

Company registration number: 371956

Simon Community (Midlands) Company Limited by Guarantee

Directors report and financial statements

for the year ended 31 December 2018

Simon Community (Midlands) Company Limited by Guarantee

Financial year end 31 December 2018

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

Financial year end 31 December 2018

Directors and other information

Directors	Mark Cooney P.O. Keenan Tess Murphy Cormac Lally (Resigned 11 July 2018) Molly Buckley Bernadette O'Mahony Mary Doyle Tom Keady Linda Reidy (Resigned 7 March 2018) Peter Melinn Stephanie Duffy Brian Cowen Gerard Raleigh (Appointed 24 October 2018) Willie Burns (Appointed 24 October 2018) Tomas Donoghue (Appointed 24 October 2018)
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 AIB 1 Custume Place Athlone Co. Westmeath

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Directors other information

About Midlands Simon Community

Midlands Simon Community began operating in 2003 when a group of volunteers from across the Midlands Region came together and formed the Community. Midlands Simon Community was established to support individuals, couples and families who are experiencing, or who are at risk of homelessness throughout the Midlands counties of Laois, Longford, Offaly and Westmeath.

While the main priority of our work is to assist all our Service Users to move out of homelessness, we also work very closely to help them overcome the many other difficulties faced by those experiencing homelessness, such as loneliness, isolation, poverty, and health and welfare issues. In short, it is our aim to help all our Service Users to rebuild their lives, and move out of homelessness into a permanent home.

Midlands Simon Community`s Vision, Mission and Values

Vision

Midlands Simon Community`s Vision is to eliminate homelessness in the Midlands Region.

Mission

- Develop strategies to prevent people becoming homeless in the Midlands.
- Improve the quality of life for clients who might find themselves homeless or at risk of becoming homeless in the Midlands, through the provision of accommodation and services which support and empower people who are homeless or at risk of becoming homeless.
- Campaign for the right to appropriate accommodation and services for those who are homeless, and challenge the causes of injustice, inequality and social exclusion.

Values

The organisations values are as follows:

- Working in solidarity and partnership with people affected by homelessness and striving for social and economic justice, social inclusion and equality of opportunity.
- Believing in the power of individuals to make an informed choice and so to recognise the rights of individuals to actively participate in decision making processes that affect them.
- Challenging structures that serve to marginalise, discriminate against and exploit people who experience homelessness.
- The fundamental concept of equality.
- The distribution of power which does not discriminate on grounds such as age, gender, political beliefs, race, ethnicity, class, religion, disability, sexual orientation or membership of the travelling community.

Principal Activities

The principal activity of the company is to support individuals, couples and families who are experiencing, or who are at risk of homelessness throughout the Midlands counties of Laois, Longford, Offaly and Westmeath. In 2018 Midlands Simon Community supported 326 people through our services, including the Regional Support Service, Emergency Accommodation Service in Athlone, Emergency Accommodation Service in Tullamore and our Housing with Support Service known as Sli Nua. To demonstrate the rising level of demand, it should be noted that the number of people supported by the Regional Support Service rose from 197 in 2017 to 293 in 2018, which represents a 32% increase. There were 58 families supported in 2018 with a combined total of 133 children. The Midlands Simon Community model is focused on helping people to have a home of their own as quickly as possible. This model is more cost-effective and more person centred than the accredited models of service delivery.

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Regional Support Service (Homelessness)

In 2018 the Regional Support Service (Homelessness) supported 293 people.

The Regional Support Service (RSS), formerly known as the Regional Settlement Service, was put out for public tender by the Management Committee of the Midlands Regional Joint Consultative Homeless Forum in 2015. The Midlands Simon Community was successful in tendering to operate this service and the new service is known as the Regional Support Service.

Background to the Regional Settlement Service

The Regional Settlement Service was the first service that the Midlands Simon Community established in 2005. The service, in its design and structure, departed from the traditional models of service delivery, which was based on building large scale hostels and shelters to combat homelessness. The Midlands Simon Community viewed this approach as being ineffective, costly, and strongly believed that it did not deliver the solution that the Service User was looking for, i.e. a home of their own. The pilot stage of the service was evaluated by Joan O` Flynn in 2007 and this led to the expansion of the service, with the service moving from two settlement workers to four settlement workers. The service was governed by a protocol agreed by the four Local Authorities and the HSE and this was the first such protocol in the state for the operation of a homeless service.

Service Reviews

In 2011, the service was reviewed by the then Local Authorities and the HSE in their "Review of Homeless Services in the Midlands Region". This review, conducted by Murtagh and Partners, confirmed the positive outcomes that the service was delivering on. The service was reviewed again in 2013 by Murtagh and Partners, and this review concluded that the Regional Support Service was one of the most cost effective and efficient homeless services in the state.

New Service

The new service (Regional Support Service) now works under a new contract and Service Level Agreement. The service is now required to work with cases referred by the Local Authorities across a wider continuum, including:

- Cases that require an emergency response
- Cases that require a preventative response
- Cases that require tenancy sustainment for 6 months

This service has also been asked to use a "Housing First" response to work with people that present with complex needs and have a history of repeat homelessness.

Ongoing development of the Regional Support Service is supported and funded by the Laois, Longford, Offaly and Westmeath Local Authorities and the HSE. The Regional Support Service works to the direction and guidance of these agencies, as laid out in the Contract / Service Level Agreement to operate the service.

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Emergency Accommodation Service Athlone

In 2018 the Emergency Accommodation Service in Athlone supported 11 people.

This service is the only provider of Emergency Accommodation to single men over the age of 18 in Co. Westmeath. The service has six emergency beds (4 allocated to single men and 2 to single women). The service is open 24/7, with referrals made via the Local Authority and the PASS.

