

Registration number 310139

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)

Directors' Report and Financial Statements
for the financial year ended 31 December 2018

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)

DIRECTORS AND OTHER INFORMATION

Chief Executive	Tony O'Riordan
Directors	Denis Doherty Seamus Dooley (Appointed 12 September 2018) Gráinne Hilton John Duffy Jean Quinn Eamonn Martin Karl McDonagh Hugh Clohessy Helena O'Donoghue (Resigned 23 November 2018) Julia Carmichael (Resigned 14 November 2018) Felix McKenna (Resigned 19 November 2018)
Company secretary	Felix McKenna
Charity number	CHY 13516
Registered office and business address	25 Cork Street Dublin 8 Ireland
Auditors	ECOVIS DCA Chartered Accountants and Statutory Audit firm 2 nd Floor, Behan House 10 Lower Mount Street Dublin 2
Bankers	Bank of Ireland Walkinstown Dublin 12 Ireland
Solicitors	H. O'Boyle & Co. 64 Booterstown Avenue Booterstown Co. Dublin Ireland

Sophia Housing Association Limited

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DIRECTORS' REPORT

for the financial year ended 31 December 2018

- Community integration through events and programmes;
- Housing Settlement and preparation for housing;
- Crisis/incident management;
- Development programmes for tenants;
- Case management;
- Health and well-being;
- Advocacy and liaison with statutory organisations and support services linking with healthcare, welfare, training and education, childcare and employment services;
- Practical support in stabilising chaotic behaviour relating to mental health, physical health and anti-social behaviour;
- Training and support in basic living skills;
- Organisational skills, budgeting, coordination of appointments and meetings;
- Therapeutic and divisional interventions;
- Provision of emotional and motivational support through promoting positive mental health, self-esteem and self-respect;
- Child protection and welfare;
- Parenting support and behavioural management issues; and
- Liaison with Family Court, mediation services, foster parents, and substance abuse support.

Strategic objectives

The strategic objectives of Sophia are to:

- Develop and expand services and facilities in response to identified needs;
- Develop and communicate awareness of the suitability of the Sophia service model as a means of achieving enduring solutions to the housing and personal needs of individuals and families who require more than just a place to live;
- Develop and foster the ethos of social justice and inclusion;
- Apply good governance and sound business principles to all activities;
- Value, develop and support the staff of Sophia as our most important resource;
- Develop a network of Wisdom Centres;
- Develop a network of Nurturing Centres in response to identified needs; and
- Develop a funding strategy suited to realising the strategic objectives.

Structure, governance and management

Sophia is committed to meeting all Governance and Regulatory requirements for the Housing Sector and Not for Profit Sector. Sophia has signed up to the Charter of Commitments for Approved Housing Bodies issued by the Department of Community, Environment and Local Government since 2014. Sophia is committed to examining the organisation's practice against the Charter on an annual basis. Sophia prioritises adherence to the Financial Standard and Assessment Framework and the Governance Standard for Approved Housing Bodies as produced by the Regulation Office of the Housing Agency.

In relation to the Governance Code for Community and Voluntary Organisations in Ireland 2015 (hereafter known as the Code 2015), Sophia has made the decision to adopt, and in due course, comply with the Code 2015 and is at an advance stage in the process of completing identified actions in order to ensure compliance.

Sophia's Finance and Audit, Risk & Governance Committees assume delegated responsibility on behalf of the Board to ensure that there is a strong framework of governance, financial accounting and effective reporting within the organisation, ensuring there is:

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

Sophia is fully committed to achieving the standards contained within the Statement of Guiding Principles for Fundraising 2008 and in accordance with the Charities Act 2009.

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

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DIRECTORS' REPORT

for the financial year ended 31 December 2018

- To ensure that Sophia complies with best practice in relation to governance matters; and
- To approve arrangements for protected disclosure by employees of concerns about possible wrongdoing in financial or other matters.

Internal controls

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

The key elements of internal control systems are:

- Formal procedures have been established through various committee functions such as the finance committee, audit, risk and governance committee to monitor the activities of Sophia.
- There is a formal organisational structure in place with clearly defined lines of responsibility, division of duties and delegation of authority. The CEO and management responsibilities and powers have been clearly defined in delegation documents.
- The organisation has strict financial policies and procedures in place.
- The organisation has established a risk management strategy and there is a risk register in place.
- There is a formal budget process in place whereby detailed budgets are prepared annually, in line with the strategic plan. These are reviewed by the finance committee and audit, risk and governance committee and further reviewed and approved by the Board thereafter. Actual results compared to budgeted results are reviewed monthly as part of the management accounts process.

