

Company registration number: 403438

**North West Simon Community CLG
(A Company Limited by Guarantee and not having Share Capital)**

Financial statements

for the financial year ended 31 December 2017

North West Simon Community CLG
(A Company Limited by Guarantee and not having Share Capital)

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North West Simon Community CLG
Company limited by guarantee

Directors and other Information

| | |
|--------------------------|---|
| Directors | Simon Stephens (Chairperson) Cathleen Dolan Fiona Egan (to 14 February 2018) Jimmy Harte (to 13 October 2017) Seamus Joseph Henry Margaret Heffernan Eileen Magnier Noel McGinley (to 13 October 2017) |
| Secretary | Simon Stephens (to 13 October 2017) Fiona Egan (from 13 October 2017 to 14 February 2018) Seamus Joseph Henry (from 14 February 2018) |
| Company number | 403438 |
| CHY number | 16939 |
| Charity number | 20062149 |
| Registered office | 23 Mail Coach Road Sligo |
| Business address | 4 JFK Parade Sligo |
| Auditor | Stewart & MacLochlainn Chartered accountants & registered auditors Portland House Port Road Letterkenny Co. Donegal |
| Bankers | Allied Irish Bank Ballyshannon / Bundoran Co. Donegal KBC Bank Ireland Plc Sandwith Street Dublin 2 |
| Solicitors | Kelly & Ryan Solicitors Teeling Street Sligo |

North West Simon Community CLG
(A Company Limited by Guarantee and not having Share Capital)

Directors report

The Directors present their report and the audited financial statements for the year ended 31st December 2017.

Vision

The vision of North West Simon Community is that Donegal, Leitrim and Sligo are places where individuals and families who need it have the appropriate support to access a home of their own and the supports necessary to sustain this.

Mission

We develop and facilitate services to respond to the individual needs of persons who are homeless or at risk of homelessness.

We advocate, educate and campaign for each person's right to an appropriate home of their own and the services necessary to support this.

We continue to develop our organisational capacity to realise our vision, mission and values.

Values

Person Centred: People are at the core of our services and our focus is on responding to their needs.

Accountability: We conduct our business in an ethical, democratic and fair way.

Partnership: Our principle partners are the people to whom we provide services. In addition, we work to establish and maintain collaborative partnerships with other organisations in the statutory and voluntary sectors and with the other members of the Simon Communities of Ireland.

Justice & Equality: We work to actively promote the human rights of individuals and their right to participate in society.

Quality: We are committed to the highest possible standard of provision in our services and all our activities.

Directors of the Company

The present membership of the board is listed on page 1.

Interests of directors and company secretary

The company is limited by guarantee and does not have any share capital. Therefore the directors and secretary who served during the year did not have a beneficial interest in the company. All directors serve in a voluntary capacity.

Review of Activities

North West Simon Community began providing services in the North West Region in May 2008 and in the intervening years have provided an increasing range of supports, training, and accommodation and advocacy services to people who are homeless or at risk of becoming homeless.

We currently provide accommodation with varying degrees of support as required. In addition, North West Simon Community also provide a tenancy sustainment service in Donegal, Leitrim and Sligo which aims to prevent homelessness and a resettlement service to assist clients especially at a time of crisis.

North West Simon Community CLG
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Directors report (continued)

Significant Developments during the year included:

- North West Simon Community continues to work in close partnership with Galway Simon Community. Discussions about the future relationship between both companies are ongoing.
- Donegal County Council have agreed in principle to the transfer of 12 apartments from North West Simon Community which is currently underway.

Overview of Current Services:

Supported Housing

North West Simon Community believes that each person has a right to an appropriate home of their own with the necessary supports to achieve this. To this end we provide high quality accommodation with supports in Letterkenny: 31 apartments (block of 12 apartments currently unoccupied and in the process of being transferred to Donegal County Council for refurbishment) which were purchased since 2007 under the Capital Assistance Scheme and 12 social and affordable housing units leased from Donegal County Council. From 2017 North West Simon Community also provides accommodation in 2 family housing units in Co. Leitrim. In 2017 North West Simon Community provided accommodation to 37 households.

Tenancy Sustainment Service

Shelter, Scotland defines tenancy sustainment as "Preventing a tenancy from coming to a premature end by providing the necessary information, advice, and support for tenants to be able to maintain their tenancies."

