

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

Directors' Report and Financial Statements

For the Year Ended 31st December 2016

Registered Number: 144699

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

Directors' Report and Financial Statements

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Directors and Other Information

| | |
|---|---|
| Directors | Maureen Lynch (Chairperson) Michael Mackey (Deputy Chairperson) Henry Cleary Jolene Gacquin Seamus Kilbane Gregory Mc Lucas Sile Nic Niocail Patrick O' Donnell Michelle Ruane Ann Walsh |
| Secretary | Jolene Gacquin |
| Registered Office | 18 Tuam Road Centre Tuam Road Galway |
| Treasurer | Noreen Glennon |
| Chief Executive | Bill Griffin |
| Auditors | Candor Chartered Accountants & Registered Auditors Harris House, IDA Business Park Tuam Road Galway |
| Bankers | |
| Allied Irish Bank Lynch's Castle Galway | Ulster Bank Tuam Rd Galway |
| Permanent TSB Eyre Square Galway | Bank of Ireland Mainguard Street & Eyre Square Galway |
| Rabodirect Charlemont Place Dublin 2 | KBC Bank Ireland Sandwith Street Dublin 2 |
| Solicitors | O'Carroll & Co 19a Merchants Road Galway |
| Company Registration Number: | 144699 |
| Registered Charity Number: | 20018962 |
| Revenue Charity no: | CHY 8007 |

Simon Community (Galway)
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Directors' Report

The directors present their annual report and audited financial statements for the year ended 31st December 2016.

Vision

Our vision is a community where everyone lives in a place they call home.

Mission

Our mission is to:

- Help people who are homeless, or at risk of being homeless, access housing and support appropriate to their needs.
- Work towards eliminating homelessness through advocacy, education and campaigning.
- Combat homelessness by collaborating with statutory and voluntary agencies, friends, supporters and the wider community.

Values

Responsiveness
Equality
Support
Partnership
Empowerment
Community
Transparency

Legal Status & Organisational Structure

Simon Community (Galway) began providing services in the city in 1979 and in the intervening years has provided a wide range of care, accommodation and advocacy services to people who are homeless or at risk of becoming homeless.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), with reference to the recommendations of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charity SORP (FRS 102)), which has replaced previous general accounting practice ('GAAP') used in Ireland and the UK. Charity SORP (FRS 102) is not currently obligatory under Charities Act, 2009. The Charity Commission for England and Wales is recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORP's for the charity sector in the UK, and the SORP has therefore been recognised as best practice for financial reporting by charities in Ireland.

The organisation is a registered charity as a company limited by guarantee without a share capital and was incorporated on 4th May 1989. The Charity trades under the name Galway Simon Community. The objectives of the Company are charitable in nature with established charitable status. The charity has been granted charitable tax status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No CHY 8007. All income is applied solely towards the promotion of the charitable objectives of the Company.

Bill Griffin is CEO and has been in office since April 2012. The day to day management of the charity is also directed by the following key management personnel:

| | |
|---------------------------------------|-------------------------------------|
| Noreen Glennon, Financial Controller | Emma Dolan, Head of Client Services |
| Sinead Molloy, Human Resource Manager | Deirdre Treacy, Fundraising Manager |

The charity has a total of 10 non-executive directors drawn from diverse backgrounds who bring to board deliberations, their significant life experience, business and decision-making skills achieved in their respective fields.

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The board of directors meet on a bi-monthly basis and are responsible for the strategic direction of the charity. There is clear division of responsibility at the company with the board retaining control of major decisions under a formal schedule of matters reserved to the board for decision. The CEO is responsible for efficient running of services and for devising strategy and policy within the authorities delegated to the Chief Executive by the board.

In 2016, Simon Community (Galway) provided the following:

- **Community Support Service**

The Community Support Service supports men, women and families to maintain their tenancies and to continue to live as part of local communities. People accessing this service live in housing provided by the private rented sector, approved housing bodies or in social housing provided by local authorities. This service worked with 334 households during 2016. In line with national trends relating to people requiring homeless services, the Community Support Service worked with an increased number of families; 85 families with 200 children.

- **County Galway Based Services**

The Bridge Resource Centre in Ballinasloe supported 177 households in 2016. The Resource Centre operates a drop in service which offers people advice and practical support with a variety of issues. We provided addiction and podiatry supports together with outreach support to individuals, experiencing a range of issues during difficult times in their lives.

- **Youth Service**

This service aims to engage early in a preventative way with young people aged 18-25 from having to access traditional homeless services. This is implemented by providing outreach support to those at risk of homelessness. We provide transitional accommodation for up to 8 young people, affording them the opportunity to build independent living skills while they work toward getting a home of their own. In 2016, 8 young clients were provided with accommodation and a further 13 clients were provided with outreach support.

- **Moving On**

This resettlement service works with men who want to move on to a more independent lifestyle in their own rented home. We work co-operatively with our clients to develop the necessary skills to move on from our services and help create links to supports that prevent re-entry to homeless services. 24 men availed of this service in 2016.

- **Long Term Housing**

A group of men with complex needs and a history of regular contact with homeless services require long term housing with 24 hour staff support. Issues of addiction, mental health and physical health needs are dealt with by our front line staff with access to specialist services. We have three houses with 24 hour staff support that served 23 men in 2016.

- **Support for Women**

We provided a 24 hour staffed service to women experiencing homelessness. This service supports and empowers these women to manage the issues that caused them to become homeless and to work towards moving on to either a lower level of supported accommodation or to independent living. 10 women availed of this service during 2016.

- **Independent Living**

This service supports clients to maintain their independence. We have a number of three bedroomed houses and small apartments at various locations around Galway city. All of the people in this accommodation had either experienced homelessness in the past or were at risk of becoming homeless if support was not available to them. In 2016, 54 men and women were supported to maintain a lifestyle of greater independence.

- **Specialist Support**

Our multi-disciplinary team provides specialist support to clients and frontline staff dealing with the complex issues that are present for people requiring support from homeless services in Galway City & County. This team which comprises a Registered General Nurse, Community Mental Health Nurse (post currently vacant), Substance Misuse Counsellor and a Relapse Prevention Counsellor, provides services to people in all homeless services in Galway city. Additionally we provide an Occupational Therapy service to our clients.

- **Dental Services**

We provide Dental Services on a sessional basis to people in all homeless services in Galway city. 103 individual treatments were given to clients in homeless services during 2016.

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- **Chiropody Services**

We provide Chiropody Services on a sessional basis to people in all homeless services in Galway City and in our Resource Centre in Ballinasloe. 381 individual treatments were provided for clients during 2016.

- **Advocacy**

We continued to advocate for our clients on a local level with Local Authorities and nationally through the Simon Communities of Ireland. Simon Community (Galway) is concerned with advancing the rights of people who are homeless and assisting with them in an advocacy role. We believe that campaigning for changes in social attitudes and social policy is a necessary and complementary part of our work.

Achievements and Performance

Against the backdrop of increasing demand for our services Galway Simon Community has ensured that our existing funding and new funding secured in 2016 was used for the benefit of our clients. With the aid of sound financial management and the hard work of both our staff and volunteers we served a total of 622 households compared with 366 in 2015 which represents an increase of 70%. We engaged with 143 families across Galway City and County compared with 32 in 2015.

