
**SOPHIA HOUSING ASSOCIATION
COMPANY LIMITED BY GUARANTEE
DIRECTORS'/ TRUSTEES REPORT AND AUDITED FINANCIAL STATEMENTS
for the financial year ended 31 December 2022**

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

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SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS AND OTHER INFORMATION

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| Directors | Seamus Dooley Sr. Jean Quinn DW (Resigned 8 th February 2023) Michael McCarthy Andy Caffrey (Resigned 15 May 2022) Dr. Elizabeth Murphy RSM (Resigned 15 May 2022) Ann Marie Quinn PBVM Elizabeth Madden (Resigned 6 th July 2022) Majella Gallagher (Appointed 26 May 2022) Olwyn Enright (Appointed 6 July 2022) Pauline Byrne (Appointed 8 th February 2023) |
| Company Secretary | Dr. Elizabeth Murphy RSM (Resigned 1 st June 2022) Sr. Jean Quinn DW (Appointed 1 June 2022 & Resigned 8 th February 2023) Tony O'Riordan (Appointed 8 th February 2023) |
| Chief Executive Officer | Tony O'Riordan |
| CRA Registered Charity Number | 20042363 |
| Revenue Registered Charity Number | CHY13516 |
| Registered Office and Principal Address | 25 Cork Street Dublin 8 Ireland |
| Auditors | HLB Ireland Suite 7, The Courtyard Carmanhall Road Sandyford, Dublin 18 |
| Bankers | Bank of Ireland Walkinstown Dublin 12 Ireland |
| Solicitors | H. O'Boyle & Co. 64 Booterstown Avenue Booterstown Co. Dublin Ireland Addleshaw Goddard (Ireland) LLP Temple Chambers 3 Burlington Road Dublin 4 Ireland |
| Company Number | 310139 |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS'/TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

The Directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 December 2022.

Sophia Housing Association Company Limited By Guarantee ('Sophia') is a registered charity limited by guarantee without share capital. The company was incorporated on 23 July 1999 in Ireland with the registration number 310139. The entity is for public benefit and the Board of Directors is committed to the relief of poverty and economic hardship by providing housing and associated amenities for persons in deprived or necessitous circumstances and to the provision of relief of poverty and deprivation caused by poor housing conditions and homelessness or other social and economic circumstances.

The report and results are being presented in a form which complies with the requirements of the Companies Act 2014 and although not obliged to comply with the following: Charities SORP (FRS 102) (effective 1 January 2019). Sophia has adopted best practice to the extent that requirements contained within the aforementioned SORP are applicable to the Association.

The organisation has been granted charitable status, for taxation purposes, by the Revenue Commissioners (Charity Number CHY 13516). All income is applied solely towards the promotion of the charitable objectives of the company.

About Sophia

Sophia, meaning wisdom, was founded by Sr. Jean Quinn DW, Daughter of Wisdom in 1997, and incorporated as a company limited by guarantee in 1999 with Eamonn Martin joining Sophia as co-founder. The wisdom being derived from the lived experience and involvement of our service users enables Sophia to best serve those whose accommodation and support needs are greatest. Sophia is a weaving of holistic support to enable people who are homeless to make positive differences in their lives by becoming more aware of their own strengths and potential.

Sophia's mission, vision and values

Mission

To provide homes and support to individuals, couples and families. Sophia advocates a response to homelessness that encourages healing and personal recovery using a trauma informed model.

Vision

To have an Ireland where people who experience homelessness are provided with homes in a supportive environment and where their voice and experience will be recognised.

Value

The organisation's values are as follows:

- Person - centred
- Justice
- Equity
- Respect
- Collaboration
- Excellence

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS'/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Principal activities

Provision of Housing with Support

The principal activity of the company is that of the provision of homes with visiting supports as needed and required to successfully support people to progress out of homelessness. In 2022 Sophia supported 1,203 people, offering a range of accommodation (with visiting supports) including 1, 2 or 3-bedroom houses or apartments, and catering for both long-term and short-term tenancies.

This represents a 5% increase in the number of people supported in 2021. The Board of Directors' Policy to invest resources together with a committed staff has enabled Sophia to scale up its response to homelessness increasing the number of people it supports by over 135% since 2016 (510 people were supported in 2016).

Not only does Sophia own and manage properties, but it also provides outreach and tenancy sustainment for people in public or private rented accommodation in order to support people at risk of becoming homeless.

Housing Outcomes:

What is more significant for the Board of Directors than the increase in the number of people it is supporting are the housing outcomes the people it is supporting are attaining. Sophia measures Housing Stability rates, this measures the number of people that successfully moved out of homelessness and retained their tenancies and didn't relapse back into homelessness. Some of the Housing with Support projects operated by Sophia attained a 100% Housing Stability rate these included Drimnagh, Donabate and Cork Street while other projects attained a Housing Stability rate over 80% with Sean McDermott Street attaining a 84% rate and City Park House in Cork attaining a 89% rate.

Why is Sophia's model of care attaining positive outcomes?

Sophia's model of care is one that recognises the trauma that people have been through in their lives and this experience is often accentuated by the experience of being homeless or at risk of homelessness; Sophia's wisdom is knowing that the provision of a place to live is not the only requirement rather a professional and compassionate response is needed to support people to successfully recover from the experience of homelessness. That is why Sophia places a particular emphasis on the quality of care and support provided by its staff and the role that the surrounding physical environment i.e. green spaces, common areas, etc. and the quality of homes, plays in creating a model of care that supports people's journey out of homelessness.

Support services and interventions

Sophia supports adults in developing the skills of independent living. We provide intensive care and support for homeless people rather than brief interventions. Support services provided by Sophia include:

- Community integration through events and programmes;
- Housing settlement and preparation for housing;
- Crisis/incident management;
- Development programmes for tenants;
- Case management;
- Advocacy and liaison with statutory organisations and support services linking with healthcare, welfare, training and education, childcare and employment services;
- Training and support in basic living skills;
- Organisational skills, budgeting, coordination of appointments and meetings;
- Therapeutic and diversional 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.

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DIRECTORS'/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Strategic objectives

In December 2021, Sophia published its 5 year strategic plan, this plan detailed the seven strategic pillars and objectives that will guide Sophia until 2025:

- *Providing homes*
Sophia will ensure the current stock of 387 homes are maintained in line with its values and ethos. Some 330 new homes will be added by completing those already envisaged in the current development plan.
- *Supporting people*
Using the 'Housing with Support' model, Sophia will work predominantly with people who have support needs and need homes.
- *Financial planning*
Sophia will complete a review of its financial plan which will then be independently reviewed and validated. Consolidation is a major focus, and the increase in homes to be provided is essential to provide the economies of scale to allow the housing stock to be maintained while meeting all operations costs associated with regulatory codes and standards.
- *Resourcing developing and supporting Sophia Staff*
The work of providing homes and supporting people is made possible by Sophia's committed and talented staff. Sophia aims to be an employer of choice within the sector by attracting, motivating and retaining staff equipped with the skills and determination for the challenges they face daily.
- *Effective Communication*
Sophia wishes to improve how it communicates the benefits of its work to its various audiences. A focused strategic approach to communications will be developed targeting key stakeholders. The aim will be to increase awareness of the impact of Sophia's work among these primary audiences.
- *Collaboration and partnership*
Sophia works collaboratively with Partners and Stakeholders. During the lifetime of this strategy, the operation of formal arrangements including the Sophia and Simon Community (Midlands) CLG collaboration agreement, and other collaborations such as its involvement in SMES Europa and its joint work with Unanima International will be reviewed and developed. Sophia will continue to maintain and develop partnerships with the key statutory bodies.
- *Compliance and regulation*
The regulatory environment and compliance frameworks that Sophia operates in has expanded considerably. Central to this compliance work is the Financial, Performance and Governance Standards of the Approved Housing Bodies Regulatory Authority (AHBRA) and the Governance Code of the Charities Regulator. Sophia will continue to develop processes to ensure compliance with all relevant regulatory codes.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

New Services:

The Board of Directors were delighted to see new development in 2022. The refurbishment of the property donated to Sophia by the Daughters of Charity at Killinarden, Tallaght was completed during the year and now is a home for two families.

Sophia was successful in the tender submission for the Tenancy Sustainment Service in North Cork in 2022 as well as continuing its services in Cork city and county.

Sophia was successful in the tender submission for a Mental Health Tenancy Sustainment Service with the Housing Agency and HSE Disability services in the following counties:

- Clare, Limerick, and North Tipperary;
- Leitrim, Galway, Roscommon and Mayo.

Seeking Safety Model

Sophia partnered with the HSE National Clinical Programme (Dual Diagnosis) and 6 other NGO's to develop and implement a cross sectoral, inter-agency Irish adaptation of the Seeking Safety model. This model supports women who had encountered barriers and obstacles to engage with services. They experienced both mental health and substance abuse issues, paying particular attention to those experiencing domestic and gender based violence. The focus of this programme is to work with women with a dual diagnosis to teach them, through psycho-educational classes, how to successfully seek safety in their world. Sophia went on to recruit a Seeking Safety project worker and a Seeking Safety Peer Support worker at the start of 2023 to implement this programme in Cork Street and Donabate.

The Board are proud of the development as it also advances Sophia's objectives on Service User Engagement.

Service User Participation Seminar

Sophia also held its first (organisational wide) Service User seminar in 2022 and it was clear from Service Users, Board Members and Staff a wish to develop better processes and structures in Sophia that builds Service User Participation.