Staffing

This service has a staff or volunteer presence 24/7. Due to funding cut backs in 2014, the service had to reduce the cover and at some stages there is only one staff member present in the service. This is an issue that is under constant review by management, to ensure the effective management of the service and the safety of staff, volunteers and residents.

HAT Westmeath

The Line Manager of the Emergency Accommodation Service in Athlone participates in the Westmeath Homeless Action Team (HAT). The HAT, which is convened and chaired by the Westmeath Local Authority, provides for the inter agency coordination and management of the needs of Service Users and aims to support the progression of the Service User out of homelessness.

Low Threshold Service

The Midlands Simon Community doesn't place multiple barriers in the way of Service Users so as to prevent them from accessing the Emergency Accommodation Service in Athlone. The service recognises that many people that present as homeless will have addiction and mental health support needs and to insist on Service Users being at a certain stage in their recovery, or being at a certain stage in their treatment prior to being admitted into the service, is counterproductive to ending homelessness. The experience of the Midlands Simon Community is to admit people into the service and then once they have the security and stability of a bed for the night, this in turn supports their recovery from homelessness and provides a secure base from which to address their other support needs.

Interventions

The Emergency Accommodation Service in Athlone firstly responds to the crisis emergency accommodation needs of people who are homeless. The service provides a safe, comfortable and welcoming response to each Service User. The service provides an ensuite room for each Service User, which offers dignity and respect to someone traumatised by the experience of not having a home. There is a culture of "Housing First" and "Settlement" in the service, where from the moment of someone's admission to the service there is a focus on supporting the person to find and progress to having a home of their own.

Staff are trained in key working, which is a professional and skilled intervention, supporting the Service User to develop their own personal care plan. Service Users are also supported to develop the necessary skills that will help them to successfully manage their own tenancy once they move on from the service.

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Emergency Accommodation Service Tullamore

In 2018 the Emergency Accommodation Service in Tullamore supported 13 people.

This service is the only provider of Emergency Accommodation to single men and women over the age of 18 in Co Offaly. The service has six emergency beds (4 allocated to single men and 2 allocated to single women). The service is open 24/7, with referrals made via the Local Authority and the PASS. The service works in partnership with Tullamore Housing Association from whom it leases the 6 units of accommodation.

Staffing

This service has a staff or volunteer presence 24/7. Due to funding cut backs in 2014, the service had to reduce the cover and at some stages there is only one staff member present in the service. This is an issue that is under constant review by management, to ensure the effective management of the service and the safety of staff, volunteers and residents.

HAT Offaly

The Line Manager of the Emergency Accommodation Service in Tullamore participates in the Offaly Homeless Action Team (HAT). The HAT, which is convened and chaired by the Offaly Local Authority provides for the inter agency coordination and management of the needs of Service Users and aims to support the progression of the Service User out of homelessness.

Low Threshold Service

The Midlands Simon Community doesn't place multiple barriers in the way of Service Users so as to prevent them from accessing the Emergency Accommodation Service in Tullamore. The service recognises that many people that present as homeless will have addiction and mental health support needs, and to insist on Service Users being at a certain stage in their recovery or being at a certain stage in their treatment, prior to being admitted into the service, is counterproductive to ending homelessness. The experience of the Midlands Simon Community is to admit people into the service and then once they have the security and stability of a bed for the night, this in turn supports their recovery from homelessness and provides a secure base from which to address their other support needs.

Partnerships with Offaly Rights of the Elderly, Clontarf Road Residents and Tullamore Housing Association

These groups meet on a quarterly basis with the Midlands Simon Community to provide a forum for the constructive addressing of mutual concerns relating to the safety and upkeep of the areas in close proximity to Tullamore Housing Association, Offaly Rights of the Elderly, Clontarf Residents Association and the Midlands Simon Community's Emergency Accommodation Service. The Garda Síochána and Offaly Local Authority also attend these meetings.

Interventions

The Emergency Accommodation Service in Tullamore firstly responds to the crisis emergency accommodation needs of people who are homeless. The service provides a safe, comfortable and welcoming response to each Service User. The service offers each person a room of their own and the warmth and empathy offered to each Service User are hallmarks of the service. There is a culture of "Housing First" and "Settlement" in the service, where from the moment of someone's admission to the service there is a focus on supporting the person to find and progress to having a home of their own.

Staff are trained in key working, which is a professional and skilled intervention, supporting the Service User to develop their own personal care plan. Service Users are also supported to develop the necessary skills that will help them to successfully manage their own tenancy once they move on from the service.

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Sli Nua

In 2018 the Sli Nua Housing with Support Service supported 9 people.

This innovative service is supported by the Westmeath County Council, the HSE and the Department of Housing, Planning and Local Government. It provides 10 apartments which offer a long-term home to people with a long-term experience of homelessness and/or housing instability.

The service is managed by the Line Manager of the Emergency Accommodation Service in Athlone and has a dedicated Case Worker who offers key working and visiting supports to ensure that people successfully progress out of homelessness and into the security of a home of their own.

Midlands Simon Community own 3 of the apartments while the remaining 7 apartments are leased on a 10 year lease at 20% below the market rent value. Thus there is an advantage to the exchequer in providing value for money and not having to make a capital investment, while at the same time demonstrating significant progress towards moving people with a long-term experience of homelessness out of homelessness for good.

