

	Notes	Restricted funds	Unrestricted funds	Designated building fund	Restricted building fund	Total 2017	Total 2016
		€	€	€	€	€	€
Income from:							
Donations		9,860	210,970	-	-	220,830	235,597
Legacies		-	-	-	-	-	400
Other fundraising activity Charity Shop		-	45,092	-	-	45,092	65,794
Charitable activities		106,383	102,938	-	-	209,321	164,097
Interest and investment income		-	4	-	-	4	17
Total income		116,243	359,004	-	-	475,247	465,905
Expenditure on:							
Charitable activities		92,917	361,890	-	-	454,807	394,878
Raising funds		-	67,960	-	-	67,960	52,157
Other fundraising activity Charity Shop		-	66,899	-	-	66,899	72,293
Total expenditure	2	92,917	496,749	-	-	589,666	519,328
Capital Assistance Scheme repayments relieved		-	117,587	-	-	117,587	116,966
Net income/(expenditure)	4	23,326	(20,158)	-	-	3,168	63,543
Transfer from restricted building fund		-	1,350	-	(1,350)	-	-
Transfer from unrestricted fund	14	41,788	(41,788)	-	-	-	-
Net movement in funds		65,114	(60,596)	-	(1,350)	3,168	63,543
Reconciliation of funds							
Total funds brought forward		634	137,021	20,000	27,000	184,655	121,112
Total funds carried forward		65,748	76,425	20,000	25,650	187,823	184,655

The statement of financial activities includes all gains and losses recognised in the year. There are no other items to be included in the statement of comprehensive income. Income and net income/(expenditure) arose solely from continuing activities. Movements in funds are set out in note 14 on page 23. Please refer to note 3 on page 18 where the detailed comparative statement of financial activities for the financial year ended 31 December 2017 is disclosed.

On behalf of the board

Leslie Warren

Mary Ryan

BALANCE SHEET
As at 31 December 2017

	Notes	2017 €	2016 €
Fixed assets			
Tangible assets	6	<u>2,468,857</u>	<u>2,581,561</u>
Current assets			
Debtors	7	19,763	21,716
Cash at bank		<u>247,532</u>	<u>150,984</u>
		267,295	172,700
Creditors - Amounts falling due within one year	8	<u>(249,817)</u>	<u>(161,600)</u>
Net current assets		<u>17,478</u>	<u>11,100</u>
Total assets less current liabilities		2,486,335	2,592,661
Creditors - Amounts falling due after more than one year	9	<u>(2,298,512)</u>	<u>(2,408,006)</u>
		<u>187,823</u>	<u>184,655</u>
Total funds of the charity			
Unrestricted funds	14	76,425	137,021
Restricted funds	14	65,748	634
Designated building fund	14	20,000	20,000
Restricted capital funds	14	<u>25,650</u>	<u>27,000</u>
Total charity funds	14	<u>187,823</u>	<u>184,655</u>

The notes on pages 14 to 24 form an integral part of these financial statements.

The financial statements were authorised by the board of directors on 27th June 2018 and signed on its behalf:

On behalf of the board

Leslie Warren Mary Ryan

CASH FLOW STATEMENT
31 December 2017

	Notes	2017 €	2016 €
Income for the reporting period as per statement of financial activities		3,168	63,543
Adjustment for:			
Depreciation		130,381	130,193
Capital assistance scheme repayment relieved		(117,587)	(116,966)
Interest receivable		(4)	(8)
Interest payable and similar charges		2,060	1,725
Movement in working capital:			
Movement in debtors		1,953	26,848
Movement in creditors		(17,281)	(20,959)
Movement in payable to Cork Simon Community		<u>105,322</u>	<u>-</u>
Cash generated from charitable activities		108,012	84,376
Interest payable and similar charges		<u>(2,060)</u>	<u>(1,725)</u>
Net cash generated from charitable activities		105,952	82,651
Cash flows from investing activities			
- investment income		4	8
- payments to acquire tangible assets		<u>(17,677)</u>	<u>(129,179)</u>
Net cash (used in)/provided by investing activities		<u>(17,673)</u>	<u>(129,171)</u>
Cash flows from financing activities			
Capital assistance scheme loan funding		<u>8,382</u>	<u>94,531</u>
Change in cash and cash equivalents in the year		<u>96,661</u>	<u>48,011</u>
Cash and cash equivalents at start of year	13	<u>150,771</u>	<u>102,760</u>
Cash and cash equivalents at end of year	13	<u>247,432</u>	<u>150,771</u>

On behalf of the board

Leslie Warren

Mary Ryan

NOTES TO THE FINANCIAL STATEMENTS

1. General information

South East Simon Community is a charitable organisation established to alleviate homelessness and the problems associated with homelessness.