During the year, in line with our objectives and priorities, our main achievements were:

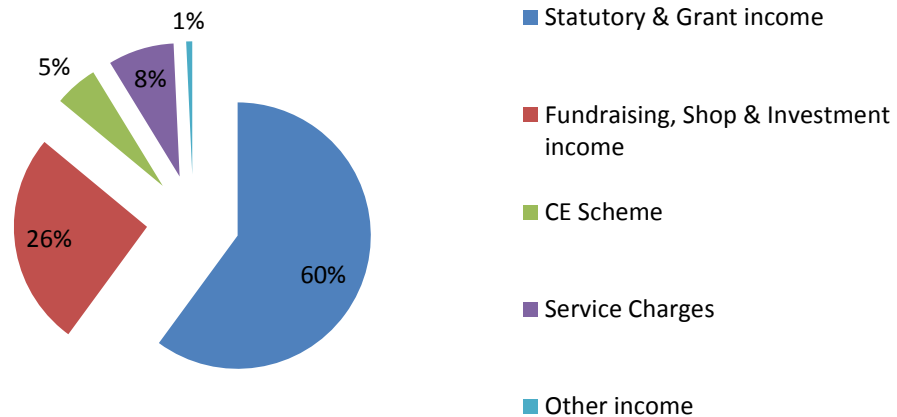
- The establishment and development of a Youth Service.
- The purchase of 4 apartments in Galway City in collaboration with Clúid Housing Association funded by Capital Assistance Scheme.
- The leasing of two family houses in County Galway from Galway County Council.
- The development of a Client Involvement strategy to ensure client input in our services.
- The restructure of women's service to ensure it is more responsive to client needs.
- The launch of a new website that is more responsive to the needs of potential clients, volunteers and supporters.
- The implementation of a marketing communications strategy to improve contact with our supporters and volunteers in terms of our work and their contribution to it.






Financial Review

| Overview: | 2016 | 2015 |
|-------------------------------------|------------------|------------------|
| | € | € |
| Income | 4,414,512 | 4,081,304 |
| Expenditure | <u>4,424,928</u> | <u>4,051,256</u> |
| Operating (Deficit)/ Surplus | (10,416) | 30,048 |

The results for the year as set out on page 13 show total income of €4,414,512 and total expenditure of €4,424,928 which generated a net operating deficit of €10,416 for the year. The operating deficit includes €50,176 (refer to Note 3) in restricted funds received which will be utilised in 2017 for specific purposes.

2016 Income Summary



| Sources of Income | 2016 | 2015 |
|--|-------------|-------------|
|  Statutory & Grant Income | 60% | 57% |
|  Fundraising / Shop & Investment Income | 26% | 24% |
|  Community Employment Scheme | 5% | 6% |
|  Service Charges | 8% | 8% |
|  Other income | 1% | 5% |
| Total | 100% | 100% |

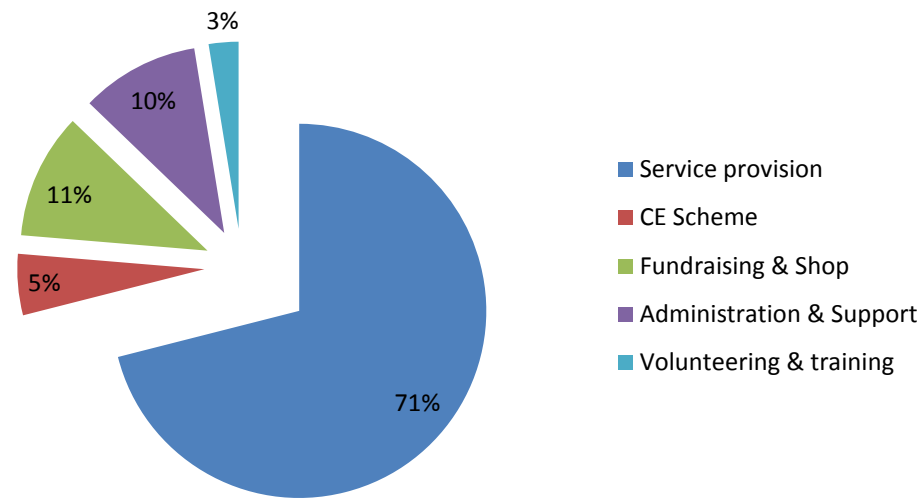
Statutory & grant income which includes funds from the Health Services Executive (HSE), Galway City and County Councils, Túsla and Department of Environment represents 60% of total income in 2016 (57% of total income in 2015). In 2016, income from grants increased by €320,896 due to the expansion of existing services and set up of a new Youth Service which is the primary reason for the increase in total income of 8% compared to 2015.






Included in other income in 2015, is the one off gain from the disposal of a property and associated release of a capital reserve totalling €209,656 which explains the decrease in other income in 2016. This decrease was offset by increased income from fundraising activities, charity shops and service charges in 2016.

Total fundraising income increased by 23% to €652,606 and turnover in the Simon Community (Galway) Charity Shops increased by 15% to €478,479 for 2016 (2015: €415,531) which reflects excellent performance by our staff and volunteer team and a general increase in consumer spending and public support.

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2016 Expenditure



| | 2016 | 2015 |
|--|-------------|-------------|
|  Service provision | 71% | 71% |
|  Community Employment Scheme | 5% | 6% |
|  Fundraising & Shop | 11% | 10% |
|  Administration & Support | 10% | 10% |
|  Volunteering & training | 3% | 3% |
| Total | 100% | 100% |

Total expenditure for 2016 was €4,424,928 which is a 9% increase compared to previous year. This increase is primarily due to increased wage costs arising from development of services and full year effect of new appointments during 2015. Included in both grants and operational costs is one off funding of €109,111 from Galway City Council who contracted Simon Community (Galway) to carry out the refurbishment works to the apartments owned by them for use in the Youth Service which commenced in 2016.

Reserves and investment strategy

Simon Community (Galway) has total unrestricted reserves of €1,312,675 designated property maintenance reserve of €621,693 and designated strategic development reserve of €207,842 (refer to page 31) held as at 31 December 2016.

Simon Community (Galway) has a responsibility to ensure that it uses the funds and resources it receives for its charitable purpose of ending homelessness. There are uncertainties around most sources of funding and resources. Simon Community (Galway) must plan its use of these funds and resources to ensure the continuity and sustainability of the services it offers. To this end, Simon Community (Galway) has a reserves policy in place and currently targets to hold four months of operating costs in reserve.

As is usual for housing bodies, Simon Community (Galway) holds a designated property maintenance reserve, often referred to as the 'sinking fund'. The directors have designated unrestricted funds for the future maintenance and development of the community's properties. The annual transfer from the unrestricted revenue reserve is calculated at a rate of 20% of the annual rental income received. At the year end, this designated fund amounts to €621,693.

Simon Community (Galway) has put in place an investment strategy that sets out clearly how it plans to make the best use of any available reserve funds in a low risk environment in line with its charitable purposes.

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Future Developments

Simon Community (Galway) will continue to advocate and provide services for people who are homeless or at risk of becoming homeless. The directors plan to build on the sound foundations laid to date by continuing to develop services to meet identified needs, utilising our unique location and expertise.

The longer term aims of Simon Community (Galway) are to:

- Increase the amount of preventative work with families and individuals thus minimising their need for emergency accommodation.
- Increase activity in Galway County from our current Resource Centre in Ballinasloe.
- Further define our collaborative working arrangements with North West Simon Community as we have been providing HR, Finance and Services Supervision for two years with a view to a potential merger upon completion of due diligence process and approval of both boards of directors.
- Take opportunities to increase our housing stock where appropriate.
- Improve the quality of services in line with recognised standards.
- Improve transparency and thereby accountability to our clients, supporters and funders.

Volunteer Activity

Simon Community (Galway) believes in and has a continuing commitment to voluntarism because of the added value which volunteers bring to the community through their dedication and work. As has been the practice over many years, full time volunteers work for periods of between 6 and 12 months alongside professional staff in our housing services. Part time volunteers contribute greatly to the success of the Simon shops and community events, which are an integral part of our fundraising activity. In addition, we have part time volunteers who visit and befriend clients, assist with social integration, capacity building and tenancy sustainment. In 2016, 295 individuals volunteered their time in the various ways listed above.