Adapting Housing First Programme

Sophia is leading an EU wide participation programme to examine how the model and principles of Housing First can be developed and adapted. In this partnership are three organisations with considerable expertise and who are not only recognised in their own countries but are recognised internationally; these include:

- The Y Foundation (Finland)
- Arrels (Barcelona)
- Housing First Berlin

Recruitment of Trustees

Article 23 of Sophia's Constitution details how Directors are appointed. The Board of Directors of Sophia has a Board Membership and Renewal Policy which.

- Sets out the agreed terms that will govern the membership and renewal of Board Members.
- Promotes and maintains confidence and trust both within Sophia and with its respective stakeholders.
- Ensures Sophia maintains high standards of corporate governance and meets the requirements of the Voluntary Regulation Code for Approved Housing Bodies in Ireland and the Companies Act 2014.
- Ensures that the Board is structured so that it provides a balance, not only in terms of skills and experience but also with respect to age, gender, ethnicity and background.

Sophia's Board of Directors as a whole have significant experience in a wide range of areas affecting the charity.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS/TRUSTEES' ANNUAL REPORT *(CONTINUED)*

for the financial year ended 31 December 2022

Board members induction Briefing

Board members are given an induction briefing on appointment as Trustees of Sophia. This induction covers:

- Overview of Sophia;
- Vision, Mission and Values of Sophia;
- Overview of services and the niche and specialist role played by Sophia in response to homelessness;
- Introduction to Board of Directors of Sophia;
- Term of Reference of Committees of the Board of Sophia;
- Delegation of Authority from the Board to CEO;
- Delegation of Authority from the CEO to other staff;
- Strategy;
- Risk Management Policy;
- Leadership Team of Sophia;
- Collaboration with Simon Community (Midlands) CLG;
- Requirements of Approved Housing Bodies Regulatory Authority (AHBRA); and
- Requirements of Charities Regulator.

Board Training:

All of the members of Board of Directors have participated in training on the role and responsibilities of Board Members. This training was designed and delivered by the Charity section of Mason Hayes and Curran. The training specifically focused on the compliance requirements of the Charities Regulator and the Approved Housing Body Regulatory Authority.

External Review of the Board's Performance:

The Board organised a comprehensive review of their own performance. The review pointed out the considerable strengths and achievements of the Board in acting as Trustees of the Board. The review also recommended areas of continuous improvements which the Board has considered and approved a plan to further enhance their performance.

Board process for holding the C.E.O to account and for reviewing the performance of the C.E.O

The Board with the assistance of an external facilitator carried out a formal review of the C.E.O's performance. The Board of Directors can report that it is satisfied with the structures and procedures they have in place to manage the performance of their C.E.O which includes an annual C.E.O work plan which the Board approves.

Pay policy for senior staff

The directors consider the Board of Directors, who are the Charity's trustees and the senior leadership team comprise the key management personnel of the charity in charge of directing and controlling the day to day operations. Directors are volunteers and do not receive any remuneration. Expenses of €209 (2021- €Nil) were paid to directors during the year.

Given the nature of the charity, the directors benchmark pay levels against the pay levels in other similar charities that provide a similar service. Employee remuneration within required salary bands are outlined in Note 14.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Structure, Governance and Management

Sophia is dedicated to meeting all Governance and Regulatory requirements for the Housing Sector and Not for Profit Sector. Sophia is committed to attaining the standards outlined for Tier 3 Approved Housing Bodies by AHBRA. In particular, Sophia prioritises adherence to the Financial, Performance and Governance Standards for Approved Housing Bodies as produced by AHBRA.

The Charities Regulator launched a new Charities Governance Code in late 2018. This Code sets out a mandatory standard for governance in Irish charities. Sophia has completed the Compliance Record form which has been reviewed by the Audit, Risk & Governance Committee. Sophia has complied with all sections of the Charities Regulator Governance Code and has confirmed this in the most recent Annual Return to the Charities Regulator.

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.
- 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 committed to complying with the Charities Regulator "Guidelines for Charitable Organisations on Fundraising from the Public".

The Board is responsible for providing leadership, setting strategy and ensuring control. It comprises of six 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. The Board is very attentive to reviewing its membership and recruiting new members as required. 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.

The organisation has a comprehensive process for reporting management information to the Board. The Board is provided with regular information, which includes key performance information for all aspects of the organisation. The Board meets regularly as required and met eight times in 2022 (ten times in 2021).

There are four sub-committees of the Board: All board sub-groups are advisory in nature and have written terms of reference.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Development Committee

The committee supports the CEO and management team to ensure that there is a strong framework for property development and property management within the organisation. The committee reports back to the Board at least four times a year on property development and property management issues.

The main duties of the committee are as follows;

- To provide strategic direction and oversight of property development, building and refurbishment contracts and property management matters of Sophia;
- To provide technical support and guidance to Sophia;
- To consider development proposals, building and refurbishment tenders and contracts, claims for payment from contractors and design team, and final accounts of building contracts;
- To examine and recommend annual, and multi annual property development plans for consideration by the Board;
- To ensure that processes, accountability, and resources are in place to ensure adequate property development and property risk assessment, management reporting and management by Sophia;
- To develop an annual work plan based on the work of the committee and items raised by the Board and/or CEO; and
- To ensure that Sophia complies with best practice in relation to building control, planning and related property development and property management obligations.

Finance Committee

The committee reviews and monitors all aspects of the organisation's financial reporting and controls. The committee meets at least four times a year.

The main duties of the committee are as follows:

- To provide strategic direction and oversight of financial matters of Sophia;
- To provide technical support and guidance to Sophia;
- To consider management accounts and reports, and the financial management of Sophia;
- To examine and recommend annual, and multi annual budgets for consideration by the Board;
- To examine, and accept the annual statutory accounts of Sophia, for review by the Audit, Risk & Governance Committee;
- To ensure that processes, accountability, and resources are in place to ensure adequate financial accounting, reporting and management by Sophia;
- To develop an annual work plan based on the work of the committee and items raised by the Board and/or CEO;
- To ensure that Sophia complies with best practice in relation to financial accounting standards and financial management.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Audit, Risk and Governance Committee

The committee evaluates, examines and reviews all systems and methods of control, including governance, risk analysis and risk management; and to ensure the company is complying with all aspects of the law, relevant regulations and good practice. The committee meets at least three times a year.

The main duties of the committee are:

- To consider the suitability of and manage the appointment/re-appointment of the external auditors on an annual basis;
- To approve the remuneration of the external auditors;
- To liaise with the external auditors on the terms of reference and scope of the audit;
- To discuss with the external auditors any problems or reservations arising from the draft external audit report and draft management letter, reporting relevant issues back to the Board and advising the Board as the committee considers appropriate;
- To review the annual statutory accounts of Sophia, after examination and acceptance by the Finance Committee, before submission to the Board for approval;
- To keep under review the adequacy, scope and effectiveness of accounting and internal control systems of all activities carried out by Sophia. Internal controls encompass both operational and financial controls;
- To ensure that processes, accountability and resources are in place to manage Sophia's exposure to risk;
- To develop an annual work plan based on the work of the Committee and items raised by the Board and/or CEO;
- To investigate, on behalf of the Board, any financial or administrative matter which may put Sophia at risk;
- 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.

Quality and Service Development Committee

The Committee is authorised by the Board to ensure that the quality standards pertaining to services are being adhered to. In particular the committee will examine and review the following:

- Compliance with National Quality Standards Framework for Homeless service;
- Compliance with Children First: National Guidance for the Protection and Welfare of Children (Department of Children and Youth Affairs 2017);
- Adherence to the requirements laid out in the Service Level Agreements that Sophia is signed up to; and
- Compliance with Health and Safety requirements pertaining to services.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Quality and Service Development Committee contd.

The main duties of the committee are:

- To verify that services are being delivered in line within the values and ethos of Sophia.
- The Committee is also authorised by the Board to examine and review on an annual basis a compliance report from the Head of Services on all the Service Level Agreements which Sophia is signed up to.
- The Committee is authorised by the Board to ensure that effective Service User participation structures are in place throughout the organisation.
- The Committee will review proposals for the development of new services and make recommendations to the Board on same.
- To review an annual services development plan which outlines areas within services that will be developed and improved on and report to the Board on same.
- To review plans that seek to progress innovation in services and where appropriate bring reports to the Board.
- To ensure that satisfactory measurement tools are in place for the collection and collation of quantitative and qualitative outcomes in all services.
- To review research and data analysis and bring proposals to Board on any new research projects.

Communications Committee

The main duties of the committee are:

- Communications Strategy: To appraise the draft Communications Strategy and present it to the Board for consideration and approval.
- Monitoring Actions: To monitor and support the implementation of the Communications Strategy.
- Social Media: advise on addressing challenges and areas of improvement in areas such as: Website, Digital Marketing, Social media platforms etc.
- Membership: All members will be appointed by the Board. The Board may also appoint members to this committee that are non-Board Members.
- Chairperson of the Committee: The Board will appoint a Chairperson of the committee.
- Values and Ethos. The Committee will advise on organisational guidelines to ensure that all communications and messaging are in line with Sophia's ethos and values.
- Communication Protocols: The Committee will draft procedures to follow when responding to media queries. These draft procedures will be presented to the Board for review and approval.

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's and management's 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.

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DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Collaboration Agreement with Simon Community (Midlands) CLG

The Board of Directors renewed their Collaboration Agreement with Simon Community (Midlands) CLG in 2022. Both organisations have a shared value base in terms of service delivery and are committed to adapting the Housing First model to an Irish context. The Collaboration Agreement between both organisations has led to greater efficiencies through the sharing of resources and the sharing of costs.