South East Simon Community is a company limited by guarantee in the Republic of Ireland. The address of its registered office is Unit 33 Johnstown Business Park, Johnstown, Waterford.

These financial statements are the company's financial statements for the financial year beginning 1 January 2017 and ending 31 December 2017.

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

1.1 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.

1.2 Statement of compliance

The financial statements of the company for the year ended 31st December 2017 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. The financial statements have been prepared with reference to the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (Charity SORP (FRS 102)). Charity SORP (FRS 102) is not currently obligatory under Charities Act, 2009.

1.3 Basis of preparation

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014. The financial statements have also been prepared with reference to the Charities SORP (FRS 102).

South East Simon Community meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

In preparing the accounts, the directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 2.

1.4 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

NOTES TO THE FINANCIAL STATEMENTS

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.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 Trade and other debtors

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

NOTES TO THE FINANCIAL STATEMENTS

1.10 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.

1.11 Borrowing costs

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

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.

NOTES TO THE FINANCIAL STATEMENTS

2 Resources expended	Staff costs €	Direct costs €	Depreciation €	Support costs €	Total €
For the year ended 31 December 2016					
Homeless services	123,610	70,200	126,083	74,985	394,878
Raising funds	29,810	19,705	-	2,642	52,157
Charity Shop	27,887	41,004	560	2,842	72,293
Training, volunteering and other support	30,974	45,945	3,550	(80,469)	-
Total 2016	212,281	176,854	130,193	-	519,328
For the year ended 31 December 2017					
Homeless services	96,099	112,048	126,487	65,162	399,796
Campaigns and research	-	52,624	-	2,387	55,011
Charitable activities	96,099	164,672	126,487	67,549	454,807
Raising funds	18,500	47,073	-	2,387	67,960
Charity Shop	23,416	40,843	253	2,387	66,899
Finance, administration, HR and other support	29,903	38,779	3,641	(72,323)	-
Total 2017	167,918	291,367	130,381	-	589,666

Direct costs are costs, excluding staff costs, which are incurred directly for the specific areas of activity. These include costs such as rent, utilities, repairs, insurance and fundraising costs.

Support costs include internal finance, maintenance, IT, human resources, administration and general management functions. These costs are allocated across other services on the basis of utilisation as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

3 Comparative statement of financial activities for year ended 31 December 2016

	Restricted funds	Unrestricted funds	Restricted building fund	Total 2016
	€	€	€	€
Income from:				
Donations	2,840	232,757	-	235,597
Legacies	-	400	-	400
Other fundraising activities	-	65,794	-	65,794
Charitable activities	72,146	91,951	-	164,097
Interest and other income	-	17	-	17
Total income	74,986	390,919	-	465,905
Expenditure on:				
Charitable activities	128,316	266,562	-	394,878
Raising funds	-	52,157	-	52,157
Other fundraising activities Charity Shop	-	72,293	-	72,293
Total expenditure	128,316	391,012	-	519,328
Capital Assistance Scheme repayments relieved	-	116,966	-	116,966
Net income/(expenditure)	(53,330)	116,873	-	63,543
Transfer from restricted building fund	-	1,350	(1,350)	-
Transfer from unrestricted fund	33,168	(33,168)	-	-
Net movement in funds 2016	(20,162)	85,055	(1,350)	63,543

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Net income/(outgoing) resources	2017	2016
	€	€
Net incoming/(outgoing) resources is stated after charging/(crediting):		
Staff costs (note 5)	167,918	212,281
Depreciation	130,381	130,193
Capital Assistance Scheme financing repayments relieved	(117,587)	(116,966)
Amortisation of capital grant	(1,350)	(1,350)
Directors' remuneration	-	-
Directors' expenses	-	-
Auditors' remuneration: audit of the financial statements	4,551	4,694
Bank interest and similar charges	2,060	2,141
Interest income	(4)	(8)
	<u> </u>	<u> </u>

None of the directors have been paid any remuneration or received any other financial benefit from South East Simon. No expenses were reimbursed to directors in the year.

