

Company registration number: 371956

Simon Community (Midlands) Company Limited by Guarantee

Directors report and financial statements

for the year ended 31 December 2017

Simon Community (Midlands) Company Limited by Guarantee

Financial year end 31 December 2017

Contents

	Page
Directors and other information	1 - 2
Directors report	3 - 5
Directors responsibilities statement	6
Independent auditor's report to the members	7 - 10
Income & Expenditure Account	11
Statement of income and retained earnings	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 23

Simon Community (Midlands) Company Limited by Guarantee
Company limited by guarantee

Directors and other information

Directors	Mark Cooney P.O. Keenan Tess Murphy Cormac Lally (Retired 11 July 2018) (resigned 11/07/2018) Molly Buckley Bernadette O'Mahony Mary Doyle Tom Keady Linda Reidy (Retired 7 March 2018) (resigned on 07/03/2018) Peter Melinn Stephanie Duffy Brian Cowen
Secretary	Mary Doyle (appointed 11/07/2018) Peter Melinn (resigned 11/07/2018)
Company number	371956
Registered office	Presentation House City Quarter Athlone Co. Westmeath
Business address	Presentation House City Quarter Athlone Co. Westmeath
Auditor	RSM Ireland Business Advisory Limited Kellyville Centre Portlaoise Co. Laois
Bankers	Bank of Ireland 31 Church Street Athlone Co. Westmeath

**Simon Community (Midlands) Company Limited by Guarantee
Company limited by guarantee**

Directors and other information (continued)

AIB
1 Custume Place
Athlone
Co. Westmeath

Simon Community (Midlands) Company Limited by Guarantee

Directors report

Financial year end 31 December 2017

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2017.

Directors and Secretary

The names of the persons who at any time during the financial year were directors of the company are as follows:

Mark Cooney
P.O. Keenan
Tess Murphy
Cormac Lally (Retired 11 July 2018)
Molly Buckley
Bernadette O'Mahony
Mary Doyle
Tom Keady
Linda Reidy (Retired 7 March 2018)
Peter Melinn

The company secretary throughout the financial year was Peter Melinn. Peter Melinn resigned on 11 July 2018 when Mary Doyle was then appointed company secretary.

Principal activities

The principal activity of the company is to provide relief for people who are homeless in the local authority areas of Laois, Longford, Offaly & Westmeath. Services provided by the company includes emergency accommodation, regional settlement services and housing with support. The main sources of the company's income, all of which are used to fund these services, include grants from agencies of the state, donations & fundraising and income from the operation of charity shops. The company also has a number of properties which it manages and lets to its service users from which rental income is generated.

On the 3rd of October 2016, the company entered into a progressive and innovative collaboration agreement with Sophia Housing. This is aimed at attaining greater efficiencies and an optimal return on state and public resources. This collaboration agreement remained in place for the whole of the year ended 31 December 2017.

Simon Community (Midlands) Company Limited by Guarantee

Directors report (continued)

Financial year end 31 December 2017

Development and performance

The results for the year are set out in detail in the Income & Expenditure Account. The surplus for the year was €15,545 (31 December 2016 : €16,216 (surplus)).

Assets and liabilities and financial position

At the end of the year the company has net assets of €87,802 (31 December 2016 : €72,257). The directors are satisfied with the level of retained reserves at the year end.

Principal risks and uncertainties

The directors have responsibility for, and are aware of, the risks associated with the activities of the company.

One of the key risks for the company at present is its ability to obtain sufficient funding from agencies of the state and other sources to maintain its activities and meet its outgoings. The difficult general economic conditions in recent years in Ireland has the future potential to negatively impact on the level of funding raised to allow the company to remain in operational existence. The directors acknowledge that the company requires the continued support of its bankers and State Funding Agencies going forward, to ensure it can meet its financial obligations as they fall due.

After making due enquiries and considering the uncertainties above, together with the actions being taken by the company to address the uncertainties, such as active engagement with these agencies and the controlling of costs, the directors have a reasonable expectation that the company will have access to adequate resources to continue in operational existence for the foreseeable future.

Likely future developments

The directors have no plans to change significantly the activities of the company in the foreseeable future.

Events after the end of the reporting period

No events occurred between the year end and the date of signing of the auditors report which would require adjustment or disclosure in the financial statements.

Company status

Simon Community (Midlands) Limited is a company limited by guarantee and has charitable status (Charity No. CHY 15508). The liability of the members is limited to €1 per member.

Accounting records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are located at Presentation House, City Quarter, Athlone, Co. Westmeath.