In 2017 we provided support to a total of 177 households; 43 in Leitrim, 63 in Donegal and 71 in Sligo. There were 192 children in these households. We had 86 new referrals to our services. The success of this community based support model resulted in only two people who we were working to support, having to access emergency services.

Increasingly there is demand for support with resettlement as opposed to tenancy support for the following reasons:

- Rising market rents meant that the gap between what is being asked of tenants and the levels of housing assistance payments is widening resulting in a decrease in the number of properties that people reliant on Social Welfare can afford.
- Some homes were re-possessed by banks during the year and put up for sale which meant that tenants had to source new accommodation in an already stretched market.

Financial Review & Uncertainties

The results for the year as set out on pages 9 and 10 are considered satisfactory by the Board. Overall income decreased by €33,140 during the year and the overall deficit has increased from €27,709 to €104,784.

Fundraising income decreased by 6% to a total of €236,830 primarily due to a reduction in the amount distributed from Simon Communities of Ireland of €38,957 which varies year on year depending on bequests received. We anticipate an increase in funds of approximately €83,000 from Simon Communities of Ireland due to a large bequest to be distributed in 2018 which will enable the recruitment of a Team Leader post.

Expenditure increased by 8% to a total of €608,464 which includes additional expenditure relating to the office relocation and the set up of a charity shop in Sligo town. It is envisaged that the charity shop, once established, will generate much needed funds towards the cost of delivering tenancy sustainment services in the region.

We are very grateful to all those who attend events and give donations to support the work of North West Simon Community. The lack of sufficient statutory funding continues to be of concern however and although a prudent reserve is maintained, it is reducing. We will continue to campaign for increased funding from both public and private sources to fund increased demand for services in the region.

North West Simon Community CLG
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Directors report (continued)

Future Developments

North West Simon Community aims to:

- continue to advocate for and provide services to people who are homeless or at risk of homelessness;
- continue to work collaboratively with Galway Simon Community in 2018;
- recruit a Team Leader to oversee development of our services in the North West;
- further develop our retail outlet in Sligo to provide a new income stream to help respond to the increasing numbers of households seeking assistance.

Books of Account

The measures taken by the directors to ensure compliance with the requirements of section 281 to 285 of the Companies Act 2014, regarding proper books 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 books of account of the company are maintained at the Registered Office.

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 330 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.

Events since the balance sheet date

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

Political Contributions

The directors, on enquiring, have satisfied themselves that no political donations have been made by the company.

Auditors

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

This report was approved by the Board on 12th September 2018 and signed on its behalf by:

Simon Stephens
Director

Seamus Joseph Henry
Director

North West Simon Community CLG
(A Company Limited by Guarantee and not having Share Capital)

Directors responsibilities statement

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

Irish company law requires the directors to prepare financial statements for each financial 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, and promulgated by the Institute of Chartered Accountants in Ireland. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

On behalf of the board:

Simon Stephens
Director

Seamus Joseph Henry
Director

Date: 12th September 2018

**Independent auditor's report to the members of
North West Simon Community CLG (continued)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of North West Simon Community CLG for the financial year ended 31st December 2017 which comprise the income and expenditure account, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies set out in note 2. 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 31st December 2017 and of its loss for the financial 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 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 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 issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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
North West Simon Community CLG (continued)**

Opinions on other matters prescribed by the Companies Act 2014

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

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with applicable legal requirements.

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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

**Independent auditor's report to the members of
North West Simon Community CLG (continued)**

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

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

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

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

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

Patrick Keating

**For and on behalf of
Stewart & MacLochlainn
Chartered Accountants & Registered Auditors
Portland House
Port Road
Letterkenny
Co. Donegal**

12th September 2018

North West Simon Community CLG
(A Company Limited by Guarantee and not having Share Capital)

Income and expenditure account
Financial year ended 31st December 2017

| | Note | 2017 € | 2016 € |
|--|-------------|-------------------------|-------------------------|
| Income | 5 | 414,129 | 447,269 |
| Total income | | <u>414,129</u> | <u>447,269</u> |
| Administrative expenses | | (608,464) | (565,725) |
| Other operating income | 6 | 88,497 | 88,505 |
| Operating deficit | 7 | (105,838) | (29,951) |
| Other interest receivable and similar income | 9 | 1,054 | 2,242 |
| Deficit for the financial year | | <u>(104,784)</u> | <u>(27,709)</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 financial year as set out above.