Principal risks and uncertainties

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

Financial review

Change in Financial Reporting Framework

The Financial Reporting Council (FRC) issued revised financial reporting standards for the United Kingdom and Ireland effective for accounting periods beginning on or after 1 January 2015. Financial Reporting Standard (FRS) 102 applies to the financial statements and financial reporting of not for profit companies.

The current financial statements of the company including comparatives conform to FRS102.

Results for the year

There was a surplus of income over expenditure for the year of €435,745 (2017: Surplus of €2,238,086, including an exceptional item of €1,600,000). The surplus arises mainly due to the following:

- 1) An excess of the amortisation of the CAS/CLSS over the depreciation and impairment of the housing properties resulted in a net gain of €393,743 (2017: €422,272) being credited in the statement of financial activities in the current year

The operating surplus of the organisation is €42,002 for 2018 (2017: €215,814) but the treatment of the above items has resulted in a significant surplus of income over expenditure for the year end 31 December 2018.

The Directors expect the present level of activity will increase in future years to meet the demand of the vulnerable individuals and families we support.

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DIRECTORS' REPORT

for the financial year ended 31 December 2018

Nurturing Centres

Sophia have a dedicated early childcare team who implement child-centred strategies to encourage children to thrive, despite any traumas they may have experienced. Sophia provide dedicated support to the families living in Sophia tenancies in our purpose built childcare centres in Cork Street and Donabate. We also provide support to families living in emergency accommodation through our Outreach services. In total 57 children were supported by Sophia Nurturing Centres in Pre School and Afterschool interventions in 2018

Support of Congregations

Over the years, Religious Congregations have been generous donors and valued supporters of the work of Sophia. In 2018, they played a very important role in terms of the provision of funding to Sophia and we continue to receive generous support from many Religious Congregations.

Plans for future Periods

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

It is envisaged that Sophia will use its resources to contribute to the solution of the housing and homeless crisis by:

- Continuing to provide sustainable solutions to those with the most complex needs and the most vulnerable in society. The Sophia model is not a quick fix; it begins with the provision of accommodation combined with providing the supports people require to realise their potential.
- Providing an intensive care support service on a twenty-four-hour basis along with high quality accommodation. Sophia's model of care is compatible with the Housing First approach which has been demonstrably successful internationally in achieving sustainable solutions to the needs of the vulnerable people Sophia caters for.
- Continuing to explore other projects around the country having commenced discussions with stakeholders including Local Authorities, about proposed developments.

New Tenancy Sustainment Service in Cork

In 2019, Sophia will also establish a new service in Cork County. This service will support people who are at risk of becoming homeless and will also support people to progress from homelessness into a home of their own. This new service means that in 2019 Sophia will increase its service delivery capacity so that in any one year it is supporting over 1,000 people. This will be the first time in Sophia's history that Sophia will have worked with over 1,000 people in any one year and serves as evidence of the need for Sophia's service as well as Sophia's commitment to scale up to meet the needs of those who are being referred to Sophia for support.

Directors and Secretary and their interests

The Directors and Secretary had no interests in the company during the year as the company is limited by guarantee, without any share capital.

Accounting records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records are located at the company's office at 25 Cork Street, Dublin 8.

Auditors

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

Sophia Housing Association Limited

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DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2018

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

Irish company law requires the directors to prepare financial statements for each 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 guidance issued 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 judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

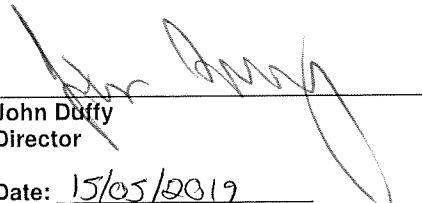
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the board



Eamonn Martin
Director

Date: 15/05/2019



John Duffy
Director

Date: 15/05/2019

INDEPENDENT AUDITOR'S REPORT

to the Members of Sophia Housing Association Limited

(A company limited by guarantee, without a share capital)
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 they 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 the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Further information regarding the scope of our responsibilities as auditor

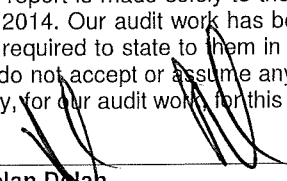
As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 company's 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 any 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.