Simon Community (Midlands) Company Limited by Guarantee

Directors report (continued)

Financial year end 31 December 2017

Relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

- so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

Auditors

On 17 January 2018 RSM Ireland resigned as statutory auditor and, in accordance with the provisions of the Companies Act 2014, RSM Ireland Business Advisory Limited were appointed in their place. In accordance with Section 383(2) of the Companies Act 2014, the auditors, RSM Ireland Business Advisory Limited have expressed their willingness to continue in office.

This report was approved by the board of directors on 24 October 2018 and signed on behalf of the board by:

Mark Cooney
Director

Molly Buckley
Director

Simon Community (Midlands) Company Limited by Guarantee

Directors responsibilities statement

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

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

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

**Independent auditor's report to the members of
Simon Community (Midlands) Company Limited by Guarantee**

Opinion

We have audited the financial statements of Simon Community (Midlands) Company Limited by Guarantee (the 'company') for the year ended 31 December 2017 which comprise the Income & Expenditure Account, statement of income and retained earnings, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 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 for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the provisions available for small entities, in the circumstances set out in note 23 to the financial statements, 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 ISAs (Ireland) 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'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Independent auditor's report to the members of
Simon Community (Midlands) Company Limited by Guarantee (continued)**

Opinions on other matters prescribed by the Companies Act 2014

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

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with 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, and financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

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

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

Respective responsibilities

Responsibilities of directors for the financial statements

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

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

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.

**Independent auditor's report to the members of
Simon Community (Midlands) Company Limited by Guarantee (continued)**

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Our 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.

**Independent auditor's report to the members of
Simon Community (Midlands) Company Limited by Guarantee (continued)**

Patrick Keegan

For and on behalf of
RSM Ireland Business Advisory Limited
Chartered Accountants and Registered Auditors
Kellyville Centre
Portlaoise
Co. Laois

24 October 2018

Simon Community (Midlands) Company Limited by Guarantee

Income & expenditure account
Financial year ended 31 December 2017

	Note	2017 €	2016 €
Income	5	1,398,383	1,528,668
Administrative expenses		(1,413,546)	(1,543,160)
Other operating income	6	30,708	30,708
Surplus for the year		<u>15,545</u>	<u>16,216</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 15 to 23 form part of these financial statements.

Simon Community (Midlands) Company Limited by Guarantee

Statement of income and retained earnings
Financial year ended 31 December 2017

	2017	2016
	€	€
Surplus for the year	15,545	16,216
Reserves at the start of the year	<u>72,257</u>	<u>56,041</u>
Reserves at the end of the year	<u>87,802</u>	<u>72,257</u>

Simon Community (Midlands) Company Limited by Guarantee

**Balance sheet
As at 31 December 2017**

	Note	2017 €	€	2016 €	€
Fixed assets					
Tangible assets	11	1,311,680		1,347,232	
			1,311,680		1,347,232
Current assets					
Debtors	12	157,852		104,037	
Cash at bank and in hand		86,801		125,436	
		244,653		229,473	
Creditors: amounts falling due within one year	14	(196,145)		(201,354)	
Net current assets			48,508		28,119
Total assets less current liabilities			1,360,188		1,375,351
Creditors: amounts falling due after more than one year	15		(1,272,386)		(1,303,094)
Net assets			<u>87,802</u>		<u>72,257</u>
Reserves					
Income and expenditure account			87,802		72,257
			<u>87,802</u>		<u>72,257</u>

These financial statements were approved by the board of directors on 24 October 2018 and signed on behalf of the board by:

Mark Cooney
Director

Molly Buckley
Director

The notes on pages 15 to 23 form part of these financial statements.

Simon Community (Midlands) Company Limited by Guarantee

Statement of cash flows
Financial year ended 31 December 2017

	Note	2017 €	2016 €
Cash flows from operating activities			
Surplus for the year		15,545	16,216
<i>Adjustments for:</i>			
Depreciation of tangible assets		35,553	37,563
Government grant income		(30,708)	(30,708)
Accrued expenses/(income)		(55,296)	43,734
<i>Changes in:</i>			
Trade and other debtors		(8,048)	2
Trade and other creditors		(7,509)	(113,079)
Cash generated from operations		<u>(50,463)</u>	<u>(46,272)</u>
Net cash used in operating activities		<u>(50,463)</u>	<u>(46,272)</u>
Cash flows from investing activities			
Purchase of tangible assets		-	(1,378)
Net cash from/(used in) investing activities		<u>-</u>	<u>(1,378)</u>
Net increase/(decrease) in cash and cash equivalents		(50,463)	(47,650)
Cash and cash equivalents at beginning of year	13	125,429	173,079
Cash and cash equivalents at end of year	13	<u>74,966</u>	<u>125,429</u>

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements Financial year ended 31 December 2017

1. General information

These financial statements comprising the income and expenditure account, statement of income and retained earnings, balance sheet, statement of cash flows and notes to the financial statements constitute the individual financial statements of Simon Community (Midlands) Company Limited by Guarantee for the financial year ended 31 December 2017.