Support Services and Interventions

While the main priority of our work is to assist all our Service Users to move out of homelessness, other support services provided by Midlands Simon Community include:

- Community integration through events and programmes
- Housing settlement and preparation for housing
- Crisis / incident management
- Development programmes for tenants
- Case management
- Health and well-being
- Advocacy and liaison with statutory organisations and support services linking with healthcare, welfare, training and education, childcare and employment services
- Practical support in stabilising chaotic behaviour relating to mental health, physical health and anti-social behaviour
- Training and support in basic living skills
- Organisational skills, budgeting, coordination of appointments and meetings
- Provision of emotional and motivational support through promoting positive mental health, self-esteem and self-respect
- Compliance with Children First Directives

Strategic Objectives

The strategic objectives of Midlands Simon Community, as outlined in the Company Constitution, are to:

- Provide relief for people who are homeless and others marginalised and socially excluded and their necessitous dependants by all lawful means.
- Operate within counties Laois, Longford, Offaly and Westmeath Community Houses to provide shelter and comfort and residential facilities and homes for the homeless and others marginalised and socially excluded.
- Undertake the rehabilitation, training and care of those in the care of the Company.
- Provide an aftercare service for people who are homeless and others marginalised and socially excluded and those in the Company's care.
- Provide and care for those under 21 years of age who have been convicted of a crime and who have been released from custody under the Probation of Offenders Act.

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Structure, Governance and Management

Midlands Simon Community is committed to meeting all governance and regulatory requirements for the Housing Sector and Not for Profit Sector. Midlands Simon Community is compliant with the codes of governance, as outlined by the Regulation Office for Approved Housing Bodies.

In relation to the Charities Regulator Governance Code, Midlands Simon Community has made the decision to adopt and comply with the Code and is in the process of completing identified actions in order to ensure compliance.

Midlands Simon Community's Board of Directors assume responsibility to ensure that there is a strong framework of governance, financial accounting and effective reporting within the organisation, ensuring there is:

- Monitoring and reviewing of the accounting and financial reporting systems of Midlands Simon Community.
- A strong framework for accountability and governance and for examining and reviewing all systems and methods of financial control and oversight.
- To provide strategic direction and oversight on all financial and operational matters of Midlands Simon Community.
- Compliance with all aspects of the law, relevant regulations and good practice.

The Board is responsible for providing leadership, setting strategy and ensuring control. It comprises of thirteen non-executive directors. The directors are drawn from diverse backgrounds in business and professions, who bring to Board deliberations their significant business and decision-making skills achieved in their respective fields, together with a broad range of experience and views. There is a clear division of responsibility within the organisation, with the Board retaining control of major decisions under a formal schedule of matters reserved to the Board for decision. The C.E.O is responsible for devising strategy and policy within the authorities delegated to the C.E.O by the Board.

The organisation has a comprehensive process for reporting management information to the Board. The Board is provided with regular information, which includes key performance information for all aspects of the organisation. The Board meets regularly as required and met ten times in 2018 which included the Company's Annual General Meeting.

Midlands Simon Community Sub-committees

There are four sub-committees of the Board:

1. **Executive Committee**

Primary Purpose

To carry out, on behalf of the Board, the implementation of delegated functions and decisions on areas delegated to it by the Board.

Membership of the Committee

The Committee will consist of the Chairperson and Vice-Chairperson of the Board and the Chairpersons of all the standing sub-committees of the Board. The meetings will be chaired by the Chairperson of the Board or in his/her absence, the Vice-Chairperson of the Board.

Frequency of Meetings

The Executive Committee will meet monthly if the Board is not meeting during that month. The Executive Committee can also meet to transact urgent business, where it is not possible to convene the full Board.

Staff and Non Staff Attendance

The C.E.O and other staff will be in attendance as agreed by the Executive Committee.

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Specific Responsibilities

The Executive Committee, when convened, assumes all of the powers of the Board.

Communication of Decisions

The draft minutes of the Executive Committee will be circulated to all Board members within 5 days of the Executive Committee meeting.

Method of Meeting

The preferred method of meeting will be face-to-face. However, a conference call can be used if a majority of members are available to participate in a conference call.

Administrative Guidelines

The Executive Committee will operate in accordance with the standing orders for all Standing Sub-Committees.

Quorum

A quorum will be 3 members.

2. Finance Committee

Primary Purpose

To provide, on behalf of the Board, oversight over the organisation's finances and to monitor that the organisation is working within its budget and attaining the targets therein. To advise the Board at each Board Meeting as to the status of the organisation's finances.

Membership of the Committee

The Committee will be made up of at least three/four members appointed by the Board, the majority of whom should be members of the Board. The Board may appoint a non-Board Member to the Finance Committee.

Frequency of Meetings

The Finance Committee will meet a minimum of four times per year.

Staff and Non-staff in Attendance

The C.E.O and other staff, or non-staff providing accountancy services, will be in attendance as agreed by the Finance Committee.

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Specific Responsibilities

Policies and Procedures

The Finance Committee will ensure that Standing Operating Procedures relating to financial controls are in place and reviewed regularly.

Agreeing Draft Budgets

The Finance Committee will draft annual income and expenditure budgets for approval by the Board.

The Finance Committee will delegate to the C.E.O the process of consulting with staff in relation to the formation of the draft annual budget.

Approval of Expenditure

The Finance Committee has the authority to approve single items of expenditure between €2,000 and €5,000. Below €2,000, the C.E.O has the authority to approve. Over €5,000, the item must get Board approval. The C.E.O has only authority to approve expenditure within budget.

Monitoring Management Accounts

The Finance Committee will review the management accounts of the organisation and report on same to the Board. This will be done not less than after each quarter.

Cash Flow Projections

The Finance Committee will ensure that cash flow projections are in place and they will review the cash-in-hand on a regular basis, at least quarterly, and direct the C.E.O to respond to low cash i.e. bank is low.