The notes on pages 12 to 20 form part of these financial statements.

North West Simon Community CLG
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Balance sheet
As at 31st December 2017

| | Note | 2017 € | € | 2016 € | € |
|--|------|-------------|-----------|-------------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 10 | 3,762,584 | | 3,844,820 | |
| | | | 3,762,584 | | 3,844,820 |
| Current assets | | | | | |
| Debtors | 11 | 44,039 | | 55,155 | |
| Cash at bank and in hand | | 362,431 | | 431,256 | |
| | | 406,470 | | 486,411 | |
| Creditors: amounts falling due within one year | 13 | (122,465) | | (125,090) | |
| Net current assets | | 284,005 | | 361,321 | |
| Total assets less current liabilities | | 4,046,589 | | 4,206,141 | |
| Creditors: amounts falling due after more than one year | 14 | (3,738,028) | | (3,826,927) | |
| Net assets | | 308,561 | | 379,214 | |
| Capital and reserves | | | | | |
| Sinking fund reserve | 17 | 211,929 | | 177,798 | |
| Income and expenditure account | 17 | 96,632 | | 201,416 | |
| Members funds | | 308,561 | | 379,214 | |

These financial statements were approved by the board of directors on 12th September 2018 and signed on behalf of the board by:

Simon Stephens
Director

Seamus Joseph Henry
Director

The notes on pages 12 to 20 form part of these financial statements.

North West Simon Community CLG
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Statement of cash flows
Financial year ended 31st December 2017

| | 2017 | 2016 |
|---|-----------------|------------------|
| | € | € |
| Cash flows from operating activities | | |
| Deficit for the financial year | (104,784) | (27,709) |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible assets | 98,756 | 95,495 |
| Other interest receivable and similar income | (1,054) | (2,242) |
| Accrued expenses/(income) | 10,053 | (9,852) |
| <i>Changes in:</i> | | |
| Trade and other debtors | 11,116 | (28,945) |
| Trade and other creditors | (101,578) | 110,753 |
| Sinking fund reserve | 34,132 | 32,415 |
| Cash generated from operations | <u>(53,359)</u> | <u>169,915</u> |
| Interest received | 1,054 | 2,242 |
| Net cash (used in)/from operating activities | <u>(52,305)</u> | <u>172,157</u> |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (16,520) | (163,762) |
| Net cash used in investing activities | <u>(16,520)</u> | <u>(163,762)</u> |
| Net increase/(decrease) in cash and cash equivalents | (68,825) | 8,395 |
| Cash and cash equivalents at beginning of financial year | 431,256 | 422,861 |
| Cash and cash equivalents at end of financial year | <u>362,431</u> | <u>431,256</u> |

North West Simon Community CLG
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Notes to the financial statements
Financial year ended 31st December 2017

1. Company Information

North West Simon Community CLG is a limited company incorporated in the Republic of Ireland (Registered no 403438). The registered office is 23 Mail Coach Road, Sligo . The company is a registered charity which offers housing to the homeless and those at risk of homelessness in the North West of Ireland.

2. Accounting policies and measurement bases

Basis of preparation

These statutory financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and with the Companies Act 2014.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in Euro, which is the functional currency of the entity.

Going concern

At the Balance Sheet date, the company had net current assets of €284,005, an overall deficit for the year of €104,784 and members funds of €308,561. The directors believe that it would not be possible for the company to continue in operational existence without the continued support of grants and donations. These circumstances create material uncertainties over the future of the company. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company can generate sufficient funds to enable it meet its debts as they fall due. On this basis they consider it appropriate to prepare the financial statements on a going concern basis.

Income

Incoming resources have been included in the financial statements only when realised or when the ultimate cash realisation of same can be assessed with reasonable certainty. The company, in common with other similar organisations, derives a proportion of its income from voluntary donations and fundraising activities held by individuals/parties outside the control of the company. Income from fundraising, voluntary subscriptions and donations is necessarily recognised with effect from the time it is received into the company's bank accounts or entered into the company's accounting records.