The Collaboration Agreement is an example of an innovative partnership of how two organisations who are committed to similar goals and share the same philosophy in terms of service provision can support more people, provide a better quality of service and achieve a greater return for the public funds that are entrusted to it. In 2022, both organisations collaborated in the following areas:

- The post of CEO is a shared resource. The CEO of Sophia while being an employee of Sophia also carries out the duties of CEO of the Midlands Simon Community.
- Both organisations collaborate in the areas of creating new homes for people to progress out of homelessness.
- Share office space in Athlone which was kindly made available to Sophia by the Presentation Sisters.
- Joint partnership in developing the SMES Europa Best Practices in Homeless Services Model.
- Creating a shared HR Function
- Support and Supervision provided to Midlands Simon managers by Head of Services in Sophia
- Sophia Project Manager managing the Midlands Simon Out of Hours Service
- Housing with support services (Moate) houses in the community (Athlone and Laois) whereby Sophia manage / own the properties and Midlands Simon staff support the tenants.

A Joint Working Group was established by both Boards with a term of reference approved by both organisations. This working group has the delegated authority to monitor the Collaboration Agreement and report to both Boards on the implementation of the agreement.

The Board of Directors note the many positive outcomes generated in partnership with the Midlands Simon Community. These include cost savings and positive outcomes for Service Users. However, the Board is acutely aware of the need to review and monitor the Collaboration Agreement and in 2023 a comprehensive review will be completed to inform the future structure and nature of this agreement.

Principal risks and uncertainties

Financial Risks

Like many voluntary bodies, Sophia is dependent on statutory funding, donations and fundraising. While Sophia has seen some increases in funding for existing projects in 2022 and 2023 it has not matched the rising cost of utilities, maintenance or construction costs and has created a challenge for the organisation to meet the increases in these costs.

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DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Principal risks and uncertainties (continued)

Operational Risks

These risks are managed using strong systems of internal controls, procedures and budget management covering all elements of financial and operational activities. Controls are reviewed as part of normal operating activities and risk management.

Reputational Risks

Risk to the organisation's reputation may arise through internal factors or the actions of a third party. The organisation makes every effort to minimise this risk through a commitment to transparency, governance and accountability to ensure confidence from all stakeholders.

Health and Safety Risks

The Board recognises the importance of health and safety within the organisation's services. Systems and structures are in place with regular reporting to the Board.

Insurable Risks

The organisation incurs exposure to employer, public and property damage liability by virtue of the nature of its operations. A strong emphasis is placed on health and safety and risk management practices and insurance cover is maintained which further mitigates this risk.

Financial Review and Results

There was a deficit of income over expenditure for the year of €190 (2021: surplus of €482,344). This deficit would have been much greater were it not for the accounting treatment relating for the amortization of CAS / CLSS grants where there was an excess of the amortization of the CAS/CLSS over the depreciation of the housing properties of €454,285 (2021: €454,041) resulted in a net gain being credited in the Statement of Financial Activities in the current year

The operating deficit of the organisation is €454,475 for 2022 (2021: €246,697) but the treatment of the above items has resulted in a much reduced deficit of income over expenditure for the year end 31 December 2022.

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

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DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Developments: Providing Homes

Sophia has a long term aim to grow its services and increase the numbers of families and individuals provided with housing and supports to on an ongoing basis. The organisation aims to provide 333 new homes between 2021 and 2025. Sophia has been supported to achieve this target by a number of Religious Charities who have made lands and buildings available to the organisation to develop new homes and services and by Local Authority staff in the areas where we operate and by the facilitation and support of the Department of Housing, Local Government and Heritage.

Portlaoise, Co. Laois

Progress on Sophia's 52 home project at the Presentation Convent and Parish site in the centre of Portlaoise continued in 2022 with CAS stage 3 approval received from the DHLGH in July. Completion of the detailed design and preparation of the tender documents was advanced with a view to issuing a tender for the construction contract in early 2023 and starting on site in Q4 2023,

Portarlinton, Co. Offaly

Unfortunately this project suffered a setback during 2022 with the planning permission application being withdrawn. The scheme was amended and a new planning application will be lodged in 2023 for a reduced total of 37 units (28 new build houses and 9 apartments in the old convent building).

As a material contravention of the county development plan is required the aim is to secure planning permission, prepare detailed design and get stage 3 approval to tender the project by the end of 2023.

Kilkenny

During 2022 the scale of this project was increased by agreement with Kilkenny County Council to include 8 new build houses in the grounds in addition to the 12 apartments in the existing convent building. An application was made at the end of 2022 for funding approval to proceed with a planning application and the target for 2023 is to secure planning and get out to tender for construction.

This project will provide much needed homes to vulnerable families in the centre of Kilkenny in partnership with The Sisters of St John of God and Kilkenny County Council.

Kilfinane, Co. Limerick

Sophia received CAS stage 3 funding approval during the year for phase one of the redevelopment of St. Paul's Convent, Kilfinane in partnership with the Sisters of Charity of St. Paul the Apostle and Limerick City and County Council. Detailed design and preparation of tender documents was almost completed by year end with the target of issuing a tender in early 2023 and starting on site by Q3 2023.

Rathangan, Co. Kildare

This project which is being developed in partnership with the Mercy Sisters and Kildare County Council was revised considerably at the request of Kildare County Council and will now be more focused on older persons than the original intention of elderly, homeless and persons with disabilities. An application for stage 2 funding to proceed with a planning application for 28 units was submitted by year end and the target for 2023 will be to secure planning and get next stage approval to go to tender and possibly appoint a contractor.

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DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Achievements and performance (continued)

Clonamore House, Tullamore

Sophia, with the support of Offaly County Council and the Department of Housing, Local Government and Heritage acquired the former Clonamore House Hotel, Tullamore in September 2020. In 2023 the service will open providing 17 Units in a new Regional Supported Temporary Accommodation. This project was made possible by the Statutory Management Team of the Midlands Regional Joint Consultative Forum including Laois, Longford, Offaly and Westmeath Local Authorities and the HSE.

Clara, Co Offaly

The Franciscan Brothers have worked in the community and addressed local needs in Clara for over 200 years and their intention is that their Monastery building at the edge of the town which currently only houses a small number of brothers, together with the adjoining lands would provide housing for those in need. The DHLGH rejected a proposed older person's scheme as it was considered to be too far from the amenities of the town but the plan for 2023 is to continue to explore the use of the Monastery and adjacent lands to provide homes for an appropriate cohort of those in need of housing and support.

Mount Anville, Dublin 14

Sophia entered into a partnership with the congregation of the Society of the Sacred Heart to be its preferred social housing partner for the part V elements of a proposed development of 115 assisted living units it plans to develop with a private developer on lands it owns to the rear of Mount Anville School in South Dublin. The partnership would also see the congregation ceding ownership of 12 apartments to be developed for retired sisters over time. In 2023 it is intended that Sophia will seek funding from the DHLGH under the most appropriate grant funding scheme.

St Veronica's, Tuam, Co. Galway

The Presentation Sisters offered an existing convent building at the edge of its campus in Tuam to Sophia to provide much needed social housing and a planning application for 6 apartments and subsequent further information request response was lodged. The intention for 2023 would be to secure planning and grant funding to progress with the project.

Summerhill, Tubbercurry, Co. Sligo

Sophia received CAS1 approval for the development of 6 dwellings on a Housing Agency owned infill site through the land aggregation scheme at Summerhill, Tubbercurry Co. Sligo. It is planned in 2023 to advance the Stage 2 application in partnership with the Housing Agency.

Ballinrobe, Co. Galway

Sophia, working in partnership with Western Care received CAS1 approval for the redevelopment of an existing dwelling for the provision of accommodation for 5 individuals with a range of support needs. The Housing Agency supported Sophia with the appointment of a Design Team in 2023 to advance the project.

Partnership with the HSE and the Housing Agency

(a) Mayo Community Living

Sophia are working in partnership with the HSE and Mayo County Council to provide homes in line with the national policy *Time to Move on from Congregated Settings*. Support is provided for people living in congregated settings to access a community home with support.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Achievements and performance (continued)

(a) Mayo Community Living contd.

CAS funding was received for the refurbishment of a dwelling at Parke, Castlebar for the provision of 4 person accommodation in line with HIQA requirements. These works advanced in 2022 and were completed in Aug 2023.

Mayo County Council also provided a site at Kilbride, Swinford for the construction of a purpose built HIQA compliant dwelling for the provision of accommodation for 4 people moving from a congregated setting. CAS Stage 1 approval was received in 2022 and a Design Team appointed. The project advanced in 2023 with planning permission and the CAS Stage 3 is due for submission in 2023.

(b) HSE Sligo

A CAS application was submitted for the acquisition of two purpose built HIQA compliant dwellings under construction as part of a Sligo County Council housing development. On completion these dwellings will provide accommodation to 8 individuals moving from congregated settings with live in care support.

National Housing Strategy for Disabled People 2022-2027 – Tenancy Sustainment

Sophia was successful in the tender submission for a Mental Health Tenancy Sustainment Service with the Housing Agency and HSE Disability services. Part of this service includes the transfer of HSE owned properties to Sophia.

(a) Galway, Leitrim, Roscommon, Mayo

Sophia received CAS approval for the refurbishment of a HSE existing dwelling into four self-contained dwellings in Castlerea, Co. Roscommon. A Design Team procurement took place in 2023 to bring the project to the next stage of development.

Two properties were acquired in Galway with the support of the Housing Agency acquisition fund providing accommodation for 6 persons. In 2023 it is planned to commence a feasibility for the redevelopment of a HSE property in Galway city into self-contained dwellings.