It is impossible to quantify the thousands of hours generously given by the public in response to food appeals and other fundraising efforts. However, without the help from our volunteers we would not be able to offer our current levels of support during a period of ever increasing demand.

All members of the Board of Directors volunteer their experience, expertise and time to the benefit of Simon Community (Galway) and its continued development.

Relationships with Charities and Other Bodies

Simon Community (Galway) is one of eight Simon Communities operating in the Republic of Ireland, the others being in Cork, Dundalk, Dublin, Mid-West, Midlands, North West and South East. All the communities, together with the Simon National Office, comprise the national body, The Simon Communities of Ireland.

Simon Community (Galway) actively promotes partnership working with statutory bodies and other charitable organisations in the provision of services and the pursuit of its advocacy goals. Examples of this work include participation in the Galway City Homeless Forum, the Homeless Forum Steering Group, Galway City Partnership, Action for Equality, Galway City Community Forum and Voluntary Homeless Services. Nationally, we are members of the European Anti-Poverty Network (Ireland) and the Irish Council for Social Housing. In 2016, we engaged in partnerships with Cluid Housing, Túsla, Vincent De Paul and COPE Galway in relation to different aspects of service development.

Directors

The names of the persons who are currently or were directors at any time during the year ended 31 December 2016 are listed below. Unless otherwise indicated, they served as directors for the entire year.

| | |
|-----------------------------|--------------------|
| Henry Cleary | Jolene Gacquin |
| Seamus Kilbane | Michael Mackey |
| Maureen Lynch (Chairperson) | Gregory Mc Lucas |
| Sile Nic Niocaill | Patrick O' Donnell |
| Michelle Ruane | Ann Walsh |

Company Secretary

Jolene Gacquin

There were no contracts in relation to the business of Simon Community (Galway) in which the Directors had any interest, as defined in the Companies Act, 2014.

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Health & Safety

The organisation has a policy to ensure the health and welfare of its employees and clients by maintaining a safe place and systems in which to work. This policy is based on the requirements of the Safety, Health and Welfare at Work Act 2005. A revised Health & Safety Policy was approved by the board in 2013. A Safety Committee is in place and regular safety in the workplace audits were completed in 2016.

Pay Policy for Senior Staff

The pay of senior staff within the organisation is either linked with a relevant grade within the HSE/Local authority salary scales or benchmarked against pay levels in similar organisations working within this sector. We recognise previous experience at an equivalent level, when placing staff on a relevant salary scale. We review the overall financial position of the company annually and when it is in a position to do so, it awards increments to staff members who are on a salary scale and fulfil the appropriate criteria for eligibility. Where recruitment for a particular role has proved difficult, we reserve the right to offer a market adjusted rate of salary, as appropriate, to attract experienced candidates.

Principal Risks and Uncertainties

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

The charity mitigates these risks as follows:

- The charity continually monitors the level of activity against its budgeted targets and projections. The charity has a policy of maintaining adequate cash reserves and it has also developed a strategic plan which will allow for the diversification of funding and activities; and
- The charity closely monitors emerging changes to regulations and legislation on an on-going basis. It is compliant with the following standards:
 - The Governance Code, a code of practice for good governance of charities in Ireland
 - The Statement of Recommended Practice (SORP)
 - Statement of Guiding Principles for Fundraising
 - We participate in and report on compliance with the Voluntary Regulation Code for Approved Housing Bodies in Ireland

Financial risk

Reduced or insufficient income will impact directly on services and the people who avail of them. Changes to government policy and economic climate can impact on fundraised income and on grants from statutory agencies. Measures to reduce this risk include an investment in a fundraising strategy which includes a mix of income streams, positive negotiation with key stakeholders and funders and the management and control of budgets. Financial information is subject to detailed review at board of director level allowing for continuous monitoring of the Community's operations and financial status.

Operational risk

Simon Community (Galway) services are aimed at people who are vulnerable and socially isolated. Simon Community (Galway) is committed to providing high quality services. We adhere to recognised quality standards, operate a training programme for staff and volunteers and work to a range of operational and staff performance policies and procedures aimed at providing consistently safe living, working and volunteering environments.

Compliance risk

Simon Community (Galway) has to comply with a range of legislation and regulation. Non-compliance could incur penalty and result in reputational damage. Simon Community (Galway) has signed up to the various governance codes relating to the voluntary sector and the approved housing bodies. The policies and procedures and internal control systems that are in place aim to ensure compliance with laws and policies and to ensure efficient and effective use of the Community's resources.

Reputational and external risks

Simon Community (Galway) delivers services on behalf of the wider community and relies on the support of that wider community. Damage to Simon Community (Galway)'s reputation would impact on that support.

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

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Community (Galway) can offer. Simon Community (Galway) campaigns and consults with key stakeholders to influence and mitigate the impact of these risks.

Accounting Records

The measures taken by the directors to ensure compliance with the requirements of Section 281 – 285 Companies Act, 2014, regarding adequate accounting records of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the organisation are maintained at 18 Tuam Road Centre, Tuam Road, Galway.

Post Balance Sheet Events

There were no events occurring after the balance sheet date, which affect these financial statements.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and generally accepted accounting practice in Ireland including the accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland.

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company including the income and expenditure of the charitable company for that year. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with Section 281 – 285 Companies Acts 2014, and all Regulations to be construed as one with those Acts. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Political Donations

The Electoral (Amendment) (Political Funding) Act 2012 requires companies to disclose all political donations to any individual party over €200 in value. The directors confirm no such donations have been made.

Auditors

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

On behalf of the board:

Maureen Lynch
Director

Seamus Kilbane
Director

Date: 4th May 2017

INDEPENDENT AUDITOR'S REPORT
to the Members of Simon Community (Galway)

Simon Community (Galway)
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We have audited the financial statements of Simon Community (Galway) for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective from 1 January 2015.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2016 and of its results for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland and in particular with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014.

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

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

Gillian Carolan
for and on behalf of
Candor

Chartered Accountants and Registered Auditors
Harris House,
IDA Business Park,
Tuam Road, Galway,
Ireland.

Date: 8th May 2017

Statement of Financial Activities for the year ended 31st December 2016

Simon Community (Galway)
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| | Notes | Restricted Funds € | Unrestricted Funds € | Designated Funds € | Total 2016 € | Total 2015 As restated € |
|---|-------|-----------------------|-------------------------|-----------------------|------------------|-----------------------------|
| Income from: | | | | | | |
| Donations | | 45,763 | 401,793 | | 447,556 | 406,711 |
| Legacies | | | 54,232 | | 54,232 | 11,112 |
| Other fundraising activities | | | 150,818 | | 150,818 | 112,177 |
| Charitable activities | 3 | 2,883,882 | | | 2,883,882 | 2,562,986 |
| Other trading activities | 4 | | 832,065 | | 832,065 | 746,901 |
| Interest | | | 13,770 | | 13,770 | 27,863 |
| Other income | 5 | | 32,189 | | 32,189 | 213,554 |
| Total Income | | 2,929,645 | 1,484,867 | - | 4,414,512 | 4,081,304 |
| Expenditure on: | | | | | | |
| Costs of raising funds | 6 | | 523,259 | | 523,259 | 452,307 |
| Provision of homeless services | 6 | 3,633,364 | | | 3,633,364 | 3,329,642 |
| Community employment scheme | 6 | 268,305 | | | 268,305 | 269,307 |
| Total Expenditure | | 3,901,669 | 523,259 | - | 4,424,928 | 4,051,256 |
| Capital Assistance Scheme Loan repayments relieved | 14 | | 247,942 | | 247,942 | 247,942 |
| Net income/(expenditure) before transfers | | (972,024) | 1,209,550 | - | 237,526 | 277,990 |
| Transfers between funds | | | | | | |
| Transfer to restricted fund deficit | | 1,007,489 | (1,072,393) | 64,904 | - | - |
| Transfer from capital reserve into restricted funds | | 9,368 | | | 9,368 | - |
| Transfer to/from designated funds | 16 | | 65,623 | (65,623) | - | - |
| Net movement in funds | | 44,833 | 202,780 | (719) | 246,894 | 277,990 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 17 | 110,942 | 3,602,992 | 830,254 | 4,544,188 | 4,266,198 |
| Total funds carried forward | 16 | 155,775 | 3,805,772 | 829,535 | 4,791,082 | 4,544,188 |