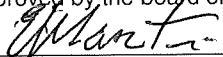


Declan Dolan
for and on behalf of
ECOVIS DCA LIMITED
Chartered Accountants and Registered Auditors
Second Floor, Behan House
10 Lower Mount Street
Dublin 2

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

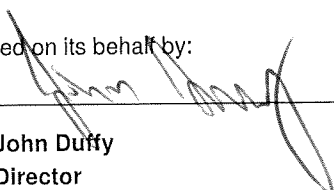
	Notes	2018 €	2018 €	2017 €	2017 €
Fixed assets					
Tangible Assets - housing properties	15		37,466,584		38,185,593
Tangible Assets - other	16		150,084		115,863
Financial assets	17		<u>9</u>		<u>9</u>
			37,616,677		38,301,465
Current assets					
Debtors	18	702,679		673,446	
Cash at bank and in hand	22	<u>1,040,154</u>		<u>965,588</u>	
		1,742,833		1,639,034	
Creditors: amounts falling due within one year					
	19	<u>(906,596)</u>		<u>(802,489)</u>	
Net current assets			<u>836,237</u>		<u>836,545</u>
Total assets less current liabilities			38,452,914		39,138,010
Creditors: amounts falling due after more than one year					
	20		<u>(24,099,129)</u>		<u>(25,219,970)</u>
Net assets			<u>14,353,785</u>		<u>13,918,040</u>
Reserves					
Sinking fund			269,284		209,284
Accumulated funds					
- endowment			1,063,648		1,086,634
- restricted			9,886,708		9,886,708
- unrestricted			3,134,145		2,735,414
Retained funds			<u>14,353,785</u>		<u>13,918,040</u>

Approved by the board on 15/05/19 and signed on its behalf by:



Eamonn Martin
Director

Date: 15/05/2019



John Duffy
Director

Date: 15/05/19

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
STATEMENT OF CASH FLOWS
for the year ended 31 December 2018

	Notes	2018 €	2017 €
Reconciliation of surplus/(deficit) in year to net cash flow from charitable activities			
Surplus in the year		435,745	2,238,086
Depreciation of tangible assets		921,043	898,117
Amortisation of CAS/CLSS loans		(1,278,016)	(1,278,002)
Loss on disposal of tangible assets		-	1,832
Gain on gifted properties		-	(1,600,000)
Deposit interest receivable		(3,995)	(1,029)
Interest payable and similar charges		8,345	8,184
		<u>83,122</u>	<u>267,188</u>
Movements in Working Capital:			
Movement in debtors		(29,233)	(26,739)
Movement in creditors		105,948	(48,412)
		<u>159,837</u>	<u>192,037</u>
Cash generated from operations		159,837	192,037
Deposit interest received		3,995	1,029
Interest paid on bank loans and overdrafts		(8,193)	(8,032)
Interest element of finance lease and hire purchase rental payments		(152)	(152)
Net cash generated from operating activities		<u>155,487</u>	<u>184,882</u>
Cash flows from investing activities			
Grants received to fund acquisition of housing properties		157,175	-
Payment to acquire housing properties		(165,264)	-
Payment to acquire other tangible assets		(70,991)	(69,000)
		<u>(79,080)</u>	<u>(69,000)</u>
Net cash used in investing activities		(79,080)	(69,000)
Cash flows from financing activities			
Bank loans drawn down		-	-
Net Bank and other loans advanced/(repaid)		(634)	(103,942)
Capital element of finance lease and hire purchase rental payments		(1,219)	3,073
Net cash (used in) financing activities		<u>(1,853)</u>	<u>(100,869)</u>
Reconciliation of net cash flow to movement in net funds			
Net increase in cash and cash equivalents		74,554	15,013
Cash and cash equivalents at beginning of financial year	22	<u>965,562</u>	<u>950,549</u>
Cash and cash equivalents at end of financial year		<u><u>1,040,116</u></u>	<u><u>965,562</u></u>

Sophia Housing Association Limited
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

continued

Housing properties - financed by way of CAS/CLSS loans

Housing properties are stated at cost less depreciation. Housing properties in the course of construction are also stated at cost. For the purpose of calculating depreciation, the cost of housing properties are divided into components comprising the land and main structure of each property and a specific set of other major components which require periodic replacement. In the prior year this change in accounting policy was disclosed in the statement of changes in reserves and the notes to the financial statements.