State Funding

The Finance Committee will review levels of state funding and all Service Level Agreements with state agencies and recommend to the Board on whether to agree to S.L.A's.

Risk Management

The Finance Committee will ensure that a process for identifying financial risks facing Midlands Simon Community is in place and that contingency planning exists to respond to any shortfall in projected income. The Finance Committee will direct the C.E.O to prepare an annual contingency plan for their review.

Fundraising

The Finance Committee will:

- Ensure that the C.E.O provides the Committee with an annual plan for fundraising and that this plan is reviewed and sent for consideration and approval by the Board.
- Review quarterly reports on fundraising as presented to them by the C.E.O and report on fundraising to the Board.

External Audit

The Finance Committee will:

- Ensure that the Committee is represented at the pre-audit meeting.
- Review draft audit accounts and present draft accounts to the Board
- Review the Management Letter provided by the Auditor and bring issues for consideration to the Board. The Management Letter should also be circulated to each member of the Board.
- Look for evidence from the C.E.O that recommendations from the Management Letter are being implemented.
- Seek confirmation from the Company Secretary that returns are made to the Company's office.

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Internal Audit

The Finance Committee will:

- Work with the Audit, Risk and Governance Committee to ensure that an internal audit takes place within the internal audit cycle.
- Hold the C.E.O to account for implementing the recommendations of the internal audit and seek regular progress reports from the C.E.O on implementation of recommendations.

Compliance

The Finance Committee will:

- Seek confirmation from the Company Secretary that annual returns are made to the Companies Office.
- Seek confirmation on a monthly basis from the C.E.O that PAYE returns are made to the Revenue Commissioners.
- Seek confirmation bi-annually from the C.E.O that the organisation is compliant in all areas in relation to the Pensions Act 1990 and the Pensions (Amendment) Act, 2002.
- Seek annual confirmation from the C.E.O that all measures are taken to ensure retention of Midlands Simon Community Charity Status.

Administrative Guidelines

The Finance Committee will operate in accordance with the standing order for all Standing Sub-Committees.

Quorum

A quorum of the Finance Committee meetings will be 3 members.

3. Audit, Risk and Governance Committee

The Committee ensures that there are effective processes in place to ensure the effective management of risk and to ensure that all the governance and audit requirements of Midlands Simon Community are adhered to.

The main duties of the committee are as follows:

- To approve and monitor the risk management policy and risk register and to report to the Board on same.
- To review the draft audited accounts and management letter and recommend to the Board their adoption.
- To review the implementation of recommendations contained in the management letter for the external auditor and report to the Board on same.
- To recommend to the Board the appointment of the external financial auditor.
- To review and recommend to the Board an external audit programme.
- To review and recommended to the Board an annual internal audit plan.
- To review reports from the Regulation Office for approved housing regulators and report to the Board on same.
- To review the report to the Charities Regulator and report to the Board on same.
- To monitor and ensure evidence is supplied to them that annual returns are made to the CRO, Charities Regulator and Regulation Office for approved housing bodies.
- To review compliance statement supplied by the C.E.O outlining level of compliance with Service Level Agreements.
- To monitor the level of compliance with the Charities Regulator and Regulation Office for the Approved Housing Bodies Governance Code.

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4. Fundraising and Communications Committee

The primary purpose of the Fundraising and Communications Committee is to devise a fundraising strategy and a communications strategy and to bring these for approval to the Board. To monitor the implementation and progress of the fundraising and communications strategy and to alert the Board to any barriers or difficulties in implementing the strategy and to bring forward innovative proposals for advancing the communications and fundraising objectives of Midlands Simon Community.

The main duties of the Committee are as follows:

- To develop the fundraising strategy for approval by the Board.
- To develop an annual fundraising plan for approval by the Board.
- To appraise the progress being made to achieve the fundraising targets in the annual fundraising plan.
- To bring forward innovative plans for attaining the fundraising targets in the annual fundraising plan.
- To monitor the donor stewardship plans and to assess their effectiveness and report to the Board.
- To alert the Board of any risks in not attaining fundraising targets in the annual fundraising plan.
- To monitor the ROI and ensure the return is at an acceptable standard.
- To develop a communications strategy for approval by the Board.
- To develop an annual communications plan for approval by the Board.
- To monitor the effectiveness of the implementation of an annual communications plan.
- To advise the Board of innovative measures to facilitate raising awareness of the work and outcomes generated by the Midlands Simon Community.
- To develop a communications plan / response that would respond to a scenario that would be potentially damaging to the positive brand of the Midlands Simon Community.
- To advise the Board of the resources needed to implement the communications strategy.

Internal controls

The Directors acknowledge their overall responsibility for the organisation's systems of internal control and for reviewing its effectiveness. The system includes financial controls, which enable the Board to meet its responsibilities for the integrity and accuracy of the organisation's accounting records.

The key elements of internal control systems are:

1. Formal procedures have been established through various committee functions such as the Finance Committee and the Audit, Risk and Governance Committee to monitor the activities of Midlands Simon Community.
2. There is a formal organisational structure in place with clearly defined lines of responsibility, division of duties and delegation of authority. The C.E.O and management responsibilities and powers have been clearly defined in delegation documents.
3. The organisation has strict financial policies and procedures in place.
4. The organisation has established a risk management strategy and there is a risk register in place.
5. There is a formal budget process in place whereby detailed budgets are prepared annually, in line with the strategic plan. These are reviewed by the Finance Committee and further reviewed and approved by the Board thereafter. Actual results compared to budgeted results are reviewed monthly as part of the management accounts process.

Principal risks and uncertainties

Like many voluntary bodies, Midlands Simon Community is dependent on statutory funding, donations and fundraising. Funding for existing projects has remained static over the last number of years despite costs increasing, and this has created a challenge for the organisation in meeting increases in costs.