(b) Clare, Limerick, North Tipperary

Sophia worked with the HSE and Clare County Council to progress CAS applications for the refurbishment of 3 HSE properties in Kilrush and Ennis.

Housing Agency Acquisitions Fund

Sophia worked in partnership with the Housing Agency in acquiring of a number of properties in Galway, Roscommon, Limerick and Sligo. These properties are acquired and refurbished with the support of the Local Authorities through CAS funding.

Housing Agency Projects and Procurement Service

The Housing Agency technical team provided support to Sophia in Design Team procurement across a number of projects. Sophia also benefited from technical advice on procurement and project development in 2022.

To support the attainment of the Development Goals Sophia retained the consultancy services of Kevin McCormack of KORD.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS'/TRUSTEES' ANNUAL REPORT *(CONTINUED)* for the financial year ended 31 December 2022

Human Resources: Resourcing Developing and Supporting Sophia Staff

Human Resources continued to focus on attracting, motivating and retaining committed staff and renewed its focus on staff support and recognition in aiming to be an employer of choice within the sector.

Following a review of staff salaries in 2022, Sophia committed to ensuring that all staff were paid the living wage at a minimum.

Sophia continued to provide an environment that supports the growth, training and development of its staff and completed the drafting of the Performance Management policy and process. This process clearly illustrated to staff the importance of their contribution and how it fits within the overall strategy and values of the organisation.

Staff Health and Wellbeing remains a key priority for Human Resources focusing on Staff Wellness webinars and supporting managers and staff to successfully manage work/life balance.

Plans for future Periods

The Board of Sophia undertook a strategic review in 2021 and updated the Strategic Plan to 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 a care support service on a twenty-four-hour basis along with high quality accommodation.
- Adapting the principles of Housing First and integrating these into Sophia's model of care.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Reference and Administrative Details

The organisation is a charitable company with a registered office at 25 Cork Street, Dublin 8. The Charity trades under the name Sophia Housing. The companies registered number is Charities Register Number CRN 20042363; Companies Registration Number CRO 310139; CHY (Revenue) number 13516.

The charity has been granted charitable tax status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No CHY 13516 and is registered with the Charities Regulatory Authority. The charity has a total of six directors as listed on page 3.

The CEO is Tony O'Riordan who has almost 30 years of experience in the community and voluntary sector. The day to day management of the charity is also directed by the following individuals in addition to the CEO who are considered key management personnel:

| | |
|-------------------------------------|------------------|
| Head of Services | Niamh Cullen |
| Assistant Head of Services | Susie O'Keefe |
| Services Area Manager | Leanne Clooney |
| Services Area Manager | Emma Mannion |
| Head of Finance & Governance | Jim Boyle |
| Finance Manager | Sinead Jackson |
| Development Manager | Sinead McCallion |
| HR Manager | Lorna Burke |
| Administration & Compliance Manager | Etain Kett |

Details of the external advisors engaged by the Charity are as follows:

| Type | Name | Address |
|-------------|-------------------|---|
| Bankers | Bank of Ireland | Walkinstown, Dublin 12, Ireland |
| Solicitors | H. O'Boyle & Co | 64 Booterstown Avenue, Booterstown, Co Dublin, Ireland |
| Solicitors | Addleshaw Goddard | Temple Chambers 3 Burlington Road Dublin 4 |
| Auditors | HLB Ireland | Suite 7, The Courtyard, Carmanhall Road Sandyford, Dublin 18 |

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.

Dr. Elizabeth Murphy RSM resigned as company secretary on 1st June 2022 and replaced by Sr. Jean Quinn DW on that date.

Sr. Jean Quinn DW resigned as company secretary on 8th February 2023 and was replaced by Tony O'Riordan on that date.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS'/TRUSTEES' ANNUAL REPORT (CONTINUED)

for the financial year ended 31 December 2022

Auditors

The auditors, HLB Ireland, were appointed as the Company's auditors on 24th May 2023 in accordance with the provisions of section 383(2) of the Companies Act 2014.

Post Balance Sheet Events

Demand for Sophia's services has continued to be very strong into 2023 but there continues to be financial challenges to ensure that there is sufficient revenue generated to meet the cost of supporting service users and the related property costs.

The organisation continues to work with grant funders to secure additional funding to meet the increasing costs associated with the general inflationary environment, addressing the issue of staff recruitment and retention and the ongoing challenges associated with the maintenance of properties to the required regulatory standards.

Core funding from these sources remains robust and these discussions should see additional revenue generated for the delivery of services and managing the associated costs.

As Sophia Housing Association Company Limited By Guarantee's primary source of income derives from State funding in relation to essential homeless support & housing services, the directors believe that the charity will not be significantly adversely affected by any economic downturn.

Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

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.

Approved by the Board of Directors on 18 October 2023 and signed on its behalf by:

DocuSigned by:

Mr Seamus Dooley

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Director

Mr Seamus Dooley

DocuSigned by:

Michael McCarthy

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Director

Michael McCarthy

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

DIRECTORS' RESPONSIBILITIES STATEMENTS

for the financial year ended 31 December 2022

The directors are responsible for preparing 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 Companies Act 2014 and accounting standards issued by the Financial Reporting Council including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland) as modified by the Charities SORP (FRS 102) (effective 1 January 2019). 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 charity as at the financial year end date and of the net income or expenditure of the charity 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 the relevant financial reporting framework, 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 charity will continue in operation.


The directors confirm that they have complied with the above requirements in preparing the financial statements.

As explained in note 2, the applicable framework in the UK and Republic of Ireland (FRS 102) and the Charities SORP (FRS 102) (effective 1 January 2019) has been followed.

The directors are responsible for ensuring that the charity keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the charity, enable at any time the assets, liabilities, financial position and net income or expenditure of the charity to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Directors' Annual Report comply with Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the charity 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 charity's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors on 18 October 2023 and signed on its behalf by:

DocuSigned by:

DAEF92BC7A57474...

Director
Mr Seamus Dooley

DocuSigned by:

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Director
Michael McCarthy

INDEPENDENT AUDITOR'S REPORT

to the Directors / Trustees of Sophia Housing Association Company Limited By Guarantee

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sophia Housing Association Company Limited by Guarantee ('the company') for the financial year ended 31 December 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including the 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" issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2022 and of its profit 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 properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 course of the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

to the Directors/Trustees of Sophia Housing Association Company Limited By Guarantee

Other Information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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 the 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 any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. 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 set out on page 21, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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, if applicable, matters related to 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 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 (CONTINUED)

to the Directors/Trustees of Sophia Housing Association Company Limited By Guarantee

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

Our report is made solely to the company's shareholders, 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 shareholders 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 shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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John Duffy

for and on behalf of

HLB IRELAND UNLIMITED COMPANY

Statutory Audit Firm
Suite 7, The Courtyard
Carmanhall Road
Sandyford, Dublin 18

Date: 18 October 2023

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**STATEMENT OF FINANCIAL ACTIVITIES**

for the year ended 31 December 2022

| | Notes | Endowment Funds | Restricted Funds | Unrestricted Funds | Total Funds | Total Funds |
|--|-------|--------------------|---------------------|-----------------------|----------------|----------------|
| | | 2022 € | 2022 € | 2022 € | 2022 € | 2021 € |
| Income from: | | | | | | |
| Donations & Legacies | | - | 85,168 | 197,695 | 282,863 | 533,539 |
| Charitable Activities | 6 | - | 4,475,979 | - | 4,475,979 | 4,439,621 |
| Other Income | 7 | - | - | 2,728,674 | 2,728,674 | 2,777,568 |
| Total Income | | - | 4,561,147 | 2,926,369 | 7,487,516 | 7,750,728 |
| Expenditure on: | | | | | | |
| Raising Funds | | - | - | 10,675 | 10,675 | 5,703 |
| Charitable Activities | 9 | 28,555 | 5,264,104 | 2,055,178 | 7,347,837 | 7,161,309 |
| Other | 10 | - | - | 129,194 | 129,194 | 101,372 |
| Total Expenditure | | 28,555 | 5,264,104 | 2,195,047 | 7,487,706 | 7,268,384 |
| Net Income/(Expenditure) and net movement in funds for the year | | (28,555) | (702,957) | 731,322 | (190) | 482,344 |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**STATEMENT OF CHANGES IN RESERVES**

for the year ended 31 December 2022

| | Sinking Fund € | Endowment Fund € | Restricted fund € | Unrestricted Fund € | Total € |
|-------------------------------------|-------------------------------|---------------------------------|----------------------------------|------------------------------------|--------------------------|
| As at 1 January 2022 | 310,001 | 1,791,258 | 8,837,667 | 5,050,836 | 15,989,762 |
| Net incoming / (outgoing) resources | - | (28,555) | (702,957) | 731,322 | (190) |
| As at 31 December 2022 | <u>310,001</u> | <u>1,762,703</u> | <u>8,134,710</u> | <u>5,782,158</u> | <u>15,989,572</u> |

| | Sinking Fund € | Endowment Fund € | Restricted fund € | Unrestricted Fund € | Total € |
|-------------------------------------|-------------------------------|---------------------------------|----------------------------------|------------------------------------|--------------------------|
| As at 1 January 2021 | 310,001 | 1,544,812 | 9,371,784 | 4,280,821 | 15,507,418 |
| Net incoming / (outgoing) resources | - | 246,446 | (534,117) | 770,015 | 482,344 |
| As at 31 December 2021 | <u>310,001</u> | <u>1,791,258</u> | <u>8,837,667</u> | <u>5,050,836</u> | <u>15,989,762</u> |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022