Depreciation is provided at rates calculated to write off the cost less residual value of each component over its expected useful life, as follows:

Gas boilers/fires	6.66% straight line
Kitchen	5.00% straight line
Lift	5.00% straight line
Bathroom	3.33% straight line
Mechanical systems	3.33% straight line
Windows and external doors	3.33% straight line
Electrics	2.50% straight line
Roof structure and coverings	1.43% straight line
Land and structure	Not depreciated

The cost of housing properties includes the cost of acquiring the land and buildings, the cost of construction and capitalised interest. Depreciation is charged on completed housing properties only.

Financial assets

Fixed asset investments are stated at cost less provision for permanent diminution in value.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position bank overdrafts are shown within creditors.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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.

Leasing and hire purchase commitments

Tangible fixed assets held under leasing and hire purchase arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the statement of financial position at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the statement of financial activities.

Capital Assistance Scheme/Capital Loan and Subsidy Scheme ("CAS/CLSS") loan

CAS/CLSS loans are mortgage loans received from local authorities and from the Department of Housing, Planning, Community and Local Government. These loans are treated as deferred credits and are amortised to the statement of financial activities on a systematic basis over the term of the mortgage.

Sophia Housing Association Limited

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NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

Recognition of income and capital contributions

Income is recognised when the charity has entitlement to the funds, and performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations and legacies income represent the gross money raised including all gross income from events held. In accordance with best practice, donations and legacies are shown gross without deduction of any overhead costs involved in raising such funds.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company or the company is aware of the granting a probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Other income includes rent, service charge income, catering income, Nurturing Centre and Wisdom Centre fee income. Rent, service charge, wisdom centre fee, catering income and conference income are recognised on a receivable basis. Nurturing Centre income is recognised on a cash receipts basis.

Income received in respect of future specified service provision is deferred until the criteria for income recognition are met.

Gifts in kind for use by the company are included as income when received. Gifts are valued at open market value or at a reasonable estimate of the gross value to the company.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Pensions

The company contributes to the pension schemes of a number of its employees. These schemes are regarded as defined contribution schemes for the purposes of the Pensions Act 1990. Payments are made directly to pension trusts which are financially separate from the company and are charged to the statement of financial activities in the year in which they become payable.

Taxation

There is no tax charge for the year as the company is registered with the Revenue Commissioners as a charity and is not trading for the acquisition of gain by the members.

4. DEPARTURE FROM COMPANIES ACT 2014 PRESENTATION

The directors have elected to a present Statement of Financial Activities instead of a Profit and Loss Account in these financial statements as this company is a not-for-profit entity.

Sophia Housing Association Limited
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NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

6 INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds 2018	Restricted Funds 2017
	€	€
Income from Charitable Activities		
<i>Dublin Regional Homeless Executive on behalf of:</i>		
Dublin City Council	859,299	742,532
Dun Laoghaire-Rathdown County Council	237,801	157,338
Fingal County Council	298,666	300,776
South Dublin County Council	113,668	113,668
Cork City Council 2016	312,058	312,058
Limerick City & County Council	264,813	242,612
<i>Health Service Executive:</i>		
Dublin East	35,816	35,816
South Western Dublin	329,444	329,444
Northern Dublin	161,321	161,321
South Cork	47,097	47,097
Dublin North City	154,385	154,385
Management & Maintenance Grants	59,493	57,092
Childcare Grants	72,090	56,144
Other small grants	19,016	10,271
Department of Social Protection Community Employment Scheme	893,949	837,470
	3,858,916	3,558,024

7. Other Income

	Restricted Funds 2018	Unrestricted Funds 2018	Total Funds 2018	Total Funds 2017
	€	€	€	€
Rent & Service Charge Income	-	840,019	840,019	698,063
Catering Income	-	62,150	62,150	56,191
Nurturing Centre & Wisdom Centre Fee Income	-	58,756	58,756	61,721
Interest Receivable & Similar Income	-	3,995	3,995	1,029
Amortisation of CAS/CLSS Housing Loans	-	1,278,016	1,278,016	1,278,002
Release of Restricted Capital Donation Income	-	-	-	7,961
	-	2,242,936	2,242,936	2,102,967

Sophia Housing Association Limited

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

continued

12. STATUTORY AND OTHER INFORMATION

	2018	2017
	€	€
Net movement in funds for the year is stated after charging (crediting):		
Auditors' remuneration	17,220	17,220
Depreciation of Housing property components	884,273	855,730
Depreciation of other tangible assets	36,770	42,387
Amortisation of CAS/CLSS Loans	<u>(1,278,016)</u>	<u>(1,278,002)</u>

13. EMPLOYEES AND REMUNERATION

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

	2018	2017
	Number	Number
Social workers and administrators (DSP Community Employment)	53	62
Social workers and administrators	79	68
	<u>132</u>	<u>130</u>