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Collaboration Agreement

Early in 2016 Midlands Simon Community underwent a strategic review process. This process highlighted the important role of the Midlands Simon Community tackling homelessness in the Midlands. The Local Authorities and the HSE were complimentary of the role that the Midlands Simon Community plays in terms of seeking to implement best practice and engage with people who had complex needs and who were also homeless.

During this review process, staff surveys and volunteer focus groups highlighted a very committed and motivated workforce. However, the issue of maintaining our sustainability and in particular our dependency on fundraising was a common feature. To this end, Midlands Simon Community investigated ways of tackling the issue of maintaining sustainability. It has always been obvious to the Midlands Simon Community that collaboration with other service providers in a meaningful way could make a major contribution to attaining financial security and creating the conditions to develop the organisation to respond to the growing demand for homeless services.

Therefore, having given due consideration and in light of a comprehensive appraisal of options, Midlands Simon Community decided to enter into a Collaborative Agreement with Sophia Housing. The agreement places delivering a more effective response to homelessness at the heart of the collaboration. It will also look at areas such as potential housing projects, cost sharing and joint training. It is important to note that this agreement is not a merger, but it will make a major contribution to reducing core costs within the organisation. In June 2016 both organisations organised a "Housing First" Seminar for front line workers. This seminar was addressed by Dr Eoin O'Sullivan (Professor of Social Work and Social Policy, TCD), Dr Ronni Greenwood (Department of Psychology, U.L) and Dr Sam Tsemberis (C.E.O of the Pathways to Housing Training Institute).

It was decided that the position of C.E.O would be shared by both organisations and on the 3rd of October 2016, Tony O Riordan (C.E.O of Midlands Simon Community) also became the C.E.O of Sophia Housing. It is imperative to note that both organisations are continuing as separate companies limited by guarantee, with their own respective Board of Directors, and will continue to comply with their obligations under the following:

- Charities Regulator
- Companies Registration Office
- Code of Practice for Approved Housing Bodies
- Code of Practice in Fundraising
- Charities Regulator Governance Code

In light of recent controversies with other Charities, this development is an innovative and new approach i.e. removing one C.E.O post completely and sharing the post, thus ensuring a better return for public funds.

A Joint Working Group consisting of Board Members from Midlands Simon Community and Sophia will monitor the Collaboration Agreement. This innovative approach is strongly influenced by both Boards of Directors being conscious of attaining optimal efficiencies in the use of state funding and donations from the public. Midlands Simon Community and Sophia share a core commitment to the principles of "Housing First" and engaging with people who are homeless by showing warmth, respect and professionalism. This shared value base and common model of service delivery will ensure that more people can be supported through the Collaboration Agreement.

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Achievements and Performance

Support Services

Midlands Simon Community supported 326 people during 2018.

In 2018, Midlands Simon Community employed an average of 24 employees and had over 100 volunteers working at different levels of the organisation including our Board of Directors, Services, Fundraising and Shops.

Developments

Longford

In June 2018 Midlands Simon Community opened another Housing with Support Service in Co. Longford. The leasing of 10 apartments is being funded through a placement and availability agreement between Longford County Council and Midlands Simon Community. The apartments are being leased for 10 years providing 10 single/studio apartments to 10 residents who at all times will be on the caseload of the Regional Support Service (Homelessness), on the Housing First caseload or the prevention, intervention and sustainment caseloads.

This service is managed under the Regional Support Service (Homelessness) and all referrals to this service are made through Longford County Council. This service was officially opened by An Taoiseach Leo Varadkar in December 2018.

Some of the supports provided in this service are:

- Each Service User will have a dedicated key worker from the Regional Support Service (Homelessness).
- Each Service User will have a personal action care plan.
- Co-ordinated interagency working to meet the complex, addiction or mental health needs of residents.
- An onsite staff presence to support the residents.
- A security presence is provided in the form of CCTV, electronic gates and a security person onsite.
- Emphasis of creating a supportive welcoming home, aimed at supporting people to recover from the trauma of homelessness.

The people who are referred to Midlands Simon Community's housing with visiting support services / accommodation across the region may need more intensive support than can be provided by either of our Emergency Accommodation Services or our Regional Support Service (Homelessness).

Sli Nua - Athlone

In 2018 Midlands Simon Community expanded their Sli Nua service in Athlone from 7 to 10 homes, by purchasing a further 3 apartments under the Capital Assistance Scheme provided by the Department of Housing, Planning and Local Government.

This service can now provide 10 single / couples / families with self-contained accommodation in individual 1-2 bed apartments. Residents will have regular and often daily contact with an assigned Case Worker. Some of the supports provided to Service Users in Sli Nua include:

- Helping people who use our services to develop skills of self-care such as cooking, cleaning etc.
- Supporting people who use our services to manage a budget, to pay rent and pay utilities.
- Supporting Service Users to maintain their own accommodation in areas such as rubbish and disposal.
- Supporting Service Users to develop meaningful activities which helps build confidence and aid integration into the local community.

Service Users Forum

The Service Users Forum continues to go from strength to strength. The Forum is made up of past and present individuals who have been or currently are being supported by the Midlands Simon Community. The Forum has several functions:

- To provide peer support to each other.
- To organise meaningful activities together.
- To act as an important representative body for Service Users.
- Consultative Forum that allows the organisation to consult with Service Users.

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In carrying out these functions, the Forum provides a formal structure where Midlands Simon Community can listen to feedback on services, from people with direct experience of these services. This is achieved through meetings between representatives of the Board of Directors and representatives of the Forum.

The Forum has also participated in the National Service Users Group within the Simon Communities of Ireland.