5 Employee information and benefits

(a) The average number of whole time equivalent staff employed by the community during the year is analysed below:	2017	2016
	Number	Number
Homeless services	6	5
Raising funds	-	1
Charity Shop	-	1
	<u> </u>	<u> </u>
	<u>6</u>	<u>7</u>

(b) The company's employment costs for all employees comprise:	2017	2016
	€	€
Wages and salaries	141,372	192,841
Social insurance costs	15,102	19,440
Leaving payments	11,444	-
	<u> </u>	<u> </u>
	<u>167,918</u>	<u>212,281</u>

(c) At the end of 2017, 2 people were employed by South East Simon. 4 staff were employed by Cork Simon Community and assigned to work in South East Simon Community. Of these 5 were employed full time and 1 was part time.

(d) South East Simon Community employs professional staff with diverse skills and expertise to support the work we do. At the end of 2017, the number of whole time equivalent staff with pay, excluding employer retirement benefit costs falling within the following bands was:

	2017	2016
Up to €29,999	4	5
Between €30,000 and €39,999	-	1
Between €40,000 and €49,999	2	1
	<u> </u>	<u> </u>
	<u>2</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Employee information and benefits - continued

(e) 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.

6 Tangible assets	Land & buildings	Fixtures & fittings	Office equipment	Shop equipment	Total
	€	€	€	€	€
Cost					
At 1 January 2016	2,922,217	22,173	48,787	4,807	2,997,984
Additions	129,179	-	-	-	129,179
At 31 December 2016	<u>3,051,396</u>	<u>22,173</u>	<u>48,787</u>	<u>4,807</u>	<u>3,127,163</u>
At 1 January 2017	3,051,396	22,173	48,787	4,807	3,127,163
Addition	16,773	-	454	450	17,677
At 31 December 2017	<u>3,068,169</u>	<u>22,173</u>	<u>49,241</u>	<u>5,257</u>	<u>3,144,840</u>
Accumulated depreciation					
At 1 January 2016	367,107	7,132	37,352	3,818	415,409
Charge for year	122,156	3,927	3,550	560	130,193
At 31 December 2016	<u>489,263</u>	<u>11,059</u>	<u>40,902</u>	<u>4,378</u>	<u>545,602</u>
At 1 January 2017	489,263	11,059	40,902	4,378	545,602
Charge for year	122,734	3,753	3,641	253	130,381
At 31 December 2017	<u>611,997</u>	<u>14,812</u>	<u>44,543</u>	<u>4,631</u>	<u>675,983</u>
Net book value					
At 31 December 2015	<u>2,555,110</u>	<u>15,041</u>	<u>11,435</u>	<u>989</u>	<u>2,582,575</u>
At 31 December 2016	<u>2,562,133</u>	<u>11,114</u>	<u>7,885</u>	<u>429</u>	<u>2,581,561</u>
At 31 December 2017	<u>2,456,172</u>	<u>7,361</u>	<u>4,698</u>	<u>626</u>	<u>2,468,857</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Debtors		2017	2016		
		€	€		
Amounts falling due within one year:					
Rent and other debtors		12,405	16,635		
Prepayments and accrued income		<u>7,358</u>	<u>5,081</u>		
		<u>19,763</u>	<u>21,716</u>		
8 Creditors - Amounts falling due within one year		2017	2016		
		€	€		
Bank overdraft (note 10)		100	213		
Creditors and accruals		26,808	44,089		
Owing to Cork Simon Community		105,322	-		
Capital Assistance Scheme loans (note 10)		<u>117,587</u>	<u>117,298</u>		
		<u>249,817</u>	<u>161,600</u>		
9 Creditors - Amounts falling due after more than one year		2017	2016		
		€	€		
Simon Communities of Ireland (note 10)		76,281	76,281		
Capital Assistance Scheme loans (note 10)		<u>2,222,231</u>	<u>2,331,725</u>		
		<u>2,298,512</u>	<u>2,408,006</u>		
10 Details of Borrowings					
	Within one year	Between one & two years	Between two & five years	After five years	Total
Maturity analysis	€	€	€	€	€
Repayable other than by instalments					
Bank overdraft	100	-	-	-	100
Repayable by instalments					
Simon Communities Ireland	-	-	-	76,281	76,281
Capital Assistance Scheme	<u>117,587</u>	<u>117,587</u>	<u>352,761</u>	<u>1,751,883</u>	<u>2,339,818</u>
At 31 December 2017	<u>117,687</u>	<u>117,587</u>	<u>352,761</u>	<u>1,828,164</u>	<u>2,416,199</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Loans under Capital Assistance Schemes are received by the Community from the 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 Community's properties as security for the finance received. Under the terms of the mortgage, the Community is relieved of monthly capital and interest repayments so long as the Community 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.