Simon Community (Midlands) Company Limited by Guarantee is a company limited by guarantee, registered in Ireland under CRO number 371956. The address of the registered office is Presentation House, City Quarter, Athlone, Co. Westmeath. The nature of the company's activities are set out in the Director's Report.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

Judgements and key sources of estimation uncertainty

The directors consider the accounting estimates and assumptions below to be its critical accounting estimates and judgements:

(a) Going Concern

The charity is substantially dependent on income in the form of grants, general fundraising receipts, shop sales and other funding to cover its operating expenses and to meet the company's objectives.

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued) Financial year ended 31 December 2017

Income

Income of the company consists primarily of grants (primarily from government bodies), donations & fundraising income and income from charity shop sales. The company also has a number of properties which it manages and lets to its service users from which rental income is generated.

Revenue grants - Revenue grants relating to charitable activities are recognised when receivable and are reflected in the Balance Sheet on this basis.

Donations, bequests and other fundraising income - In common with many similar charitable organisations, the company derives a proportion of its income from voluntary donations, bequests 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.

Rental income - Rental income from the properties owned and managed by the company is recognised on a cash receipts basis.

Charity shop income - Proceeds from the sale of donated goods are recognised in the financial statements in the period in which they are lodged to the charity bank account.

Tangible assets

All tangible fixed assets are initially recorded at historic cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2%	straight line
Fittings fixtures and equipment	- 15%	straight line

The residual value and useful lives of tangible assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation method and useful lives, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful lives of the assets.

Impairments of assets, other than financial instruments

At the end of each reporting period, the company assesses whether there is any indication that the recoverable amount of an asset is less than its carrying amount. If any such indication exists, the carrying amount of the asset is reduced to its recoverable amount, resulting in an impairment loss. Impairment losses are recognised immediately in the income and expenditure account.

The recoverable amount of tangible fixed assets is the higher of the fair value less cost to sell of the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the company which is considered by the directors to be a single cash generating unit.

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued) Financial year ended 31 December 2017

Government grants

Grants are recognised at fair value of the asset receivable using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the income and expenditure account over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.

Financial instruments

Cash and cash equivalents - Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Other financial assets - Other financial assets are measured at amortised cost less impairment, where there is objective evidence of impairment.

Loans and borrowings - All loans made by the company are initially recorded at the amount of cash advanced plus transaction costs incurred, unless the arrangement constitutes, in effect, a financing transaction, in which case it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Subsequently loans made by the company are stated at amortised cost using the effective interest rate method less impairment, where there is objective evidence of impairment.

All borrowings by the company are initially recorded at the amount of cash received less separately incurred transaction costs, unless the arrangement constitutes, in effect, a financing transaction, in which case it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Subsequently, borrowings are stated at amortised cost using the effective interest rate method.

The computation of amortised cost includes any issue costs, transaction costs and fees, and any discount or premium on settlement, and the effect of this is to amortise these amounts over the expected borrowing period. Loans with no stated interest rate and repayable within one year or on demand are not amortised. Loans and borrowings are classified as current assets or liabilities unless the borrower has an unconditional right to defer settlement of the liability for at least twelve months after the financial year end date.

Other financial liabilities - Other financial liabilities, including trade creditors arising from goods purchased from suppliers on short-term credit, are initially measured at the undiscounted amount owed to the creditor, which is normally the invoice price. Liabilities that are settled within one year are not discounted. If payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate, this constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Subsequently, other financial liabilities are measured at amortised cost.

Impairment of financial assets - At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including loans and cash. If there is objective evidence of impairment, impairment losses are recognised in the income and expenditure account in that financial year.

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued) Financial year ended 31 December 2017

Defined contribution plans

The company operates a defined contribution scheme. Retirement benefit contributions in respect of the scheme for employees are charged to the Income & Expenditure account as they become payable in accordance with the rules of the scheme. The assets are held separately from those of the company in an independently administered fund. Differences between the amounts charged in the Income & Expenditure account and payments made to the retirement benefit scheme are treated as assets or liabilities.