North West Simon Community CLG
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Notes to the financial statements (continued)
Financial year ended 31st December 2017

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in the income and expenditure account. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in the income and expenditure account.

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 |
| Short leasehold property | - 20% | straight line |
| Fittings fixtures and equipment | - 12.5% | straight line |

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

North West Simon Community CLG
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Notes to the financial statements (continued)
Financial year ended 31st December 2017

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

North West Simon Community CLG
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Notes to the financial statements (continued)
Financial year ended 31st December 2017

Financial Instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in the income and expenditure account. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the income and expenditure account, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the income and expenditure account immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the income and expenditure account immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3. Judgements and key sources of estimation uncertainty

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is based on estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed regularly, and amended where necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

4. Limited by guarantee

The company is limited by guarantee not having a share capital. The liability of each member, in the event of the company being wound up, is one Euro (€1.00).

North West Simon Community CLG
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Notes to the financial statements (continued)
Financial year ended 31st December 2017

5. Income

Income arises from:

| | 2017 | 2016 |
|--|----------------|----------------|
| | € | € |
| Grants | 58,285 | 74,960 |
| Self generated income including fundraising events & shop, donations & rental income | 350,844 | 363,976 |
| Re-imburement of Costs | 5,000 | 8,333 |
| | <u>414,129</u> | <u>447,269</u> |

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

6. Other operating income

| | 2017 | 2016 |
|--------------------------------|---------------|---------------|
| | € | € |
| Amortisation of capital grants | 88,497 | 88,505 |
| | <u>88,497</u> | <u>88,505</u> |

7. Operating surplus/(deficit)

Operating deficit is stated after charging/(crediting):

| | 2017 | 2016 |
|--|--------------|--------------|
| | € | € |
| Depreciation of tangible assets | 98,756 | 95,495 |
| Fees payable for the audit of the financial statements | 1,476 | 1,476 |
| | <u>1,476</u> | <u>1,476</u> |

8. Staff costs

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

| | 2017 | 2016 |
|----------------|-------------|-------------|
| | Number | Number |
| Administrative | 7 | 7 |
| | <u>7</u> | <u>7</u> |

The aggregate payroll costs incurred during the financial year were:

| | 2017 | 2016 |
|--------------------|----------------|----------------|
| | € | € |
| Wages and salaries | 238,017 | 235,989 |
| | <u>238,017</u> | <u>235,989</u> |

North West Simon Community CLG
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Notes to the financial statements (continued)
Financial year ended 31st December 2017

9. Other interest receivable and similar income

| | 2017 | 2016 |
|---------------|--------------|--------------|
| | € | € |
| Bank deposits | 1,054 | 2,242 |
| | <u>1,054</u> | <u>2,242</u> |

10. Tangible assets

| | Freehold property | Short leasehold property | Fixtures, fittings and equipment | Total |
|-------------------------------|----------------------|--------------------------------|--|------------------|
| | € | € | € | € |
| Cost | | | | |
| At 1st January 2017 | 4,421,373 | - | 62,392 | 4,483,765 |
| Additions | - | 16,520 | - | 16,520 |
| At 31st December 2017 | <u>4,421,373</u> | <u>16,520</u> | <u>62,392</u> | <u>4,500,285</u> |
| Depreciation | | | | |
| At 1st January 2017 | 597,214 | - | 41,731 | 638,945 |
| Charge for the financial year | 88,427 | 3,304 | 7,025 | 98,756 |
| At 31st December 2017 | <u>685,641</u> | <u>3,304</u> | <u>48,756</u> | <u>737,701</u> |
| Carrying amount | | | | |
| At 31st December 2017 | <u>3,735,732</u> | <u>13,216</u> | <u>13,636</u> | <u>3,762,584</u> |
| At 31st December 2016 | <u>3,824,159</u> | <u>-</u> | <u>20,661</u> | <u>3,844,820</u> |

11. Debtors

| | 2017 | 2016 |
|---------------|---------------|---------------|
| | € | € |
| Trade debtors | 2,534 | 2,571 |
| Other debtors | 41,505 | 52,050 |
| Prepayments | - | 534 |
| | <u>44,039</u> | <u>55,155</u> |

The fair values of trade and other receivables approximate to their carrying amounts.