On behalf of the board:

Maureen Lynch
 Director
 Date: 4th May 2017

Seamus Kilbane
 Director

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Balance Sheet as at 31st December 2016

| | | 2016 | 2015 As |
|---|--------------|------------------|------------------|
| | | € | Restated |
| | | | € |
| Fixed assets | Notes | | |
| Properties | 10 | 6,959,215 | 7,054,286 |
| Other tangible assets | 11 | 28,329 | 13,112 |
| Total fixed assets | | 6,987,544 | 7,067,398 |
| | | | |
| Current assets | | | |
| Debtors | 12 | 282,095 | 223,163 |
| Bank | | 2,604,990 | 2,440,738 |
| Total current assets | | 2,887,085 | 2,663,901 |
| Liabilities: | | | |
| Creditors (amounts falling due within one year) | 13 | 829,031 | 675,285 |
| Net current assets | | 2,058,054 | 1,988,616 |
| Total assets less current liabilities | | 9,045,598 | 9,056,014 |
| | | | |
| Creditors (amounts falling due after more than one year) | 14 | 4,254,516 | 4,502,458 |
| Net assets | | 4,791,082 | 4,553,556 |
| | | | |
| The Funds of the charity: | | | |
| Capital reserve | 16 | - | 9,368 |
| Unrestricted reserve funds | 17 | 1,312,675 | 1,357,837 |
| Restricted reserve funds | 17 | 155,775 | 110,942 |
| Designated property maintenance reserve funds | 17 | 621,693 | 556,789 |
| Designated strategic development reserve funds | 17 | 207,842 | 273,465 |
| CAS loan payments relieved fund | 17 | 2,493,097 | 2,245,155 |
| Total charity funds | | 4,791,082 | 4,553,556 |

On behalf of the board:

Maureen Lynch
Director

Seamus Kilbane
Director

Date: 4th May 2017

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Statement of Cash Flows for the Year Ended 31st December 2016

| | Note | 2016 € | 2015 € |
|--|-----------|-----------|-----------|
| Net cash used in operating activities | 19 | 175,082 | (5,203) |
| Cash flows from investing activities: | | | |
| Interest received from investments | | 13,770 | 27,863 |
| Proceeds from the sale of tangible fixed assets | | 1,500 | 201,464 |
| Payments to acquire tangible fixed assets | | (26,100) | (249,506) |
| Net cash flows from investing activities | | 164,252 | (25,382) |
| | | | |
| Net increase/(decrease in cash and cash equivalents | | 164,252 | (25,382) |
| Cash and cash equivalents as at 1st January 2016 | 20 | 2,440,738 | 2,466,120 |
| Cash and cash equivalents as at 31st December 2016 | 20 | 2,604,990 | 2,440,738 |

On behalf of the board:

Maureen Lynch
 Director

Seamus Kilbane
 Director

Date: 4th May 2017

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

Notes to the Financial Statements

1. Accounting Policies

Simon Community (Galway) is a company limited by guarantee in the Republic of Ireland. The Company is precluded by its Memorandum of Association from paying a dividend either as part of normal operations or on distribution of the Company's assets in the event of it being wound up. All income must be applied solely towards the promotion of the charitable objectives of the Company.

These financial statements are the company's financial statements for the financial year beginning 1 January 2016 and ending 31 December 2016.

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

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

(a) Basis of Presentation

The financial statements are prepared under the Irish GAAP and the Charities Statement of Recommended Practice (SORP) FRS 102 and in accordance with the Companies Act 2014. The policies applied under the entity's previous accounting framework are not materially different to those under FRS 102 and have not impacted on the balance sheet, reserves or statement of financial activities. Charity SORP (FRS 102) is not currently obligatory under Charities Act, 2009 but good practice would recommend early adoption.

(b) Going concern

The company meets its day-to-day working capital requirements through its cash balances and investments. The current economic conditions continue to create uncertainty over (a) possible changes in government policy; and (b) income available from fundraising. The company's forecasts and projections, taking account of reasonably possible changes in operating performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

(c) Revenue

(i) Donations and other fundraising activities

In common with many similar charitable organisations, the company derives a proportion of its income from voluntary donations and fund raising activities held by individuals or parties outside the control of the company. Accordingly, donations are recognised when the company has entitlement to the income, certainty of receipt and the amount can be measured with sufficient reliability. In the case of voluntary income receivable by way of donations and gifts, income is recognised when the donation is entered into the company's bank accounts or entered into the company's accounting records. In accordance with best practice, fundraising income is shown gross without deduction of any overhead costs involved in raising such funds.

(ii) Legacies

Income is recognised for legacies once the bequest has entered the Community's bank account or title deeds of the related properties have transferred to the company.

(iii) Revenue grants

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

(iv) Capital grants

The directors have approved a change in accounting policy to record capital grants in restricted funds on receipt of the grant from 2015 onwards in order to comply with SORP FRS 102. On an annual basis, a transfer is made from the restricted reserve fund into the unrestricted reserve fund on the same basis as the related tangible fixed assets are depreciated.

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

1. Accounting Policies - continued

(d) Other revenue

Simon Community (Galway) also earns interest income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Community; this is normally upon notification of the interest paid or payable by the bank.

(e) Deferred income

Grants relating to expenditure to be incurred in a future accounting period received in advance are deferred and recognised in the period to which they relate.

(f) Capital Assistance Scheme Loans

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

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

(g) Restricted and unrestricted funds

Simon Community (Galway) operate the following funds:

(i) Restricted funds

Restricted income funds are to be used for specific purposes as laid down by the donor or grantor. Expenditure which meets these criteria is shown as charged to the fund. These funds may become repayable in the event that the conditions specified by the donor or grantor are not adhered to.

(ii) Unrestricted funds

Unrestricted income funds are donations and other incoming resources received or generated for charitable purposes which can be used at the discretion of Simon Community (Galway) in furtherance of the objects of the Charity.

(iii) Designated funds

Simon Community (Galway) aims to maintain its housing properties in good condition and repair. The designated property maintenance fund represents unrestricted funds allocated for the future maintenance and development of the Community's housing properties. The designated strategic development reserve represents funds approved by the board to be used to fund development and operational costs that could not be funded from annual revenue funding.

(h) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any attributable Value Added Tax (VAT) which cannot be recovered as charities are tax exempt.

Expenditure expended is allocated to the particular activity or service where the cost relates directly to that activity or service. The costs of supporting activities, training, volunteers and overall direction are reallocated to each activity or project based mainly on staff and volunteer numbers and utilisation.

Expenditure on raising funds includes the staff time directly spent on raising funds, the cost of producing and disseminating communication material, and the delivery of fundraising events. The costs are expensed when they are incurred although the benefit in terms of funds raised may occur in a future period.