Partners

Offaly Local Authority Housing and Cultural Strategic Policy Committee

The purpose of the above group is to formulate, review and develop a policy on behalf of the Local Authority. The C.E.O of the Midlands Simon Community is one of the social inclusion representatives on this body.

Midlands Regional Drug and Alcohol Task Force (MRDATF)

Midlands Simon Community is a member of the Midlands Regional Drug and Alcohol Task Force and the forum has been an effective forum for the co-ordinating of the Drug and Alcohol Task Force. Midlands Simon Community is also a member of the Treatment Sub-Committee of the MRDATF.

Midlands Simon Community appreciates the work of Antoinette Kinsella (Co-ordinator of the MRDATF) and Fran Byrne (C.A.D.S) in facilitating the creation of protocols between Merchants Quay Ireland and Midlands Simon Community, leading to a more enhanced service for Midlands Simon Community Service Users.

Athlone Drugs Awareness Group (ADWG)

Midlands Simon Community is a member of the Athlone Drugs Awareness Group. The core aim of the ADAG is to encourage the involvement of people in the Athlone area, in partnership with the voluntary and statutory services, in developing strategies to reduce the demand for drugs. A major part of the groups function is to create a greater awareness about the problem of alcohol and drug misuse through local and relevant initiatives.

Aftercare Steering Committee

Midlands Simon Community has also joined the Tusla Co-ordinated Aftercare Steering Committee and Midlands Simon Community would like to acknowledge Paul Byrne's work in establishing this committee.

SMES Europa

Midlands Simon Community is a member of SMES Europa and Midlands Simon Community staff have played an active part in contributing to the development of a Best Practice Manual for supporting people who have mental health support needs who are also homeless.

Fundraising, Friends of Simon and Midlands Simon Community Shops

The Midlands Simon Community receives significant support from the Government / State Agencies (approximately 50% of overall income). The deficit required for the organisation to continue to provide essential services to those experiencing homelessness across the Midlands region is made up through our own fundraising activities, donations, corporate giving, schools campaign and major support from community groups such as the Laois Friends of Simon. The Midlands Simon Community is very dependent on fundraising, both the organisations own efforts and the goodwill of all our supporters, in order to continue to provide these essential services.

The Midlands Simon Community's Fundraising and Communications team co-ordinates a calendar of diverse fundraising events and activities throughout the year. These events are the organisations main way of raising regular and sustainable funds for our services. In-house fundraising encapsulates a large number of activities, many ongoing, which include:

- Annual Nollaig na mBan Ladies Luncheon
- Corporate Sleep out for Simon
- Community Based Fundraising
- Community Based Fundraising
- Direct Mail Campaign
- Sing for Simon
- Longford Person of the Year Awards
- Collection Boxes

Simon Community (Midlands) Company Limited by Guarantee

Financial year end 31 December 2018

The Laois Friends of Simon is our primary group of volunteers who support our services in their local area, and the funds raised by this group contribute greatly to maintaining our front line services. In 2018, the Laois Friends of Simon were responsible for bringing in €45,000. The Midlands Simon Community is extremely grateful to the Laois Friends of Simon for the fundraising work carried out on the organisations behalf.

Communication campaigns also play a vital role in ensuring the public are always aware of the issues impacting the Midlands Simon Community and those at risk of and/or currently experiencing homelessness. The Midlands Simon Community has run a number of communication pieces to advocate for those in our services and be the voice of the homeless in the Midlands region. These include numerous radio interviews on local and national radio stations and political briefings with locally elected Oireachtas members.

The Fundraising and Communications team have worked tirelessly to highlight the plight of those in need of the Midlands Simon Community's services. Our interactive website, www.midlandssimon.com, alongside our growing social media platforms, educate the public on the plight of homelessness in the Midlands of Ireland.

Midland Simon Community Shops

The Midlands Simon Community Shops provide a vital source of income for the organisation, while also helping to build awareness of the Midlands Simon Community and the issue of homelessness in the Midlands region.

Our Shops are located in Athlone, Tullamore and Portlaoise.

The Midlands Simon Community Shops take pride in the fantastic selection of high quality clothes, accessories and shoes that they carry, while also stocking a wide range of homewares, DVD's, books and toys.

The Midlands Simon Community Shops stand by the testament that ethical shopping and excellent quality can go hand in hand. Support of these shops, through donations and purchases, provides another way for local people to show solidarity with those experiencing homelessness.

The Midlands Simon Community Shops also provide an opportunity for people to volunteer by either working in the shops or by assisting to source stock to sell in the shops. The shops have been very successful and provide a very valuable source of funds for the organisation.

Plans for future periods

The Board of Midlands Simon Community is currently conducting a strategic review, which will update the existing strategic plan and guide the organisation's approach for the future.

It is envisaged that Midlands Simon Community will use its resources to contribute to the solution of the housing and homelessness crisis by:

- Continuing to provide sustainable solutions to those with the most complex needs and the most vulnerable in society. The Midlands Simon Community model is not a quick fix. It begins with the provision of accommodation, combined with providing the supports people require to realise their potential.
- Continuing to explore other potential projects around the Midlands region, having commenced discussions with stakeholders including Local Authorities, about proposed developments.

Simon Community (Midlands) Company Limited by Guarantee

Directors report

Financial year end 31 December 2018

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2018.

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 (Resigned 11 July 2018)
Molly Buckley
Bernadette O'Mahony
Mary Doyle
Tom Keady
Linda Reidy (Resigned 7 March 2018)
Peter Melinn
Stephanie Duffy
Brian Cowen
Gerard Raleigh (Appointed 24 October 2018)
Willie Burns (Appointed 24 October 2018)
Tomas Donoghue (Appointed 24 October 2018)

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 and 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 and 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 3 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 2018.