12. Cash and cash equivalents

| | 2017 | 2016 |
|--------------------------|----------------|----------------|
| | € | € |
| Cash at bank and in hand | 362,431 | 431,256 |
| | <u>362,431</u> | <u>431,256</u> |

North West Simon Community CLG
(A Company Limited by Guarantee and not having Share Capital)

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

13. Creditors: amounts falling due within one year

| | 2017 | 2016 |
|-------------------------------------|----------------|----------------|
| | € | € |
| Amounts owed to credit institutions | 828 | 18 |
| Trade creditors | 44,150 | 47,717 |
| Other creditors | 43,959 | 44,056 |
| Tax and social insurance: | | |
| PAYE and social welfare | 15,710 | 15,569 |
| Other income tax | - | 5,950 |
| VAT | - | 4,016 |
| Accruals | 17,818 | 7,764 |
| | <u>122,465</u> | <u>125,090</u> |

The repayment terms of creditors vary between on demand and ninety days. Trade creditors do not attract interest. Taxes are subject to the terms of the relevant legislation, interest accrues on any late payment of taxes. The terms of the accruals vary with related expenses.

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

| | 2017 | 2016 |
|----------------|------------------|------------------|
| | € | € |
| Capital grants | 3,738,028 | 3,826,927 |
| | <u>3,738,028</u> | <u>3,826,927</u> |

Capital grants include property loans linked to properties acquired under Capital Assistance Schemes from Donegal and Leitrim County Councils. The local authorities have a charge over North West Simon Community properties as security for the finance provided. Under the terms of the agreement North West Simon are relieved of monthly capital and interest repayments so long as it is in compliance with specific terms and conditions. Under the terms of the Capital Assistance Schemes, the amounts repayable to the local authority as at the balance sheet date of €3,738,028 (31st December 2016: €3,826,927) represent the aggregate finance received to date as reduced by the cumulative repayments relieved to date of €687,840 (31st December 2016: €598,343).

North West Simon Community CLG
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Notes to the financial statements (continued)
Financial year ended 31st December 2017

15. Capital grants

| | 2017 | 2016 |
|--|------------------|------------------|
| | € | € |
| At the start of the financial year | 3,826,927 | 3,758,282 |
| Grants received & other movements | (402) | 157,150 |
| Released to the income and expenditure account | (88,497) | (88,505) |
| At the end of the financial year | <u>3,738,028</u> | <u>3,826,927</u> |

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

| | 2017 | 2016 |
|--|------------------|------------------|
| | € | € |
| Recognised in creditors: | | |
| Deferred capital grants due after more than one year | <u>3,738,028</u> | <u>3,826,927</u> |

16. Financial instruments

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

| | 2017 | 2016 |
|--|------------------|------------------|
| | € | € |
| Financial assets that are debt instruments measured at amortised cost | | |
| Trade debtors | 2,534 | 2,571 |
| Other debtors | 41,505 | 52,584 |
| Cash at bank and in hand | 362,431 | 431,256 |
| | <u>406,470</u> | <u>486,411</u> |
| Financial liabilities measured at amortised cost | | |
| Bank and other loans | 828 | 18 |
| Trade creditors | 44,150 | 47,717 |
| Other creditors | 3,815,515 | 3,904,282 |
| | <u>3,860,493</u> | <u>3,952,017</u> |

North West Simon Community CLG
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Notes to the financial statements (continued)
Financial year ended 31st December 2017

17. Reserves

| | Income & Expenditure | Sinking fund | Total |
|------------------------------|-------------------------------------|-------------------------|--------------|
| | € | € | € |
| At 1st January 2017 | 201,416 | 177,798 | 379,214 |
| Loss for the financial year | (104,784) | - | (104,784) |
| Other movements | - | 34,131 | 34,131 |
| At 31st December 2017 | 96,632 | 211,929 | 308,561 |

As agreed by the Board of Directors a sinking fund reserve equivalent to 30% of rental income amounting to €34,131 has been provided for in the financial statements.

18. Ethical standards

As a small company under the provision of the APB in relation to ethical standards, we engage our auditors to provide accounts preparation services.

19. Controlling party

The company is under the control of the Board of Directors.

20. Approval of financial statements

The board of directors approved these financial statements for issue on 12 September 2018.