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

1. Accounting Policies - continued

(i) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at historical cost or deemed cost less accumulated depreciation. Costs include the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

The company's property, plant and equipment are deemed to be held for its service potential. Where there are indicators that the assets are not delivering on their anticipated service potential, consideration is given as to whether the asset is impaired or not. Accordingly, an impairment of these fixed assets will only arise where the asset suffers impairment in a physical sense resulting in physical damage or the assets are not delivering on their anticipated service potential.

The charge for depreciation is calculated to write off the cost over the expected useful lives of the assets concerned. Tangible fixed assets purchased for less than €3,000 are expensed in the Statement of Financial Activities in the year of purchase. The annual depreciation rates are as follows:

| | | |
|---------------------------------|---|--|
| Furniture, Fixtures & Equipment | - | 10% Reducing Balance/ New Additions 10% Straight Line |
| Motor Vehicles | - | 25% Reducing Balance/ New Additions 25% Straight Line |
| Premises | - | 2% Straight Line excluding site element (estimated at 40%) |
| Shop Fittings & Fixtures | - | 10% Straight Line |
| Computer/IT Equipment | - | 33% Straight Line |

The company's policy is to review the remaining useful economic lives and residual values of property, plant and equipment on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful economic life and residual value.

Fully depreciated property, plant & equipment are retained in the cost of property, plant & equipment and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the Statement of Financial Activity.

(j) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

(k) Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(m) Employee benefits

(i) Defined contribution Plan

Pension benefits for employees are met by payments to a defined contribution pension scheme. The company's contributions to this scheme are charged to the statement of financial activities on an accruals basis.

(ii) Short term benefits

Short term employees' benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

1. Accounting Policies - continued

(n) Donated good, facilities and services, including volunteers

Goods and services donated for which the value can be measured reliably are included in income and related expenditure.

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised in the financial statements. Please refer to the review of activities section within directors' report for more information about the volunteers' contribution to Simon Community (Galway).

(o) Critical accounting judgements and estimation uncertainty

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 10 and 11 or the carrying amount of the tangible fixed assets, and note 1 for the useful economic lives for each class of tangible fixed assets.

(ii) Recognition of bequests

When Simon Community (Galway) is made aware of a potential bequest, estimates and assumptions are made concerning the probable timing of any income and eventual value of the bequest income, in assessing when that income should be recognised.

(iii) Going concern

A change in government policy with regards the grant funding provided could have a negative impact on the services the organisation is able to provide and the ability of Simon Community (Galway) to continue to operate as a going concern. The directors, after making enquiries and having considered the organisation's financial position and expected future cash flows, conclude there are no material uncertainties about the organisation's ability to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

2. Prior Period Adjustment due to change in accounting policy

| Balance Sheet as at 31st December 2015 | Audited 2015 € | Prior year Adjustment € | 2015 As restated € |
|---|-------------------------|-------------------------------|--------------------------|
| Fixed assets | | | |
| Properties | 7,054,286 | | 7,054,286 |
| Other tangible assets | 13,112 | | 13,112 |
| Total fixed assets | <u>7,067,398</u> | | <u>7,067,398</u> |
| Current assets | | | |
| Debtors | 223,163 | | 223,163 |
| Bank | 2,440,738 | | 2,440,738 |
| Total current assets | <u>2,663,901</u> | | <u>2,663,901</u> |
| Liabilities: | | | |
| Creditors (amounts falling due within one year) | 722,036 | (46,751) | 675,285 |
| Net current assets | 1,941,865 | | 1,988,616 |
| Total assets less current liabilities | <u>9,009,263</u> | | <u>9,056,014</u> |
| Creditors (amounts falling due after more than one year) | 4,502,458 | | 4,502,458 |
| Net assets | <u><u>4,506,805</u></u> | | <u><u>4,553,556</u></u> |
| The Funds of the charity: | | | |
| Capital grants | 64,191 | (64,191) | - |
| Capital reserve | 9,368 | | 9,368 |
| Unrestricted funds | 1,357,837 | | 1,357,837 |
| Restricted Funds | - | 110,942 | 110,942 |
| Designated maintenance reserve | 556,789 | | 556,789 |
| Designated strategic development reserve | 273,465 | | 273,465 |
| CAS loan payments relieved fund | 2,245,155 | | 2,245,155 |
| Total charity funds | <u><u>4,506,805</u></u> | - | <u><u>4,553,556</u></u> |

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

2. Prior Period Adjustment due to change in accounting policy continued

| | Audited 2015 | Prior year Adjustment | As restated |
|--|------------------|--------------------------|------------------|
| Statement of Financial Activities | | | |
| Income and endowments from: | € | € | € |
| Donations | 393,861 | 12,850 | 406,711 |
| Legacies | 11,112 | | 11,112 |
| Other fundraising activities | 112,177 | | 112,177 |
| Charitable Activities | 2,517,962 | 45,024 | 2,562,986 |
| Other Trading Activities | 746,901 | | 746,901 |
| Interest | 27,863 | | 27,863 |
| Other Income | 213,554 | | 213,554 |
| Total Income | 4,023,430 | 57,874 | 4,081,304 |
| Expenditure on: | | | |
| Costs of raising funds | 452,151 | 156 | 452,307 |
| Provision of homeless services | 3,327,157 | 2,485 | 3,329,642 |
| Community employment scheme | 269,307 | | 269,307 |
| Total Expenditure | 4,048,615 | 2,641 | 4,051,256 |
| Capital Assistance Scheme Loan repayments relieved | 247,942 | | 247,942 |
| Net income/(expenditure) before transfers | 222,757 | 55,233 | 277,990 |
| Transfers between funds | | | |
| Transfer to restricted fund deficit | - | | - |
| Transfer to/from designated funds | - | | - |
| Net movement in funds | 222,757 | 55,233 | 277,990 |
| Reconciliation of funds: | | | |
| Total Funds brought forward | 4,210,489 | 55,709 | 4,266,198 |
| Total funds carried forward | 4,433,246 | 110,942 | 4,544,188 |

Under FRS 102 the company adopted an accounting policy to recognise all grants on an accruals basis as opposed to on a performance basis. However, under FRS 102 Charities SORP all grants including capital grants should be recognised as income on the Statement of Financial Activities on a performance basis (i.e. when a charity has entitlements to the funds, any performance conditions attached to the grants have been met, it is probable that income will be received and the amount can be measured reliably). Given that the Charities SORP represents best practice for all charities, the directors believe the change in accounting policy is required.

As a result of the change in accounting policy from accruals to performance basis, the amounts previously recognised as Other funds received in advance of €46,751 and capital grants of €64,191 have been released to the Restricted Reserve Fund, as the grants were given for specific purposes.

Capital grant amortisation of €2,643, recognised in the expenditure for the year ended 31 December 2015 and accounted for under the accruals model, has been reversed and will now be transferred from the Restricted Reserve Funds to Unrestricted Reserve Funds on the same basis as the tangible fixed assets depreciated.