| | Notes | 2022 € | 2021 € |
|--|-------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible Assets - housing properties | 15 | 41,741,894 | 41,150,640 |
| Tangible Assets - other | 16 | 338,965 | 408,061 |
| Financial assets | 17 | <u>9</u> | <u>9</u> |
| | | <u>42,080,868</u> | <u>41,558,710</u> |
| Current assets | | | |
| Debtors | 18 | 900,451 | 860,011 |
| Cash at bank and in hand | 19 | <u>630,451</u> | <u>330,904</u> |
| | | <u>1,530,902</u> | <u>1,190,915</u> |
| Creditors | | | |
| Amounts falling due within one year | 20 | <u>(1,365,386)</u> | <u>(1,214,005)</u> |
| Net current assets/ (liabilities) | | <u>165,516</u> | <u>(23,090)</u> |
| Total assets less current liabilities | | 42,246,384 | 41,535,620 |
| Creditors | | | |
| Amounts falling due after more than one year | 21 | <u>(26,256,812)</u> | <u>(25,545,858)</u> |
| Net assets | | <u><u>15,989,572</u></u> | <u><u>15,989,762</u></u> |
| Reserves | | | |
| Sinking fund | | 310,001 | 310,001 |
| Accumulated funds | | | |
| - endowment | | 1,762,703 | 1,791,258 |
| - restricted | | 8,134,710 | 8,837,667 |
| - unrestricted | | <u>5,782,158</u> | <u>5,050,836</u> |
| Retained funds | | <u><u>15,989,572</u></u> | <u><u>15,989,762</u></u> |

Approved by the Board of Directors on 18 October 2023 and signed on its behalf by:

DocuSigned by:

Mr Seamus Dooley

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Mr Seamus Dooley

Director

DocuSigned by:

Michael McCarthy

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Michael McCarthy

Director

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**STATEMENT OF CASH FLOWS**

for the year ended 31 December 2022

| | Notes | 2022 € | 2021 € |
|--|-------|-----------------------|-----------------------|
| Reconciliation of surplus/(deficit) in year to net cash flow from charitable activities | | | |
| Surplus/(deficit) in the year | | (190) | 482,344 |
| Depreciation of tangible assets | | 1,016,815 | 1,008,941 |
| Amortisation of CAS/CLSS Loans | | (1,358,454) | (1,358,208) |
| Movement in endowments net of amounts converted into income | | 28,555 | (246,446) |
| Deposit interest receivable | | - | (30) |
| Interest payable and similar charges | | 35,467 | 10,163 |
| | | <u>(277,807)</u> | <u>(103,236)</u> |
| Movements in Working Capital: | | | |
| Movement in debtors | | (40,440) | (267,141) |
| Movement in creditors | | (53,720) | 262,679 |
| | | <u>(371,967)</u> | <u>(107,698)</u> |
| Cash generated used in operations | | (371,967) | (107,698) |
| Interest paid on bank loans and overdrafts | | (35,467) | (10,163) |
| | | <u>(407,434)</u> | <u>(117,861)</u> |
| Cash flows from investing activities | | | |
| Interest Received | | - | 30 |
| Payment to acquire housing properties | | (1,495,423) | (2,968,169) |
| Payment to acquire other tangible assets | | (43,550) | (33,662) |
| Net cash used in investing activities | | <u>(1,538,973)</u> | <u>(3,001,801)</u> |
| Cash flows from financing activities | | | |
| Movement in Endowment Properties | | (28,555) | 246,446 |
| New Long term loan/Grants Received to Fund Properties | | 2,069,408 | 2,692,440 |
| New Short term Loan/Repayment of short term loan | | 205,101 | 30,866 |
| Net cash (used in) / from financing activities | | <u>2,245,954</u> | <u>2,969,752</u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| Net increase in cash and cash equivalents | | 299,547 | (149,910) |
| Cash and cash equivalents at beginning of financial year | 19 | 330,904 | 480,814 |
| Cash and cash equivalents at end of financial year | | <u><u>630,451</u></u> | <u><u>330,904</u></u> |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2022

1. GENERAL INFORMATION

Sophia Housing Association Company Limited By Guarantee is a company limited by guarantee incorporated in the Republic of Ireland with CRO number 310139. The registered office of the company is 25 Cork Street, Dublin 8, Ireland, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Annual Report.

Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the charity.

Governing Body

The governing body of the company is the Executive Committee which comprises directors duly appointed in writing by the subscribers to the Constitution.

The company was granted Approved Status by the Department of the Environment, Climate and Communications as a housing body under Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 for the purposes of voluntary housing.

The company is affiliated to the Irish Council for Social Housing and The Disability Federation of Ireland.

2. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In preparing the financial statements, the Company has referred to guidance included within the Charities SORP (FRS 102) (effective 1 January 2019). The association has adopted best practice to the extent that requirements contained within the aforementioned SORP are applicable to the association.

Statement of compliance

The financial statements of the company for the year ended 31 December 2021 have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) as applied in accordance with the Charities SORP (FRS 102) (effective 1 January 2019).

Consolidated financial statements

The directors have elected to avail of the exemption under Section 303 of the Companies Act 2014 from the requirement to prepare consolidated financial statements.

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.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

2. ACCOUNTING POLICIES (CONTINUED)**Recognition of income and capital contributions (continued)**

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

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.

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 a 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.

Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include headquarter costs, finance, personnel, payroll and other costs which support the charity's programme and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| Asset type | % |
|--|-------------------|
| House properties - financed by way of CAS/CLSS | (see note below) |
| House properties - Other | 2% straight line |
| Fixtures, fittings and equipment | 15% straight line |
| Cork Street fit out | 15% straight line |
| Computers | 15% straight line |
| Motor vehicles | 20% straight line |

The carrying values of tangible fixed assets are reviewed annually for impairments if events or changes in circumstances indicate the carrying value may not be recoverable.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

2. ACCOUNTING POLICIES (CONTINUED)**Tangible fixed assets and depreciation (continued)**

Housing properties - financed by way of Capital Assistance Scheme (CAS), Capital Loan and Subsidy Scheme (CLSS) and Capital Advance Leasing Facility (CALF)

All initial expenditure on the main fabric of the Land and Buildings is capitalised at cost.

Housing properties are stated at cost less accumulated 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.

Land is not depreciated as the estimated useful life exceeds the carrying value.

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

| Components | Useful Economic Life (Years) |
|------------------------------|-------------------------------------|
| Gas boiler/ fires | 15 |
| Kitchen | 20 |
| Lift | 20 |
| Bathroom | 30 |
| Mechanical systems | 30 |
| Windows and external doors | 30 |
| Electrics | 40 |
| Roof structure and coverings | 70 |
| Land | 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. The carrying value of financial assets are reviewed annually for impairments if events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including unlisted investments, loans, trade debtors and cash. If there is objective evidence of impairment, impairment losses are recognised in the Statement of Financial Activities in that financial year.

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.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

2. ACCOUNTING POLICIES (CONTINUED)**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 arrangements which transfer substantially all the risks and rewards of ownership to the charity 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 income and expenditure account. Leased assets are depreciated on a straight-line basis over the leased term.

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

CAS and CLSS loans are mortgage loans received from local authorities and from the Department of Housing, Planning, Community and Local Government for the acquisition of property.

CAS loans and Capital Loan and CLSS loans are recognised under creditors falling due for repayment after more than one year and are treated as deferred credits.

CAS and CLSS loans are amortised to the Statement of Financial Activities on a systematic basis over the term of the mortgage. The company's annual obligations to repay capital and interest at rates specified in the underlying loan agreements are waived by the Local Authorities who are instead reimbursed from funds allocated by the Department of the Environment and Local Government provided that the accommodation continues to be properly maintained and to be let to eligible categories of persons at reasonable rents.

These loans remain repayable in full, for term noted above, if certain conditions are not met during the loan term. On completion of the loan period, provided certain conditions are met, the loans and interest, if applicable, are relieved in full and will be released to unrestricted capital reserves.

Capital Advance Leasing Facility (CALF)

Capital advance payments of up to 30% of the acquisition of properties are available from the Department of Housing, Local Government and Heritage (DHLGH) under the Capital Advance Leasing Facility (CALF). The capital advance is repayable, as a 'bullet' repayment, at the end of the approved period of the advance usually a twenty-five-year period. Interest is payable on the principal amount only at 2% per annum. This interest is accrued for the duration of the CALF and payable at the end of the twenty-five-year period.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2022

2. ACCOUNTING POLICIES (CONTINUED)

Financial assets and liabilities (continued)

Financial assets are derecognised when and only when:

- a) the contractual rights to the cash flows from the financial asset expire or are settled.
- b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash and other consideration expected to be paid or received, net of impairment.

Reserves

Sophia Housing Association Company Limited by Guarantee needs reserves to:

Provide working capital when funding is paid in arrears.

Be adequate to ensure that the organisation has sufficient and appropriate reserves available to it to meet its long-term and short-term funding requirements

Restricted funds (including endowment funds)

Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority or created through legal process but are still within the wider objectives of the company's charitable activities. Restricted funds may be restricted income funds, which are expendable at the discretion of the company in furtherance of some particular aspect(s) of its charitable objectives, or they may be capital funds, where the assets are required to be invested, or retained for actual use, rather than expended.

Unrestricted funds

Unrestricted funds are expendable at the discretion of the company in furtherance of its charitable objectives.

Sinking fund

The sinking fund is a fund established for the purpose of discharging expenditure of a non-recurring nature on housing properties.

Pensions

The company operates an organisation pension scheme. Sophia makes employer pension contributions to the pension scheme for all eligible employees who choose to join the scheme. The scheme is regarded as a defined contribution scheme 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.