4. Limited by guarantee

This company is limited by guarantee and has no share capital. The liability of each member in the event of the Company being wound up is €1.

5. Income

The whole of the income is attributable to the principal activity of the company which is wholly undertaken in Ireland.

6. Other operating income

	2017	2016
	€	€
Government grant income	30,708	30,708

7. Surplus for the year

Surplus is stated after charging/(crediting):

	2017	2016
	€	€
Depreciation of tangible assets	35,553	37,563
Fees payable for the audit of the financial statements	1,845	1,845

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued) Financial year ended 31 December 2017

8. Staff costs

The average number of persons employed by the company during the year, including the directors, was as follows:

	2017	2016
	Number	Number
Housing	2	1
Administration	1	2
Emergency Housing Services, inc Relief Staff	18	14
Nurses	-	2
Regional Settlement Services	11	7
Fundraising	2	3
Shop assistants	6	6
	<u>40</u>	<u>35</u>

The aggregate payroll costs incurred during the year were:

	2017	2016
	€	€
Wages and salaries	968,787	1,069,700
Other retirement benefit costs	2,191	3,991
	<u>970,978</u>	<u>1,073,691</u>

All the amounts stated above were treated as an expense of the company in the financial year. No amount was capitalised into assets.

The total salary cost (including pension contributions) for the company CEO was €Nil in the financial year ended 31 December 2017 (31 December 2016 : €62,619).

The company CEO was also appointed CEO of Sophia Housing in October 2016. His appointment to this role forms part of a collaboration agreement between the company and Sophia. This agreement allows for the CEO of Sophia to also fulfil the duties of CEO of the company. The salary of the company CEO is paid by Sophia Housing. A total of €45,142 was recharged by Sophia Housing to the company in the year ended 31 December 2017 in respect of the apportionment of this cost between the two entities. This recharge was €11,286 in the year ended 31 December 2016.

9. Directors remuneration

No emoluments were paid to directors during the year ended 31 December 2017 (31 December 2016 : €Nil).

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2017

10. Appropriations of income and expenditure account

	2017	2016
	€	€
At the start of the year	72,257	56,041
Surplus for the year	15,545	16,216
At the end of the year	<u>87,802</u>	<u>72,257</u>

11. Tangible assets

	Freehold property	Fixtures, fittings and equipment	Total
	€	€	€
Cost			
At 1 January 2017 and 31 December 2017	<u>1,575,828</u>	<u>86,766</u>	<u>1,662,594</u>
Depreciation			
At 1 January 2017	239,456	75,905	315,361
Charge for the year	31,517	4,036	35,553
At 31 December 2017	<u>270,973</u>	<u>79,941</u>	<u>350,914</u>
Carrying amount			
At 31 December 2017	<u>1,304,855</u>	<u>6,825</u>	<u>1,311,680</u>
At 31 December 2016	<u>1,336,372</u>	<u>10,861</u>	<u>1,347,233</u>

12. Debtors

	2017	2016
	€	€
Other debtors	7,267	-
Prepayments	4,142	3,361
Accrued income	146,443	100,676
	<u>157,852</u>	<u>104,037</u>

All debtors fall due within one year.

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2017

13. Cash and cash equivalents

	2017	2016
	€	€
Cash at bank and in hand	86,801	125,436
Bank overdrafts	(11,835)	(7)
	<u>74,966</u>	<u>125,429</u>

14. Creditors: amounts falling due within one year

	2017	2016
	€	€
Amounts owed to credit institutions	11,835	7
Trade creditors	66,871	39,847
Loan from an affiliated community	9,576	31,707
Tax and social insurance:		
PAYE and social welfare	35,527	47,928
Accruals	72,336	81,865
	<u>196,145</u>	<u>201,354</u>

15. Creditors: amounts falling due after more than one year

	2017	2016
	€	€
Government grants	1,272,386	1,303,094
	<u>1,272,386</u>	<u>1,303,094</u>

16. Details of indebtedness

The company's solicitor has given a letter of undertaking, acceptable to the Bank to hold the title deeds to Athlone property in trust for and to the order of the Bank pending sale and forward proceeds of same thereafter. The bank also holds an assignment of deposits held.

Laois County Council hold a charge over five properties in Portlaoise totalling €734,834.

17. Employee benefits

The amount recognised in the income and expenditure account in relation to defined contribution plans was €2,191 (2016: €3,991).