Capital grants of €11,125 and other funds received in advance of €46,749 previously recognised as deferred income on the Balance Sheet under the accruals accounting policy, have now been recognised as income in the Statement of Financial Activities totalling €57,874

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

3. Income from Charitable Activities – Grant Information

| Agency | Type | Term of grant | Performance Conditions | Total grant awarded over term | Grant taken to income in year ended 31.12.2016 | Grant amount received in year ended 31.12.2016 | Grant amount carried forward in restricted funds at 31.12.2016 | Grant amount due at the 31.12.2016 |
|--|---------|-------------------------|---|-------------------------------|--|--|--|------------------------------------|
| | | | | € | € | € | € | € |
| Health Services Executive | Service | 01/01/2016 – 31/12/2016 | Provision of homeless services | 1,681,127 | 1,681,127 | 1,590,500 | - | 83,644 |
| Galway City Council | Service | 01/01/2016 – 31/12/2016 | Provision of homeless services and tenancy sustainment supports | 731,345 | 731,345 | 731,345 | 43,946 | - |
| Galway County Council | Service | 01/01/2016 – 31/12/2016 | Provision of a drop in resource centre and tenancy sustainment supports | 62,500 | 62,500 | 62,500 | - | - |
| Health Services Executive – Drugs Task Force | Service | 01/01/2016 – 31/12/2016 | Counselling Service for substance misuse | 56,319 | 56,319 | 56,319 | - | - |
| Túsla | Service | 01/01/2016 – 31/12/2016 | Provision of homeless services specifically for Youth Service | 20,000 | 20,000 | 20,000 | - | - |
| Léargas | Service | 01/01/2016 – 31/12/2016 | European Voluntary Service Funding with conditions including training and the supervision of full time volunteers | 39,997 | 39,997 | 39,997 | - | - |
| Department of Social Protection | Service | 01/01/2016 – 31/12/2016 | Community Employment Scheme funding for 16 participants | 232,199 | 232,199 | 232,199 | - | - |
| St. Vincent de Paul Maureen O'Connell Fund | Service | 01/01/2015 – 31/12/2017 | Set up & provision of Youth Services. Funding drawn down based upon expenditure incurred in year | 80,000 | 39,145 | 39,145 | - | - |

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

3. Income from Charitable Activities – Grant Information continued

| Agency | Type | Term of grant | Performance Conditions | Total grant awarded over term | Grant taken to income in year ended 31.12.2016 | Grant amount received in year ended 31.12.2016 | Grant amount carried forward in restricted funds at 31.12.2016 | Grant amount due at the 31.12.2016 |
|--|---------|-------------------------|---|-------------------------------|--|--|--|------------------------------------|
| | | | | € | € | € | € | € |
| Loreto Foundation | Service | 01/01/2016 – 31/12/2017 | Funding for a holistic programme for client's aimed at reducing stress and anxiety levels | 5,370 | 5,370 | 5,370 | 1,130 | - |
| The Community Foundation for Ireland | Service | 01/12/2016 – 01/09/2017 | Older persons' fund 2016 grant for a specific project | 2,600 | 2,600 | 2,600 | 2,600 | - |
| The Community Foundation for Ireland | Service | 13/06/2016 – 13/06/2017 | To conduct a research project on families at risk of homelessness | 7,500 | 7,500 | 7,500 | 2,500 | - |
| Civil Service Charities Fund | Service | 01/01/2016 – 31/12/2016 | Funding towards a community vehicle | 5,000 | 5,000 | 5,000 | - | - |
| Galway Sports Partnership | Service | 01/01/2016 – 31/12/2016 | Funding towards exercise and fitness programmes for clients | 480 | 480 | 480 | - | - |
| Galway City Council | Service | 01/01/2016 – 31/12/2016 | Social inclusion grant scheme – funding towards community allotment gardening costs | 300 | 300 | 300 | - | - |
| Total restricted income from grants | | | | 2,924,737 | 2,883,882 | 2,793,255 | 50,176 | 83,644 |

Notes:

- All grants received are for restricted use and the performance conditions attaching to the grants are listed above.
- Tax Clearance Compliance with Circulars - The company have complied with relevant Circulars, including Circular 44/2006 'Tax Clearance Procedures Grants, Subsidiaries and Similar Type Payments' (as issued by the Department of Public Expenditure and Reform in September 2014) by providing tax clearance access numbers to grant providers when requested throughout the year to enable online verification of tax clearance via the Revenue online tax clearance system.

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

| 4. Other Trading Activities | 2016 Total € | 2015 Total € |
|------------------------------------|-----------------------------|-----------------------------|
| Retail Income from Charity Shops | 478,479 | 415,531 |
| Rental income | 353,586 | 331,370 |
| | <u>832,065</u> | <u>746,901</u> |

| 5. Other Income | 2016 Total € | 2015 Total € |
|---|-----------------------------|-----------------------------|
| Funding for the provision of additional services in County Galway | 5,383 | - |
| Recharge to NorthWest Simon Community for services provided | 23,801 | - |
| Proceeds from insurance claim | 1,490 | - |
| Proceeds from sale of renovated furniture | 312 | - |
| Miscellaneous items | 1,203 | 3,898 |
| Capital reserve released upon sale of property | - | 63,487 |
| Gain on sale of property | - | 146,169 |
| | <u>32,189</u> | <u>213,554</u> |

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

6. Breakdown of Costs of Charitable Activity

Expenditure on charitable activities has been classified to comply with Charity SORP (FRS 102). Such costs include the direct costs of providing homeless services together with those support costs (training, volunteering, finance and administration costs) incurred that enable these activities to be undertaken. These have been allocated across the activities based on staff and volunteer numbers and utilisation.

Total support costs for 2016 of €452,796 were 10% of the total expenditure (2015 €414,631: 10%) and include headcount costs of €336,103 and administration costs of €114,275. These costs are reflected in the Statement of Financial Activity and a breakdown is included in the table below:

| Expenditure on Charitable Activities | Staff costs € | Direct costs € | Depreciation € | Training & volunteering costs € | Support costs € | Total € |
|---|---------------------|----------------------|-------------------|--|-----------------------|------------------|
| For the year ended 31 December 2016 | | | | | | |
| Homeless services | 2,427,144 | 620,352 | 95,025 | 111,136 | 379,707 | 3,633,364 |
| Community Employment Scheme | 221,320 | 12,361 | - | - | 34,624 | 268,305 |
| Raising funds | 245,878 | 229,225 | 7,272 | 2,419 | 38,465 | 523,259 |
| Training & volunteering | 2,989 | 110,307 | 2,677 | (115,973) | - | - |
| Support Costs | 336,103 | 114,275 | - | 2,418 | (452,796) | - |
| Total | 3,233,434 | 1,086,520 | 104,974 | - | - | 4,424,928 |

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

6. Breakdown of Costs of Charitable Activity continued

| Expenditure on Charitable Activities | Staff costs € | Direct costs € | Depreciation € | Training & volunteering costs € | Support costs € | Total € |
|---|---------------------|----------------------|-------------------|--|-----------------------|------------------|
| For the year ended 31 December 2015 | | | | | | |
| Homeless services | 2,318,663 | 439,901 | 95,965 | 118,979 | 356,134 | 3,329,642 |
| Community Employment Scheme | 223,333 | 14,464 | - | - | 31,510 | 269,307 |
| Raising funds | 191,273 | 228,635 | 1,685 | 3,727 | 26,987 | 452,307 |
| Training & volunteering | 20,935 | 106,628 | 1,339 | (128,902) | - | - |
| Support Costs | 322,502 | 85,933 | - | 6,196 | (414,631) | - |
| Total | 3,076,706 | 875,561 | 98,989 | - | - | 4,051,256 |

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

| 7. Net Income | 2016 | 2015 |
|--|-------------|-------------|
| | € | € |
| Net income is stated after charging/(crediting): | | |
| Staff Costs (Note 8) | 3,233,434 | 3,076,706 |
| Directors remuneration | - | - |
| Auditors' remuneration | 4,920 | 4,920 |
| Depreciation | 104,974 | 98,989 |
| Profit on disposal of fixed assets | (520) | (148,169) |
| Release of capital reserve on sale of property | - | (63,487) |