Simon Community (Midlands) Company Limited by Guarantee

Directors report (continued)

Financial year end 31 December 2018

Development and performance

The results for the year are set out in detail in the Income and expenditure account. The surplus for the year was €78,007 (2017: €15,545 (surplus)).

Assets and liabilities and financial position

At the end of the year the company has net assets of €165,809 (2017: €87,802). 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.

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.

Simon Community (Midlands) Company Limited by Guarantee

Directors report (continued)

Financial year end 31 December 2018

Auditors

In accordance with Section 383(2) of the Companies Act 2014, the auditors, RSM Ireland Business Advisory Limited, will continue in office.

This report was approved by the board of directors on 30 October 2019 and signed on behalf of the board by:

Mark Cooney
Director

Molly Buckley
Director

Simon Community (Midlands) Company Limited by Guarantee

Directors responsibilities statement

Financial year end 31 December 2018

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**

Financial year end 31 December 2018

Opinion

We have audited the financial statements of Simon Community (Midlands) Company Limited by Guarantee (the 'company') for the year ended 31 December 2018 which comprise the Income and 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 2018 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)**

Financial year end 31 December 2018

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)**

Financial year end 31 December 2018

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.

Patrick Keegan

**For and on behalf of
RSM Ireland Business Advisory Limited**

Statutory Audit Firm
Kellyville Centre
Portlaoise
Co. Laois

30 October 2019

Simon Community (Midlands) Company Limited by Guarantee

Income and expenditure account
Financial year ended 31 December 2018

	Note	2018 €	2017 €
Income	5	1,658,138	1,398,383
Administrative expenses		(1,616,239)	(1,413,546)
Other operating income	6	36,108	30,708
Surplus for the year		<u><u>78,007</u></u>	<u><u>15,545</u></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.

Simon Community (Midlands) Company Limited by Guarantee

Statement of income and retained earnings
Financial year ended 31 December 2018

	2018	2017
	€	€
Surplus for the year	78,007	15,545
Reserves at the start of the year	<u>87,802</u>	<u>72,257</u>
Reserves at the end of the year	<u>165,809</u>	<u>87,802</u>

Simon Community (Midlands) Company Limited by Guarantee

**Balance sheet
As at 31 December 2018**

	Note	2018 €	€	2017 €	€
Fixed assets					
Tangible assets	11	1,552,275		1,311,680	
			1,552,275		1,311,680
Current assets					
Debtors	12	244,938		157,852	
Cash at bank and in hand		72,018		86,801	
		316,956		244,653	
Creditors: amounts falling due within one year	14	(197,144)		(196,145)	
Net current assets		119,812		48,508	
Total assets less current liabilities		1,672,087		1,360,188	
Creditors: amounts falling due after more than one year	15	(1,506,278)		(1,272,386)	
Net assets		165,809		87,802	
Reserves					
Income and expenditure account		165,809		87,802	
		165,809		87,802	

These financial statements were approved by the board of directors on 30 October 2019 and signed on behalf of the board by:

Mark Cooney
Director

Molly Buckley
Director

The notes on pages 27 to 35 form part of these financial statements.

Simon Community (Midlands) Company Limited by Guarantee

Statement of cash flows
Financial year ended 31 December 2018

	Note	2018 €	2017 €
Cash flows from operating activities			
Surplus for the year		78,007	15,545
<i>Adjustments for:</i>			
Depreciation of tangible assets		41,236	35,553
Government grant income		(36,108)	(30,708)
Accrued expenses / (income)		(82,643)	(55,296)
<i>Changes in:</i>			
Trade and other debtors		796	(8,048)
Trade and other creditors		241,487	(7,509)
Cash generated from operations		242,775	(50,463)
Net cash from / (used in) operating activities		<u>242,775</u>	<u>(50,463)</u>
Cash flows from investing activities			
Purchase of tangible assets		(281,831)	-
Net cash (used in)/from investing activities		<u>(281,831)</u>	<u>-</u>
Cash flows from financing activities			
Government grant income		36,108	-
Net cash from financing activities		<u>36,108</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		(2,948)	(50,463)
Cash and cash equivalents at beginning of year	13	<u>74,966</u>	<u>125,429</u>
Cash and cash equivalents at end of year	13	<u>72,018</u>	<u>74,966</u>

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements Financial year ended 31 December 2018

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 2018.

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 2018

Income

Income of the company consists primarily of grants (primarily from government bodies), donations and 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 2018

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 2018

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 and 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

	2018	2017
	€	€
Government grant income	36,108	30,708
	<u> </u>	<u> </u>

7. Surplus for the year

Surplus is stated after charging / (crediting):

	2018	2017
	€	€
Depreciation of tangible assets	41,236	35,553
Fees payable for the audit of the financial statements	1,845	1,845
	<u> </u>	<u> </u>

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued)

Financial year ended 31 December 2018

8. Staff costs

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

	2018	2017
	Number	Number
Housing	2	2
Administration	1	1
Emergency Housing Services, inc Relief Staff	26	18
Regional Settlement Services	9	11
Fundraising	2	2
Shop assistants	7	6
	<u>47</u>	<u>40</u>

The aggregate payroll costs incurred during the year were:

	2018	2017
	€	€
Wages and salaries	979,185	968,787
Other retirement benefit costs	4,567	2,191
	<u>983,752</u>	<u>970,978</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 2018 (31 December 2017 : €Nil).

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 €45,140 was recharged by Sophia Housing to the company in the year ended 31 December 2018 in respect of the apportionment of this cost between the two entities. This recharge was €45,142 in the year ended 31 December 2017.