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2017

18. Government grants

	2017	2016
	€	€
At the start of the year	1,303,094	1,333,802
Released to the income and expenditure account	(30,708)	(30,708)
At the end of the year	<u>1,272,386</u>	<u>1,303,094</u>

The amounts recognised in the financial statements for government grants are as follows:

	2017	2016
	€	€
Recognised in creditors:		
Deferred government grants due after more than one year	<u>1,272,386</u>	<u>1,303,094</u>
Recognised in other operating income:		
Government grants released to the income and expenditure account	<u>30,708</u>	<u>30,708</u>

The Grants are paid by the government to the relevant housing authority under the Capital Assistance Scheme. The housing authority then lends this money in the form of a 30 year annuity mortgage loan to the approved housing body towards the approved costs it incurs in providing the dwellings. The terms of the Scheme provide that repayments and interest charges due from the approved housing body may be fully waived, provided that the approved housing body continues to comply with the terms and conditions of the Scheme and the mortgage deed contract signed with the local authority.

19. Financial instruments

The carrying amount for each category of financial instruments is as follows:

	2017	2016
	€	€
Financial liabilities measured at amortised cost		
Bank and other loans	11,835	7
Trade creditors	66,871	39,847
	<u>78,706</u>	<u>39,854</u>

20. Capital commitments

On 19 December 2017 the company signed contracts to purchase three apartments for the purposes of social housing. The sale of these apartments closed on 12 June 2018.

The company had no other capital commitments at 31 December 2017.

Simon Community (Midlands) Company Limited by Guarantee

**Notes to the financial statements (continued)
Financial year ended 31 December 2017**

21. Events after the end of the reporting period

No events occurred between the year end and the date of signing of the auditors report which would require adjustment or disclosure in the financial statements.

22. Related party transactions

The company had no related transactions during the year ended 31 December 2017 (31 December 2016 : €Nil).

23. Ethical standards

In common with many other entities of our size and nature we use our auditors to prepare and submit returns to the relevant authorities and assist with the preparation of the financial statements.

24. Approval of financial statements

The board of directors approved these financial statements for issue on 24 October 2018.

Simon Community (Midlands) Company Limited by Guarantee

Financial year end 31 December 2017

The following pages do not form part of the statutory accounts.

Simon Community (Midlands) Company Limited by Guarantee

**Detailed profit and loss account
Financial year ended 31 December 2017**

	2017	2016
	€	€
Income		
Simon Communities of Ireland	24,130	13,933
Fundraising & donations	278,790	319,239
Sophia	2,527	-
Westmeath County Council	226,806	242,899
HSE	145,000	311,429
Shop sales	301,961	300,518
Recycling income	15,999	12,877
House of Cards Appeal	22,755	22,946
Offaly County Council	152,250	132,801
Laois County Council	73,059	50,832
Longford County Council	83,165	46,249
Ireland Funds	-	25,000
Rent receivable	71,941	49,945
	<u>1,398,383</u>	<u>1,528,668</u>
Administrative expenses		
Wages and salaries, including Employer PRSI	(968,787)	(1,069,700)
Staff pension costs - defined contribution	(2,191)	(3,991)
Staff training	(5,626)	(21,340)
Staff recruitment expenses	-	(2,044)
Rent payable	(94,274)	(114,107)
Rates	208	896
House Provisions	(13,195)	(12,982)
Insurance	(5,312)	(5,067)
Light and heat	(31,035)	(27,729)
Repairs and maintenance	(63,616)	(56,640)
Health & safety	(3,329)	(2,812)
CEO Arrangement fee	(45,142)	(11,286)
Printing, postage and stationery	(14,999)	(17,553)
Advertising	(7,123)	(869)
Telephone	(18,970)	(18,673)
Computer costs	(8,168)	(12,748)
Travelling and subsistence	(43,309)	(59,006)
Legal and professional	-	(299)
Board meeting expenses	(1,130)	(3,702)
Consultancy fees	(4,611)	(10,565)
Accountancy fees	(25,995)	(25,009)
Auditors remuneration	(1,845)	(1,845)
Bank charges	(6,599)	(6,111)
Conference expenses	(3,476)	(5,306)
General expenses	(3,187)	(8,731)
Subscriptions	(6,282)	(8,378)
Depreciation of tangible assets	(35,553)	(37,563)
	<u>(1,413,546)</u>	<u>(1,543,160)</u>

Simon Community (Midlands) Company Limited by Guarantee

Detailed income and expenditure account (continued)
Financial year ended 31 December 2017

	2017 €	2016 €
Other operating income		
Amortisation of government grants	30,708	30,708
	<u>30,708</u>	<u>30,708</u>
Surplus for the year	<u><u>15,545</u></u>	<u><u>16,216</u></u>