8. Employees and Remuneration

| The average number of employees during the year was as follows: | 2016 | 2015 |
|---|-------------|-------------|
| | No. | No. |
| CEO | 1 | 1 |
| Head of Client Services | 1 | 1 |
| HR Manager (part-time) | 1 | 1 |
| Financial Controller (part-time) | 1 | 1 |
| Fundraising Team | 4 | 2 |
| Team Leaders | 4 | 4 |
| Housing Support Care Staff | 25 | 25 |
| Housing Officer | 1 | 1 |
| Quality & Best Practice Co-Ordinator | 1 | 1 |
| Relief Care Staff | 35 | 30 |
| Multi-Disciplinary Team | 4 | 4 |
| Office Manager/Administrator | 1 | 1 |
| Accounts Department | 2 | 2 |
| CE Supervisor & Training Co-ordinator | 1 | 1 |
| Shop Supervisor | 2 | 2 |
| Van Driver (part-time) | 1 | 1 |
| CE Scheme Participants | 15 | 15 |
| | <u>100</u> | <u>93</u> |
| | ===== | ===== |

| Employment Costs | 2016 | 2015 |
|-------------------------|------------------|------------------|
| | € | € |
| Wages and salaries | 2,874,452 | 2,739,862 |
| Social security costs | 286,721 | 270,764 |
| Pension costs | 72,261 | 66,080 |
| | <u>3,233,434</u> | <u>3,076,706</u> |
| | ===== | ===== |

The number of employees receiving remuneration over €60,000 in the year was as follows:

| Salary | 2016 | 2015 |
|--------------------|-------------|-------------|
| €60,001 to €70,000 | - | - |
| €70,001 to €80,000 | - | - |
| €80,001 to €90,000 | 1 | 1 |

Pension costs for these higher paid employees amounted to €4,067 in 2016 (2015 €4,071). The company's Chief Executive, Bill Griffin, received a gross salary of €81,350.

Simon Community (Galway) employs staff as participants in FÁS sponsored Community Employment Schemes. The company additionally engages full-time volunteers directly involved in providing services for homeless persons.

Simon Community (Galway)
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9. Taxation

The organisation is a registered charity within the meaning of Section 208, Income Taxes Consolidation Act 1997. The registration exempts the company from any liability to Corporation Tax on surpluses arising from ordinary activities.

10. Properties

| Housing properties | Volunteer Accommodation | Men's High Support | Resettlement Service | Women's & Low/Medium/ Outreach support | Total |
|---|----------------------------|-----------------------|-------------------------|---|------------------|
| Cost | € | € | € | € | € |
| 1st January 2016 | 223,088 | 2,787,243 | 1,534,549 | 3,279,849 | 7,824,729 |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| | | | | | |
| 31st December 2016 | 223,088 | 2,787,243 | 1,534,549 | 3,279,849 | 7,824,729 |
| | | | | | |
| Depreciation | | | | | |
| 1st January 2016 | 1,338 | 344,886 | 113,199 | 311,020 | 770,443 |
| Disposals | - | - | - | - | - |
| Charge for the year | 2,677 | 33,449 | 19,330 | 39,615 | 95,071 |
| | | | | | |
| 31st December 2016 | 4,015 | 378,335 | 132,529 | 350,635 | 865,514 |
| | | | | | |
| Net book value | | | | | |
| At 31st December 2016 | 219,073 | 2,408,908 | 1,402,020 | 2,929,214 | 6,959,215 |
| | | | | | |
| At 31 st December 2015 | 221,750 | 2,442,357 | 1,421,350 | 2,968,829 | 7,054,286 |

Simon Community (Galway)
(Company Limited by Guarantee without having a Share Capital)

10. Properties (continued) Prior Year

| Housing properties | Volunteer Accommodation | Men's High Support | Resettlement Service | Women's & Low/Medium/ Outreach support | Total |
|------------------------------|----------------------------|-----------------------|-------------------------|---|------------------|
| Cost | € | € | € | € | € |
| 1st January 2015 | 73,627 | 2,787,243 | 1,508,137 | 3,279,849 | 7,648,856 |
| Additions | 223,088 | - | 26,412 | - | 249,500 |
| Disposals | (73,627) | - | - | - | (73,627) |
| <hr/> | | | | | |
| 31st December 2015 | 223,088 | 2,787,243 | 1,534,549 | 3,279,849 | 7,824,729 |
| <hr/> | | | | | |
| Depreciation | | | | | |
| 1st January 2015 | 20,338 | 311,220 | 93,869 | 271,401 | 696,828 |
| Disposals | (20,338) | - | - | - | (20,338) |
| Charge for the year | 1,339 | 33,666 | 19,330 | 39,619 | 93,953 |
| <hr/> | | | | | |
| 31st December 2015 | 1,338 | 344,886 | 113,199 | 311,020 | 770,443 |
| <hr/> | | | | | |
| Net book value | | | | | |
| At 31st December 2015 | 221,750 | 2,442,357 | 1,421,350 | 2,968,829 | 7,054,286 |
| <hr/> | | | | | |
| At 31st December 2014 | 53,289 | 2,476,023 | 1,414,268 | 3,008,448 | 6,952,028 |
| <hr/> | | | | | |

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11. Other Tangible Fixed Assets

| | Computer Equipment | Furniture & Fittings | Office Equipment | Motor Vehicles | Total |
|---|-----------------------|-------------------------|---------------------|----------------|---------------|
| Cost | € | € | € | € | € |
| Balance at 1st January 2016 | 33,055 | 263,499 | 59,879 | 83,035 | 439,468 |
| Additions | - | - | - | 26,100 | 26,100 |
| Disposals | - | - | - | (23,700) | (23,700) |
| Balance at 31st December 2016 | 33,055 | 263,499 | 59,879 | 85,435 | 441,868 |
| Depreciation | | | | | |
| Balance at 1st January 2016 | 33,055 | 251,387 | 59,879 | 82,035 | 426,356 |
| Charge for the year | - | 2,732 | - | 7,171 | 9,903 |
| Disposals | - | - | - | (22,720) | (22,720) |
| Balance at 31st December 2016 | 33,055 | 254,119 | 59,879 | 66,486 | 413,539 |
| Net book value | | | | | |
| At 31st December 2016 | - | 9,380 | - | 18,949 | 28,329 |
| At 31 st December 2015 | - | 12,112 | - | 1,000 | 13,112 |
| Other Tangible Fixed assets Prior Year | | | | | |
| Cost | € | € | € | € | € |
| Balance at 1st January 2015 | 33,055 | 263,499 | 59,879 | 90,035 | 446,468 |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | (7,000) | (7,000) |
| Balance at 31st December 2015 | 33,055 | 263,499 | 59,879 | 83,035 | 439,468 |
| Depreciation | | | | | |
| Balance at 1st January 2015 | 33,055 | 248,623 | 59,879 | 86,763 | 428,320 |
| Charge for the year | - | 2,764 | - | 2,272 | 5,036 |
| Disposals | - | - | - | (7,000) | (7,000) |
| Balance at 31st December 2015 | 33,055 | 251,387 | 59,879 | 82,035 | 426,356 |
| Net book value | | | | | |
| At 31st December 2015 | - | 12,112 | - | 1,000 | 13,112 |
| At 31 st December 2014 | - | 14,876 | - | 3,272 | 18,148 |

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| | 2016 | 2015 |
|--|----------------|----------------|
| | € | € |
| 12. Debtors | | |
| Accounts receivable | 147,751 | 29,542 |
| Deposit paid on property | - | 57,500 |
| Community Employment grant | 11,314 | 7,046 |
| Health Service Executive grant retention | 83,644 | 81,900 |
| Other debtors | 27,486 | 14,743 |
| Sundry debtors | 11,900 | 32,432 |
| | <u>282,095</u> | <u>223,163</u> |

| | 2016 | 2015 |
|--|----------------|----------------|
| | € | € |
| 13. Creditors (Amounts falling due within one year) | | |
| Trade creditors and accruals | 428,269 | 308,862 |
| PAYE/PRSI | 70,729 | 69,759 |
| Relevant Contracts Tax | 12,978 | - |
| Other funds received in advance | 36,286 | - |
| Other creditors | 32,827 | 48,722 |
| Capital Assistance Scheme Loans (Note 14) | 247,942 | 247,942 |
| | <u>829,031</u> | <u>675,285</u> |