Government grants

Government grants are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2022

2. ACCOUNTING POLICIES (CONTINUED)

Government grants (continued)

Capital Grants are initially recognised as loans on the balance sheet and credited to the profit and loss account by instalments on a basis consistent with the terms of the underlying grant conditions.

Revenue Grants are credited to income so as to match them with the expenditure to which they relate. Government grants received are included in 'other income' in profit or loss.

Related parties

For the purposes of these financial statements a party is considered to be related to the company if:

- the party has the ability, directly or indirectly, through one or more intermediaries to control the company or exercise significant influence over the company in making financial and operating policy decisions or has joint control over the company;
- the company and the party are subject to common control;
- the party is an associate of the company or forms part of a joint venture with the company;
- the party is a member of key management personnel of the company or the company's parent, or a close family member of such as an individual, or is an entity under the control, joint control or significant influence of such individuals;
- the party is a close family member of a party referred to above or is an entity under the control or significant influence of such individuals; or
- the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the company.

3. GOING CONCERN

As noted in the Directors' Report, on pages 4 to 20 the company is dependent on statutory funding, rental income donations and fundraising in order that it may continue to discharge its obligations as they fall due. The Directors are cognisant that this remains challenging and cannot always be guaranteed.

However after making all reasonable enquiries, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and hence adopt the going concern basis in preparing the financial statements.

4. DEPARTURE FROM COMPANIES ACT 2014 PRESENTATION

The directors have elected to present a 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 COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

4. DEPARTURE FROM COMPANIES ACT 2014 PRESENTATION**4.1 STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

| | Notes | Endowment Funds 2021 € | Restricted Funds 2021 € | Unrestricted Funds 2021 € | Total Funds 2021 € |
|--|-------|---------------------------------|----------------------------------|------------------------------------|-----------------------------|
| Income from: | | | | | |
| Donations & Legacies | | - | 103,725 | 429,814 | 533,539 |
| Charitable Activities | 6 | - | 4,439,621 | - | 4,439,621 |
| Other Income | 7 | 275,000 | 29,080 | 2,473,488 | 2,777,568 |
| Total Income | | 275,000 | 4,572,426 | 2,903,302 | 7,750,728 |
| Expenditure on: | | | | | |
| Raising Funds | | - | - | 5,703 | 5,703 |
| Charitable Activities | 9 | 28,554 | 5,106,543 | 2,026,212 | 7,161,309 |
| Other | 10 | - | - | 101,372 | 101,372 |
| Total Expenditure | | 28,554 | 5,106,543 | 2,133,287 | 7,268,384 |
| Net Income/(Expenditure) and net movement in funds for the year | | 246,446 | (534,117) | 770,015 | 482,344 |

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2 to the financial statements, the directors are required to make judgements, accounting estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include:

Useful lives of depreciable assets

The annual depreciation charge depends primarily on the residual value and estimated remaining useful lives of each type and component of asset. In arriving at estimates of remaining useful lives the directors take into account technological changes and the prospective economic utilisation and physical condition of the assets concerned.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2022

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

Useful lives of depreciable assets

Land is not depreciated on the basis that the estimated residual value after 50 years is at least equal to the carrying value of the Land.

Depreciation is provided on the cost of other components of housing properties to bring them to their residual value at the end of their estimated remaining useful lives.

Amortisation of CAS, CLSS and CALF loans

CAS, CLSS and CALF loans are amortised to the Statement of Financial Activities over the term of the mortgage. The company's annual obligations to repay capital and interest at rates specified in the underlying loan agreements are waived by the Local Authorities who are instead reimbursed from funds allocated by the Department of the Environment and Local Government provided that the accommodation continues to be properly maintained and to be let to eligible categories of persons at reasonable rents. The directors are satisfied to permit partial amortisation of CAS, CLSS and CALF loans each year on the grounds that if at any stage the company fails to comply with the terms and conditions as set down in the loan agreements, only that portion of the loan that remains unpaid, together with unpaid interest, becomes due and payable by the company to the Local Authorities.

Valuation of new housing properties additions

Professional valuations were obtained for gifted property additions and the properties have been included in the financial statements at market value. Revaluations are subsequently carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the financial year.

Valuations are prepared on the basis of market value and market rent as defined in the RICS Valuation Professional Standards Global Edition 2017 (the Red Book) which conforms to International Valuation Standards (IVS) and the valuer is a MRICS MSCSI registered Red Book Valuer.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

6. INCOME FROM CHARITABLE ACTIVITIES

| | Restricted Funds 2022 | Restricted Funds 2021 |
|--|-----------------------------|-----------------------------|
| | € | € |
| Dublin City Council | 1,112,112 | 1,043,623 |
| Dun Laoghaire-Rathdown County Council | 298,741 | 292,981 |
| Fingal County Council | 416,710 | 395,978 |
| South Dublin County Council | 156,016 | 137,112 |
| Cork City Council | 375,420 | 351,422 |
| Cork County Council | 39,996 | 39,996 |
| Limerick City & County Council | 288,703 | 290,736 |
| HSE - Dublin East | 37,069 | 35,814 |
| HSE - South Western Dublin | 411,502 | 422,838 |
| HSE - Northern Dublin | 166,720 | 161,324 |
| HSE - South Cork | 48,780 | 50,646 |
| HSE - Dublin North City | 160,036 | 154,382 |
| HSE - Midwest | 60,000 | 60,000 |
| HSE - Galway Roscommon | 42,500 | 63,750 |
| Management & Maintenance Grants | 62,676 | 60,369 |
| Childcare Grants | 122,465 | 143,700 |
| Other small grants | 7,066 | 16,014 |
| Department of Social Protection Community Employment Scheme | 669,467 | 718,936 |
| | 4,475,979 | 4,439,621 |

7. OTHER INCOME

| | Endow Funds 2022 | Restricted Funds 2022 | Unrestricted Funds 2022 | Total Funds 2022 |
|---|------------------------|-----------------------------|-------------------------------|------------------------|
| | € | € | € | € |
| Rent & Service Charge Income | - | - | 1,323,300 | 1,323,300 |
| Catering Income | - | - | 17,404 | 17,404 |
| Nurturing Centre & Wisdom Centre Fee Income | - | - | 19,896 | 19,896 |
| Amortisation of CAS/CLSS Housing Loans | - | - | 1,358,454 | 1,358,454 |
| Other Income | - | - | 9,620 | 9,620 |
| | - | - | 2,728,674 | 2,728,674 |

8. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2022 | 2021 |
|------------------|------|------|
| | € | € |
| Deposit interest | - | 30 |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

9. EXPENDITURE ON CHARITABLE ACTIVITIES

| | Endowment Funds 2022 € | Restricted Funds 2022 € | Unrestricted Funds 2022 € | Total Funds 2022 € | Total Funds 2021 € |
|--|---------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Support and housing services for individuals and families | - | 4,543,908 | 976,882 | 5,520,790 | 5,419,890 |
| Housing Support Maintenance Costs | - | 720,196 | 90,035 | 810,231 | 732,478 |
| Depreciation – Housing Properties | 28,555 | - | 875,614 | 904,169 | 904,167 |
| Depreciation – Other Tangible Assets | - | - | 112,647 | 112,647 | 104,774 |
| | <u>28,555</u> | <u>5,264,104</u> | <u>2,055,178</u> | <u>7,347,837</u> | <u>7,161,309</u> |

10. OTHER EXPENDITURE

| | Endowment Funds 2022 € | Restricted Funds 2022 € | Unrestricted Funds 2022 € | Total Funds 2022 € | Total Funds 2021 € |
|--------------------------------------|---------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Governance Costs | - | - | 41,074 | 41,074 | 40,081 |
| Interest payable and similar charges | - | - | 35,467 | 35,467 | 10,163 |
| Catering Costs | - | - | 12,216 | 12,216 | 9,986 |
| Research, Development & Education | - | - | 40,437 | 40,437 | 41,142 |
| | <u>-</u> | <u>-</u> | <u>129,194</u> | <u>129,194</u> | <u>101,372</u> |

11. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2022 € | 2021 € |
|------------------------------|---------------|---------------|
| On bank loans and overdrafts | 35,467 | 10,163 |
| | <u>35,467</u> | <u>10,163</u> |

12. STATUTORY AND OTHER INFORMATION

| | 2022 € | 2021 € |
|--|--------------------|--------------------|
| Net movement in funds for the year is stated after charging (crediting): | | |
| Auditors' remuneration | 29,099 | 20,015 |
| Operating lease expenses | 172,762 | 34,837 |
| Depreciation of Housing property components | 904,169 | 904,167 |
| Depreciation of other tangible assets | 112,646 | 104,774 |
| Amortisation of CAS/CLSS Loans | (1,358,454) | (1,358,208) |
| | <u>(1,358,454)</u> | <u>(1,358,208)</u> |

13. OPERATING LEASES

Sophia housing Association leases 16 (15 in 2022) units under five operating leases. The lease contracts are for ten and twenty-five year periods. The operating lease payments are as follows:

| | 2022 € | 2021 € |
|-------------------------------------|------------------|------------------|
| Repayable within one year | 172,762 | 142,764 |
| Repayable within two and five years | 518,286 | 428,293 |
| Repayable in five years or more | 2,886,553 | 2,885,494 |
| | <u>3,557,601</u> | <u>3,456,551</u> |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

14. EMPLOYEES AND REMUNERATION

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

| | 2022 | 2021 |
|--|---------------|-------------|
| | Number | Number |
| Social workers and administrators (DSP Community Employment) | 34 | 36 |
| Social workers and administrators | 106 | 97 |
| | 140 | 133 |

The aggregate payroll costs of these person were as follows:

| | 2022 | 2021 |
|----------------------|------------------|-------------|
| | € | € |
| Wages and salaries | 3,944,374 | 4,020,978 |
| Social welfare costs | 365,656 | 366,374 |
| Pension costs | 91,834 | 95,453 |
| Covid 19 subsidy | 2,278 | - |
| | 4,404,142 | 4,482,805 |

Holiday pay accruing at the year-end of €2,433 (2021 €2,433) is provided as a liability in accruals at year end.