9. Directors remuneration

No emoluments were paid to directors during the year ended 31 December 2018 (31 December 2017: €Nil).

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2018

10. Appropriations of income and expenditure account

	2018	2017
	€	€
At the start of the year	87,802	72,257
Surplus for the year	78,007	15,545
At the end of the year	165,809	87,802

11. Tangible assets

	Freehold property	Fixtures, fittings and equipment	Total
	€	€	€
Cost			
At 1 January 2018	1,575,828	86,766	1,662,594
Additions	270,000	11,831	281,831
At 31 December 2018	1,845,828	98,597	1,944,425
Depreciation			
At 1 January 2018	270,973	79,941	350,914
Charge for the year	36,916	4,320	41,236
At 31 December 2018	307,889	84,261	392,150
Carrying amount			
At 31 December 2018	1,537,939	14,336	1,552,275
At 31 December 2017	1,304,855	6,825	1,311,680

12. Debtors

	2018	2017
	€	€
Other debtors	7,267	7,267
Prepayments	3,346	4,142
Accrued income	234,325	146,443
	244,938	157,852

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 2018

13. Cash and cash equivalents

	2018	2017
	€	€
Cash at bank and in hand	72,018	86,801
Bank overdrafts	-	(11,835)
	<u>72,018</u>	<u>74,966</u>

14. Creditors: amounts falling due within one year

	2018	2017
	€	€
Amounts owed to credit institutions	-	11,835
Trade creditors	78,181	66,871
Loan from an affiliated community	9,576	9,576
Tax and social insurance:		
PAYE and social welfare	31,812	35,527
Accruals	77,575	72,336
	<u>197,144</u>	<u>196,145</u>

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

	2018	2017
	€	€
Government grants (Note 18)	1,506,278	1,272,386
	<u>1,506,278</u>	<u>1,272,386</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 €4,567 (2017: €2,191).

Simon Community (Midlands) Company Limited by Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2018

18. Government grants

	2018	2017
	€	€
At the start of the year	1,272,386	1,303,094
Grants received or receivable	270,000	-
Released to the income and expenditure account	(36,108)	(30,708)
At the end of the year	<u>1,506,278</u>	<u>1,272,386</u>

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

	2018	2017
	€	€
Recognised in creditors:		
Deferred government grants due after more than one year	<u>1,506,278</u>	<u>1,272,386</u>
Recognised in other operating income:		
Government grants released to the income and expenditure account	<u>36,108</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:

	2018	2017
	€	€
Financial liabilities measured at amortised cost		
Bank and other loans	-	11,835
Trade creditors	<u>78,181</u>	<u>66,871</u>
	<u>78,181</u>	<u>78,706</u>

20. Capital commitments

The company had no capital commitments at the year end.

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.

Simon Community (Midlands) Company Limited by Guarantee

**Notes to the financial statements (continued)
Financial year ended 31 December 2018**

22. Related party transactions

The company had no related transactions during the year ended 31 December 2018 (31 December 2017: €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 30 October 2019.

Simon Community (Midlands) Company Limited by Guarantee

Financial year end 31 December 2018

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 2018**

	2018	2017
	€	€
Income		
Simon Communities of Ireland	-	24,130
Fundraising & donations	527,477	278,790
Sophia	-	2,527
Westmeath County Council	262,754	226,806
HSE	143,999	145,000
Shop sales	302,605	301,961
Recycling income	7,009	15,999
House of Cards Appeal	23,632	22,755
Offaly County Council	91,772	152,250
Laois County Council	71,288	73,059
Longford County Council	120,486	83,165
Rent receivable	107,116	71,941
	<u>1,658,138</u>	<u>1,398,383</u>
 Overheads		
Administrative expenses	(1,616,239)	(1,413,546)
	<u>(1,616,239)</u>	<u>(1,413,546)</u>
 Other operating income		
Amortisation of government grants	36,108	30,708
	<u>36,108</u>	<u>30,708</u>
 Operating surplus	 78,007	 15,545
 Operating surplus percentage	 4.7%	 1.1%
 Surplus before taxation	 <u>78,007</u>	 <u>15,545</u>

Simon Community (Midlands) Company Limited by Guarantee

Detailed profit and loss account (continued)
Financial year ended 31 December 2018

	2018	2017
	€	€
Overheads		
Administrative expenses		
Wages and salaries, including Employer PRSI	(979,185)	(968,787)
Staff pension costs - defined contribution	(4,567)	(2,191)
Staff training	(10,199)	(5,626)
Rent payable	(213,655)	(94,274)
Rates	(2,583)	208
House Provisions	(17,983)	(13,195)
Insurance	(10,416)	(5,312)
Light and heat	(39,860)	(31,035)
Repairs and maintenance	(80,533)	(63,616)
Health & safety	(6,865)	(3,329)
CEO Arrangement fee	(45,140)	(45,142)
Printing, postage and stationery	(10,462)	(14,999)
Advertising	(3,610)	(7,123)
Telephone	(16,838)	(18,970)
Computer costs	(12,256)	(8,168)
Travelling and subsistence	(40,459)	(43,309)
Legal and professional	(1,150)	-
Board meeting expenses	(5,837)	(1,130)
Consultancy fees	(3,153)	(4,611)
Accountancy fees	(52,325)	(25,995)
Auditors remuneration	(1,845)	(1,845)
Bank charges	(4,339)	(6,599)
Conference expenses	-	(3,476)
General expenses	(5,733)	(3,187)
Subscriptions	(6,010)	(6,282)
Depreciation of tangible assets	(41,236)	(35,553)
	(1,616,239)	(1,413,546)
	(1,616,239)	(1,413,546)