14. Creditors (Amounts falling due after more than one year)

| | 2016 | 2015 |
|--|------------------|------------------|
| | € | € |
| Outstanding Loans under the Capital Assistance Schemes | <u>4,502,458</u> | <u>4,750,400</u> |
| These loans are repayable in the following periods after the 31st December | | |
| Within one year | <u>247,942</u> | <u>247,942</u> |
| Between one and two years | 495,883 | 495,883 |
| Between two and five years | 743,825 | 743,825 |
| After five years | <u>3,014,808</u> | <u>3,262,750</u> |
| | <u>4,254,516</u> | <u>4,502,458</u> |

Loans under Capital Assistance Schemes are received by Simon Community (Galway) from the local authority, Galway City Council, by way of mortgage, and are repayable over the repayment periods for each funding agreement ranging from 20 to 30 years. Galway City Council has a charge over Simon Community (Galway) properties as security for the finance provided. Under the terms of the mortgage, Simon Community (Galway) is relieved of monthly capital and interest payments so long as it is in compliance with specific conditions set out in the relevant mortgage agreement, primarily with respect to the use and upkeep of the related properties. Under the terms of the Capital Assistance Schemes, the amounts repayable to the local authority as at the balance sheet date of €4,502,458 (2015: €4,750,400) represent the aggregate finance received to date as reduced by the cumulative repayments relieved to date of €2,493,097 (2015: €2,245,155).

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15. Capital Reserves

Capital reserves are represented by an amount of €9,368 being the excess of assets over liabilities transferred to the company by the Trustees of Simon Community (Galway) on commencement of operations on 1st June 1989. In 2016, it was decided that capital reserves can be transferred to accumulated restricted reserve (see note 16 below).

| 16. Reserves | Unrestricted Funds: CAS Loan payments waived (ref to Note 14) | Accumulated Restricted Reserve | Accumulated Unrestricted Reserve | Designated Property Maintenance Reserve | Designated Strategic Development Reserve | Total Reserve Funds |
|---|--|--------------------------------------|--|--|---|---------------------------|
| | € | € | € | € | € | € |
| 1st January 2016 | 2,245,155 | 110,942 | 1,357,837 | 556,789 | 273,465 | 4,544,188 |
| Net incoming resources | 247,942 | 35,465 | (110,785) | 64,904 | - | 237,526 |
| Transfer of capital reserve into Restricted reserve | | 9,368 | | | | 9,368 |
| Transfers between Reserves | - | - | 65,623 | | (65,623) | - |
| 31 st December 2016 | 2,493,097 | 155,775 | 1,312,675 | 621,693 | 207,842 | 4,791,082 |

| 17. Reserves Continued Prior Year | Accumulated CAS Loan payments waived (ref to Note 12) | Accumulated Restricted Reserve | Accumulated Unrestricted Reserve | Designated Property Maintenance Reserve | Designated Strategic Development Reserve | Total Reserves |
|--------------------------------------|--|--------------------------------------|--|--|---|-------------------|
| | € | € | € | € | € | € |
| 1st January 2015 | 1,997,213 | 55,709 | 1,152,014 | 520,000 | 541,262 | 4,266,198 |
| Net incoming resources | 247,942 | 55,233 | (86,724) | 61,539 | - | 277,990 |
| Transfers between Reserves | - | - | 292,547 | (24,750) | (267,797) | - |
| 31 st December 2015 | 2,245,155 | 110,942 | 1,357,837 | 556,789 | 273,465 | 4,544,188 |

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Designated Funds

In 2015, a decision was taken by the Board of Directors to account for the company reserves as follows:

- (i) An unrestricted reserve to cover risks related to funding which would allow the continuance of services without major disruption to clients of Simon Community (Galway). This category should ideally be held at 4 months of operating costs.
- (ii) A designated property maintenance reserve to cover major repairs and renewals beyond maintenance for Simon Community (Galway) Housing Stock.
- (iii) A designated strategic development reserve to fund development and operational costs that could not be funded from annual revenue funding.

Designated Strategic Development Reserve

Simon Community (Galway) is operating in an environment where statutory funding is not guaranteed. Publicly raised funds are under pressure now as never before due to the effect of the prolonged recession. In this environment continuous accumulation of unrestricted reserves beyond what is deemed reasonable is not acceptable for an organisation whose statutory and publicly raised funds should maximise service delivery to our clients.

Simon Community (Galway's) Strategic Plan will only be delivered if long term changes to our service delivery model are achieved. These changes are designed to yield long term benefits and require a designated fund to enable their implementation. Upon review by the Board of Directors, it has been decided that €207,842 should be designated to fund strategic development in 2017.

Designated Maintenance Reserve

The transfer of monies into the designated maintenance reserve in the year of €64,904 is for the future maintenance of the company's housing properties. The annual transfer from the unrestricted revenue reserve is calculated at a rate of 20% of the annual rental income received. The reserve is reviewed annually and it was decided that a total of €621,693 is adequate based upon current property portfolio. A stock condition survey will be carried out in 2017 and the directors will review the adequacy of the reserve to ensure adequate to meet future maintenance costs. The reserve will be released to the income and expenditure account as the related maintenance and repairs are incurred.

Unrestricted Reserve

The Board of Directors believe that the company should hold financial reserves as:

- (i) the company has no endowment funding and is entirely dependent on grants and donor funding for income which is inevitably subject to fluctuations;
- (ii) the company requires protection against and the ability to continue operating despite catastrophic or lesser but damaging events.

The Directors believe that the minimum level of reserves should be the equivalent of four months operating costs, calculated and reviewed annually. As at 31 December 2016, accumulated unrestricted reserves represented 3.3 months of budgeted operational expenditure.

18. Limited Liability

The company is limited by guarantee and does not have a share capital. Each member's liability in the event of a winding up will not exceed €2.

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| 19. Reconciliation of net income / (expenditure) to net cash flow from operating activities | 2016 | 2015 |
|--|----------------|----------------|
| | € | € |
| Net income/(expenditure) per Statement of Financial Activities | (10,415) | 30,046 |
| Adjustments for: | | |
| Depreciation | 104,974 | 98,989 |
| Release of capital reserve on sale of property | - | (63,487) |
| profit on disposal of fixed assets | (520) | (148,169) |
| (Increase)/decrease in debtors | (58,932) | 392 |
| Increase/(decrease) in creditors | 153,745 | 104,889 |
| Bank interest received | (13,770) | (27,863) |
| Net cash used in operating activities | 175,082 | (5,203) |

| 20. Analysis of cash and cash equivalents | 2016 | 2015 |
|--|------------------|------------------|
| | € | € |
| Cash in hand | 212,979 | 276,390 |
| Notice deposits | 2,392,011 | 2,164,348 |
| Total Cash and cash equivalents | <u>2,604,990</u> | <u>2,440,738</u> |

21. Capital commitments and contingent liabilities

Capital commitments

There were no capital commitments as at 31st December 2016 (2015: nil).

Contingent Liabilities

There were no contingent liabilities as at 31st December 2016 (2015: nil).

22. Related Party

There were no related party transactions during the year.

23. Controlling Parties

Simon Community (Galway) is controlled by its members.

24. Approval of Financial Statements

The financial statements were approved and authorised for issue by the board on 4th May 2017.