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

| | 2022 | 2021 |
|---------------------|-------------|------|
| | No. | No. |
| €70,001 - €80,000 | 1 | 1 |
| €80,001 - €90,000 | 1 | 2 |
| €90,001 - €100,000 | 0 | 0 |
| €100,001 - €110,000 | 0 | 0 |
| €110,001 - €120,000 | 2 | 3 |

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

From October 2016, Sophia entered into a collaboration agreement with Simon Community (Midlands) CLG, 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 Simon Community (Midlands) CLG, which contributes to the salary costs of the CEO.

14 a PENSION COST

The company operates a defined contribution pension scheme for certain employees. During the year, pension costs amounted to €91,834 (2021: €95,453). At 31 December 2022, the balance owed to pension providers was €17,644 (2021: €34,194)

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

15. TANGIBLE ASSETS – HOUSING PROPERTIES

| | 2022 | 2021 |
|-----------------------|-------------------|------------|
| | € | € |
| Cost | | |
| At 1 January | 54,276,378 | 51,308,209 |
| Additions | 1,495,423 | 2,968,169 |
| Disposals | - | - |
| At 31 December | 55,771,801 | 54,276,378 |
| Depreciation | | |
| At 1 January | 13,125,738 | 12,221,571 |
| Charge for the year | 904,169 | 904,167 |
| At 31 December | 14,029,907 | 13,125,738 |
| Net book value | | |
| At 31 December | 41,741,894 | 41,150,640 |
| At 1 January | 41,150,640 | 39,086,638 |

CAS/CLSS LOAN FUNDED PROPERTIES

| | | HOUSING PROPERTIES | | CAS/CLSS LOANS | |
|--------------------------------------|--------|--------------------|------------|-------------------|------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | € | € | € | € |
| Cork Street, Dublin | (I) | 14,496,032 | 14,904,041 | 6,428,694 | 6,887,887 |
| Portrane Road, Donabate | (II) | 3,442,379 | 3,526,624 | 1,494,011 | 1,618,512 |
| Fortunestown, Tallaght | (III) | 3,139,719 | 3,214,722 | 1,913,065 | 2,060,223 |
| Greystones, Co Wicklow | (IV) | 1,195,390 | 1,222,036 | 836,493 | 888,775 |
| Sullivan's Quay & Riverway Mews | (V) | 1,646,094 | 1,688,203 | 805,751 | 886,326 |
| Camberly House, Churchtown | (VI) | 799,437 | 818,288 | 406,873 | 443,861 |
| Tubbercurry, Co Sligo | (VII) | 6,265,569 | 6,447,445 | 5,516,702 | 5,823,235 |
| Cairns Hill, Co Sligo | (VII) | 846,476 | 859,840 | 604,040 | 638,990 |
| Rathbraughan Line, Sligo | (VII) | 473,817 | 476,667 | 324,995 | 338,755 |
| Sean McDermott St | (VIII) | 659,454 | 672,986 | 567,431 | 592,101 |
| Magazine Road Cork | (IX) | 996,282 | 1,000,622 | 871,743 | 905,166 |
| Clondalkin, Dublin 12 | (X) | 1,086,687 | 1,090,015 | 994,061 | 1,032,186 |
| Roundtower | (XI) | 716,265 | 717,733 | 169,978 | 176,274 |
| | | 35,763,601 | 36,639,222 | 20,933,837 | 22,292,291 |
| Assets in the course of construction | (XII) | 4,254,145 | 2,862,656 | 4,756,293 | 2,868,636 |
| Other Gifted Properties | | 1,724,148 | 1,648,762 | - | - |
| | | 41,741,894 | 41,150,640 | 25,690,130 | 25,160,927 |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

15. TANGIBLE ASSETS – HOUSING PROPERTIES (CONTINUED)

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.
- VII Sligo County Council has provided funding for the purpose of assisting with the provision of housing accommodation at Tubbercurry, Rathbraughan Line and Cairns Hill Co Sligo. A liability exists to repay in whole or in part the amounts received in certain circumstance.
- VIII 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 Sean McDermott Street, Dublin 1. A liability exists to repay in whole or in part the amounts received in certain circumstances.
- IX Cork City Council, through the Department of the Environment and Local Government, has provided funding for the purpose of assisting with the provision of housing at The Hollies, Magazine Road, Cork. A liability exists to repay in whole or in part the amounts received in certain circumstance.
- X South Dublin County Council has provided funding for the purpose of assisting with the provision of housing accommodation at Woodford Drive, Clondalkin, Dublin 12. A liability exists to repay in whole or in part the amounts received in certain circumstances.
- XI In 2020, Round Tower Housing Association gifted the legal interest of a property at Rialto Court, Rialto, Dublin 8 to Sophia for the purpose of the provision of social housing. The property was valued at €716,000 and there was a corresponding CAS loan also transferred of €188,864.
- XII Funding Approval has been issued by the Department of Housing, Planning, Community and Local Government in association with Laois and Offaly County Councils for two new projects currently under construction.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

15. TANGIBLE ASSETS – HOUSING PROPERTIES (CONTINUED)

Loans advanced by Local Authorities and by the Department of Housing, Planning, Community and Local Government to the company have a twenty to thirty-year repayment period. The company will be relieved of all interest and capital repayments so long as the granting authority is satisfied that the accommodation continues to be properly maintained and to be let to eligible categories of persons at reasonable rents.

In the event that a particular accommodation fails to satisfy the granting authority in this regard, the company will become liable to repay the outstanding balance of the loan together with any accrued interest thereon.

In the event of default, the granting authority may take steps to secure redemption of the loan. The company may not, if there is any balance outstanding on a loan, dispose of an accommodation without the consent of the granting authority.

In relation to other gifted properties included above:

The legal interest in a property at Seapark, Ballincar, Co. Sligo was gifted to the company by The Daughters of Wisdom on 19 September 2011. At the time of the transfer, the property was valued at €397,134. The Daughters of Wisdom retain a beneficial interest in this property. In the event that the property is withdrawn from charitable use, The Daughters of Wisdom have the right to direct that the property be sold on terms specified by them and they shall be entitled to retain the proceeds of such a sale.

On 28 June 2017 the Presentation Sisters gifted the legal interest of two properties at Castlecomer, Co. Kilkenny to Sophia for the purpose of the provision of social housing. The properties were valued at €205,000.

On 21 October 2017 the Daughters of Charity gifted the legal interest of a property at Killinarden, Tallaght, Dublin 24 to Sophia for the purpose of the provision of social housing. The property was valued at €550,000.

In 2017, a convent at Cork Street, Dublin 8 valued at €1,400,000 was donated to Sophia Housing by the Mercy Sisters for the purpose of the provision of social housing.

In 2021, a property at Sullane Crescent, Raheen, Limerick valued at €275,000 was donated to Sophia Housing by the Mercy Sisters for the purpose of the provision of social housing.

CAPITAL ADVANCE LEASING FACILITY (CALF) RECEIVED DURING THE YEAR

Capital advance payments of up to 30% of the acquisition of properties are available from the Department of Housing, Planning and Local Government under the Capital Advance Leasing Facility (CALF). The capital advance is repayable, as a 'bullet' repayment, at the end of the approved period of the advance which can be up to a twenty-five-year period. Interest is payable on the principal amount only at 2% per annum. This interest is accrued for the duration of the CALF and payable at the end of the twenty-five-year period. Details of mortgage loans received by the Company under CALF are:

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

15. TANGIBLE ASETS – HOUSING PROPERTIES (CONTINUED)**Capital Asset Leasing Facility (CALF)**

| | 2022 | 2021 |
|---------------------|----------------|----------------|
| | € | € |
| Gross at 01 January | 105,847 | - |
| Additions | - | 105,847 |
| At 31 December | <u>105,847</u> | <u>105,847</u> |

| | | |
|----------------------------------|--------------|---|
| Interest accrued at 01 January | - | - |
| Interest accrued during the year | 2,117 | - |
| At 31 December | <u>2,117</u> | - |

| | | |
|--|-----------------------|-----------------------|
| Total CALF Liability at 31 December | <u>107,964</u> | <u>105,847</u> |
|--|-----------------------|-----------------------|

| | 2022 | 2021 |
|--|------|------|
| | € | € |

Movement on properties acquired during the year**CAS/CLSS loans received during the year**

| | | |
|------------------------------------|-------------------|-------------------|
| Balance at 31 December 2022 & 2021 | 25,690,130 | 25,160,927 |
| Balance at 31 December 2021 & 2020 | <u>25,160,927</u> | <u>24,211,626</u> |
| Received during the year | 529,203 | 949,301 |
| Amortised during the year | <u>1,358,454</u> | <u>1,358,208</u> |
| | <u>1,887,657</u> | <u>2,307,509</u> |