The aggregate payroll costs of these person were as follows:

	2018	2017
	€	€
Wages and salaries	3,418,724	3,094,385
Social welfare costs	284,869	254,226
Pension costs	42,479	55,157
	<u>3,746,072</u>	<u>3,403,768</u>

The number of employees with remuneration for the year falling within the rates bands:

	2018	2017
	€	€
€70,001 - €80,000	0	0
€80,001 - €90,000	0	0
€90,001 - €100,000	1	1
€100,001 - €110,000	0	0
€110,001 - €120,000	0	0
	<u>1</u>	<u>1</u>

The remuneration of the GEO is noted in the €90,001 - €100,000 band.

From 1 October 2016, Sophia entered into a collaboration agreement with Midlands Simon Community which seeks to attain greater returns from public funds and resources. As part of this agreement, the CEO is an employee of Sophia but also oversees the operations of the Midlands Simon Community which contributes to 40% of the salary costs of the CEO.

14. PENSION COSTS

The company operates a defined contribution pension scheme for certain employees. During the year, pension costs amounted to €42,479 (2017: €55,157). At 31 December 2018, the balance owed to pension providers was €10,045 (2017: €9,812).

Sophia Housing Association Limited

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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15. TANGIBLE ASETS – HOUSING PROPERTIES (CONTINUED)

CAS/CLSS Loan funded properties	HOUSING PROPERTIES		CAS/CLSS LOANS	
	2018 €	2017 €	2018 €	2017 €
Cork Street, Dublin (I)	16,123,464	16,527,525	8,265,464	8,724,656
Portrane Road, Donabate (II)	3,779,359	3,863,604	1,992,015	2,116,516
Fortunestown, Tallaght (III)	3,439,729	3,514,731	2,501,699	2,648,858
Greystones, Co Wicklow (IV)	1,301,975	1,328,621	1,045,618	1,097,899
Sullivan's Quay & Riverway Mews (V)	1,790,077	1,831,841	1,128,050	1,208,625
Camberly House, Churchtown (VI)	874,842	893,693	554,825	591,813
Tubbercurry, Co Sligo (VII)	6,993,074	7,174,951	6,742,836	7,049,369
Cairns Hill, Co Sligo (VII)	899,869	905,081	743,838	778,787
Rathbraughan Line, Sligo (VII)	405,861	337,461	371,906	312,662
Sean McDermott St (VIII)	713,572	727,101	666,114	690,785
	36,321,822	37,104,609	24,012,365	25,219,970
Assets in the course of construction	104,150	17,386	86,764	-
Other Gifted Properties	1,040,612	1,063,598	-	-
	37,466,584	38,185,593	24,099,129	25,219,970

Further details in relation to the properties funded by way of CAS/CLSS loans are as follows:

(I) Dublin City Council, through the Department of the Environment and Local Government, has provided funding for the purpose of assisting with the provision of housing accommodation at Mercy Convent, Cork Street, Dublin 8. A liability exists to repay in whole or in part the amounts received in certain circumstances.

(II) Fingal County Council has provided funding for the purpose of assisting with the provision of housing accommodation at Portrane Road, Donabate, Co. Dublin. A liability exists to repay in whole or in part the amounts in certain circumstances.

(III) South Dublin County Council has provided funding for the purpose of assisting with the provision of housing accommodation at Fortunestown, Tallaght, Co. Dublin. A liability exists to repay in whole or in part the amounts received in certain circumstances.

(IV) Wicklow County Council has provided funding for the purpose of assisting with the provision of housing accommodation at St Bridget's Park, Greystones, Co. Wicklow. A liability exists to repay in whole or in part the amounts received in certain circumstances.

(V) Cork City Council has a charge over the company's buildings at Riverway Mews, South Douglas Road, Cork and at Sullivan's Quay, Cork, to secure a loan of €2,417,238 provided to the company on 30 April 2002 to acquire these buildings. A liability exists to repay in whole or in part the amounts received in certain circumstances.

(VI) Dun Laoghaire Rathdown County Council has a charge over the company's premises at Camberly House, Churchtown, Co. Dublin to secure loans of €1,109,643 provided to the company on 31 March 2003 to acquire those premises. A liability to repay in whole or in part the amounts received in certain circumstances.