11 Analysis of net assets between funds

	Unrestricted fund	Designated fund	Restricted fund	Restricted building fund	Total funds 2017
	€	€	€	€	€
Tangible assets	2,443,207	-	-	25,650	2,468,857
Current assets	181,547	20,000	65,748	-	267,295
Creditors falling due within one year	(249,817)	-	-	-	(249,817)
Creditors due after more than one year	(2,298,512)	-	-	-	(2,298,512)
Total funds at 31 December 2017	<u>76,425</u>	<u>20,000</u>	<u>65,748</u>	<u>25,650</u>	<u>187,823</u>

12 Related party transactions

As part of the supports it provides, Cork Simon Community provides payroll and accounting services for the South East Simon Community. In 2017, the income and expenditure transactions incurred by Cork Simon on behalf of South East Simon amounted to €163,907. These were fully recharged to South East Simon with no margin being earned on the transactions that occurred during the year. The balance owing to Cork Simon at the 31 December 2017 was €105,322. The balance at the 31 December 2016 was €1,312.

13 Cash and cash equivalents

	2017	2016
	€	€
Cash and bank balances	247,532	150,984
Bank overdrafts	<u>(100)</u>	<u>(213)</u>
	<u>247,432</u>	<u>150,771</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Reconciliation of movements in accumulated funds

Funds description	Balance at start of year	Incoming resources	Resources expended	Loan repayments relieved	Transfers	Balance at end of year
	€	€	€	€	€	€
Restricted income						
HSE Grant	-	68,287	(9,396)	-	-	58,891
Waterford City & County Council	-	35,000	(51,453)	-	16,453	-
South Tipperary County Council	-	3,096	(28,431)	-	25,335	-
Other restricted income (including fundraising)	634	9,860	(3,637)	-	-	6,857
Restricted building fund	634	116,243	(92,917)	-	41,788	65,748
Total restricted funds	27,000	-	-	-	(1,350)	25,650
Unrestricted	27,634	116,243	(92,917)	-	40,438	91,398
Designated building fund	137,021	359,004	(496,749)	117,587	(40,438)	76,425
Accumulated funds	20,000	-	-	-	-	20,000
	184,655	475,247	(589,666)	117,587	-	187,823

(a) Health Service Executive, Area 5, social inclusion, Section 39 annual Grant in Aid towards the cost of professional staff to provide case management and to increase the capacity of the Housing First Service in Waterford.

(b) Waterford City and County Council annual grant towards staff and administration costs to deliver Housing First services and supports.

(c) South Tipperary County Council grant towards staff and support costs to provide homeless services. This funding was discontinued in 2017.

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Taxation

No provision for taxation has been made because the company, being a charitable organisation, is exempt from tax under Sections 207 and 208 of the Taxes Consolidation Act, 1997 (Charity No. CHY 15749).

16 Events after the balance sheet date

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

17 Capital Commitments

The Board have not contracted or authorised capital commitments at the year end.

18 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 27th June 2018 and were signed on its behalf on that date.