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

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15. TANGIBLE ASSETS – HOUSING PROPERTIES (CONTINUED)

	2018
	€
Movement on properties acquired during the year	
CAS/CLSS loans received during the year	
Balance at 31 December 2018	24,099,129
Balance at 31 December 2017	<u>25,219,970</u>
	(1,120,841)
Amortised during the year	<u>1,278,016</u>
Received during the year	<u>157,175</u>
Cost of properties acquired	
Balance at 31 December 2018	37,466,584
Balance at 31 December 2017	<u>38,185,593</u>
	(719,009)
Value of Properties gifted	-
Impairment of property	-
Depreciation charge for the year	<u>884,273</u>
Cost during the year	<u>165,264</u>
Cash flow movement on properties acquired during the year	<u><u>(8,089)</u></u>

16. TANGIBLE FIXED ASSETS – OTHER

	Fixtures, fittings and equipment	Cork Street fit out	Computers	Motor Vehicles	Total
	€	€	€	€	€
Cost of valuation					
At 1 January 2018	912,423	125,601	174,651	5,000	1,217,675
Additions	<u>48,666</u>	-	<u>22,325</u>	-	<u>70,991</u>
At 31 December 2018	<u>961,089</u>	<u>125,601</u>	<u>196,976</u>	<u>5,000</u>	<u>1,288,666</u>
Depreciation					
At 1 January 2018	828,548	125,601	142,663	5,000	1,101,812
Charge for the year	<u>26,712</u>	-	<u>10,058</u>	-	<u>36,770</u>
At 31 December 2018	<u>855,260</u>	<u>125,601</u>	<u>152,721</u>	<u>5,000</u>	<u>1,138,582</u>
Net book value					
31st December 2018	<u><u>105,829</u></u>	<u><u>-</u></u>	<u><u>44,255</u></u>	<u><u>-</u></u>	<u><u>150,084</u></u>
31st December 2017	<u><u>83,875</u></u>	<u><u>-</u></u>	<u><u>31,988</u></u>	<u><u>-</u></u>	<u><u>115,863</u></u>

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

continued

18 DEBTORS

	2018	2017
	€	€
Trade debtors	10,852	17,547
Prepayments and accrued income	57,157	73,492
Grant income receivable	378,359	302,385
Other debtors	256,311	280,022
	<u>702,679</u>	<u>673,446</u>

19 CREDITORS

	2018	2017
	€	€
Amounts falling due within one year		
Bank loans and overdrafts	26,298	26,920
Net obligations under finance leases and hire purchase contracts	2,439	3,658
Trade creditors	365,427	307,796
Tax and social welfare (see Note 21)	85,053	72,410
Other creditors	12,498	15,707
 <u>Accruals and deferred income</u>		
Pension accrual	10,045	9,812
Other accruals	107,841	116,530
Deferred grant income	288,502	240,199
Other deferred income	8,493	9,457
	<u>906,596</u>	<u>802,489</u>

Other loans are unsecured, interest free and are expected to be repaid in 2018.

20 CREDITORS

	2018	2017
	€	€
Amounts falling due after more than one year		
CAS/CLSS loans (Note 15)	24,099,129	25,219,970
	<u>24,099,129</u>	<u>25,219,970</u>

Sophia Housing Association Limited

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 2018

24 CAPITAL STRUCTURE

The company is limited by guarantee and does not have a share capital. The company has six members each of whose liability is limited to €1.269738.

25 RELATED PARTY TRANSACTIONS

The directors have identified the following transactions which are required to be disclosed in accordance with Section 33 of FRS 102, Related Party Disclosures:

City Park House Management Limited is a subsidiary of the company.

During the year, Sophia Housing Association Limited contributed towards various costs total amount of €5,631 (2017: €5,631). As at 31 December 2018, the balance owed to City Park House Management Limited in this regard was €Nil (2017: €Nil).

Riverway Mews Management Company Limited is connected to the company by virtue of the common directorships of Jean Quinn and Eamonn Martin. During the year, Sophia Housing Association Limited discharged costs on behalf of the company in the amount of €1,660 (2017: €1,234). As at 31 December 2018, the balance owed by Riverway Mews Management Company Limited to the company in this regard was €Nil (2017: €Nil).

26. GOING CONCERN

As noted in the Directors' report on pages 4 to 9, the company is dependent on statutory funding, donations and fundraising in order that it may continue to discharge its obligations as they fall due. The directors are cognisant that, in the current economic climate, income of this nature cannot be guaranteed. After making all reasonable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

27. POST-BALANCE SHEET EVENTS

The sinking fund balance has been maintained in line with the stock condition survey carried out in 2016/2017.

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 15/05/2019.