Cost of properties acquired

| | | |
|------------------------------------|-------------------|-------------------|
| Balance at 31 December 2022 & 2021 | 41,741,894 | 41,150,640 |
| Balance at 31 December 2021 & 2020 | <u>41,150,640</u> | <u>39,086,638</u> |

| | | |
|----------------------------------|----------------|----------------|
| | 591,254 | 2,064,002 |
| Value of Properties gifted | | |
| Impairment of property | - | - |
| Depreciation charge for the year | <u>904,169</u> | <u>904,167</u> |

| | | |
|----------------------|------------------|------------------|
| Cost during the year | <u>1,495,423</u> | <u>2,968,169</u> |
|----------------------|------------------|------------------|

| | | |
|---|----------------|----------------|
| Cash flow movement on properties acquired during the year | <u>392,234</u> | <u>660,660</u> |
|---|----------------|----------------|

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2022

16. TANGIBLE FIXED ASSETS - OTHER

| | Fixtures, fittings and equipment | Cork Street fit out | Computers | Motor | Total |
|--------------------------|--|------------------------|-----------|--------|-----------|
| | 2022 | 2022 | 2022 | 2022 | 2022 |
| | € | € | € | € | € |
| Cost of valuation | | | | | |
| At 1 January 2022 | 1,422,290 | 125,601 | 263,127 | 18,000 | 1,829,018 |
| Additions | 30,968 | - | 12,582 | - | 43,550 |
| At 31 December 2022 | 1,453,258 | 125,601 | 275,709 | 18,000 | 1,872,568 |
| Depreciation | | | | | |
| At 1 January 2022 | 1,084,492 | 125,601 | 200,664 | 10,200 | 1,420,957 |
| Charge for the year | 91,733 | - | 18,313 | 2,600 | 112,646 |
| At 31 December 2022 | 1,176,225 | 125,601 | 218,977 | 12,800 | 1,533,603 |
| Net book value | | | | | |
| At 31 December 2022 | 277,033 | - | 56,732 | 5,200 | 338,965 |
| 31st December 2021 | 337,798 | - | 62,463 | 7,800 | 408,061 |

TANGIBLE FIXED ASSETS – OTHER (PRIOR YEAR)

| | Fixtures, fittings and | Cork Street fit out | Computers | Motor Vehicles | Total |
|--------------------------|---------------------------|------------------------|-----------|-------------------|-----------|
| | 2022 | 2022 | 2022 | 2022 | 2022 |
| | € | € | € | € | € |
| Cost of valuation | | | | | |
| At 1 January 2021 | 1,405,761 | 125,601 | 245,994 | 18,000 | 1,795,356 |
| Additions | 16,529 | - | 17,133 | - | 33,662 |
| At 31 December 2021 | 1,422,290 | 125,601 | 263,127 | 18,000 | 1,829,018 |
| Depreciation | | | | | |
| At 1 January 2021 | 1,000,474 | 125,601 | 182,508 | 7,600 | 1,316,183 |
| Charge for the year | 84,018 | - | 18,156 | 2,600 | 104,774 |
| At 31 December 2021 | 1,084,492 | 125,601 | 200,664 | 10,200 | 1,420,957 |
| Net book value | | | | | |
| 31st December 2021 | 337,798 | - | 62,463 | 7,800 | 408,061 |
| 31st December 2020 | 405,287 | - | 63,486 | 10,400 | 479,173 |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

| 17. FINANCIAL ASSETS | 2022 |
|--|---|
| | Subsidiary undertakings shares € |
| Investment Cost | |
| At 31 December 2022 and 31 December 2021 | <u>9</u> |
| Net book value | |
| At 31 December 2022 | <u><u>9</u></u> |
| At 31 December 2021 | <u><u>9</u></u> |

The company holds 20% or more of the share capital of the following company:

| | Class | Country of registration or incorporation | Percentage Holding |
|------------------------------------|--------------------|---|-------------------------------|
| City Park House Management Limited | Ordinary shares | Republic of Ireland | 56.25% |

The capital and reserves, and results of this undertaking for the year ended 31 January 2023 were as follow

| | Capital and reserves € | Deficit for the year € |
|------------------------------------|---------------------------------------|---------------------------------------|
| City Park House Management Limited | 1,047 | (5,023) |

City Park House Management Limited is registered in the Republic of Ireland and its principal activity is that of a property management company. The registered office is City Park House, Sullivan's Quay, Co. Cork.

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

| | 2022 | 2021 |
|--|----------------|---------|
| | € | € |
| 18. DEBTORS | | |
| Trade debtors | 38,995 | 24,783 |
| Prepayments and accrued income | 74,452 | 79,161 |
| Grant income receivable | 496,580 | 482,014 |
| Other debtors | 290,424 | 274,053 |
| | 900,451 | 860,011 |
| 18 a OTHER DEBTORS | | |
| | 2022 | 2021 |
| | € | € |
| Rent/Donations | 31,985 | 20,715 |
| CAS Funding Due | 133,358 | 133,358 |
| Deposits | 9,000 | 9,000 |
| Credit Note due | 2,046 | 46,569 |
| Recharge of expenditure to third parties | 114,035 | 46,300 |
| Catering and Conferencing income due | - | 2,241 |
| Development Grants due | - | 15,870 |
| | 290,424 | 274,053 |
| 18b PREPAYMENTS | | |
| | 2022 | 2021 |
| | € | € |
| Insurance | 39,082 | 34,326 |
| Property Maintenance | 13,887 | 5,799 |
| Utilities | 2,628 | 19,838 |
| IT and Consultancy | 7,532 | 8,455 |
| Rent | 320 | 1,216 |
| Security/Fire Safety | 11,003 | 9,527 |
| | 74,452 | 79,161 |
| 19. CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 630,451 | 330,904 |
| | 630,451 | 330,904 |
| 20. CREDITORS | | |
| Amounts falling due within one year | | |
| Other loans | 220,374 | 30,876 |
| Fee finance | 38,793 | 23,190 |
| | 259,167 | 54,066 |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | € | € |
| 20. CREDITORS (CONTINUED) | | |
| Amounts falling due within one year | | |
| Trade creditors | 314,994 | 477,338 |
| Tax and social welfare (see Note 22) | 145,795 | 148,915 |
| Other creditors | 18,242 | 17,942 |
| | | |
| <u>Accruals and deferred income</u> | | |
| Pension accrual | 17,644 | 34,194 |
| Other accruals | 238,041 | 246,102 |
| Deferred grant income | 362,058 | 235,448 |
| Other deferred income | 9,445 | - |
| | <u>1,106,219</u> | <u>1,159,939</u> |
| | <u>1,365,386</u> | <u>1,214,005</u> |
| | | |
| 20 a Accruals | | |
| | 2022 | 2021 |
| | € | € |
| Legal and professional fees | 50,573 | 47,403 |
| Property Maintenance | 42,070 | 50,758 |
| Utilities | 29,692 | 38,098 |
| Wages and holiday pay | 35,194 | 39,852 |
| Covid 19 Refund | - | 48,280 |
| Rent | 58,595 | 19,348 |
| Security/Fire Safety | - | 1,248 |
| Other | 21,917 | 1,115 |
| | <u>238,041</u> | <u>246,102</u> |
| | | |
| 21 AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | | |
| | 2022 | 2021 |
| | € | € |
| CAS/CLSS Government Grants (Note 15) | 25,690,130 | 25,160,927 |
| Capital Asset Leasing Facility (CALF) | 107,964 | 105,847 |
| Clann Credo Loan | 358,593 | 279,084 |
| Social Investment Loan | 100,125 | - |
| | <u>26,256,812</u> | <u>25,545,858</u> |
| | | |
| Loan repayable between one and two years | 20,374 | 30,876 |
| Loan repayable between two and five years | 40,748 | 61,752 |
| Loan repayable in five years or more | 297,471 | 292,303 |
| Government Grants (CAS/CLSS) | 25,690,130 | 25,160,927 |
| Capital Asset Leasing Facility | 107,964 | - |
| Social Impact Loans | 100,125 | - |
| | <u>26,256,812</u> | <u>25,545,858</u> |

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

21 AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

CAS/CLSS Government grants represents grants made to the company by Government from CAS and CLSS schemes. No capital and interest repayments are required to be made on these grants provided that the company continues to comply with certain specific requirements of the local authorities with regard to the properties for which grants have been provided. These grants are secured by specific charges on the Company's land and housing properties. €25,690,130 (2021: €25,160,927) represents grants to be released to income in future years in accordance with the accounting policy on Government Grants.

There is a contingent liability to repay these mortgage loans in full in the event of the terms of the Scheme or the mortgage loan agreement not being complied with.

The Clann Credo Loan has been taken out to finance St Catherine's, Tallaght and is repayable within 15 years. Clann Credo CLG holds a legal charge on St. Catherine's, Knockmore Avenue, Dublin 24, D24 TVP1 Folio DN65393F.

Capital Advance Leasing Facility (CALF) represents capital advance payments of up to 30% of the acquisition of properties are available from the Department of Housing, Local Government and Heritage (DHLGH). The capital advance is repayable, as a 'bullet' repayment, at the end of the approved period of the advance usually a twenty-five-year period. Interest is payable on the principal amount only at 2% per annum. This interest is accrued for the duration of the CALF and payable at the end of the twenty-five-year period.

The Social Impact Loan is unsecured at an interest rate of 1.5% per annum and repayable as a single repayment at the 10th anniversary of the receipt of funds.

| 22 TAXATION AND SOCIAL SECURITY | 2022 | 2021 |
|--|----------------|---------|
| | € | € |
| VAT | 56,914 | 53,343 |
| PAYE | 42,342 | 47,935 |
| PRSI | 41,377 | 45,181 |
| Local Property Tax | 247 | 305 |
| RCT Payable | 4,915 | 2,151 |
| | 145,795 | 148,915 |

23 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.

24 RELATED PARTY TRANSCATIONS

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

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

During the year, Sophia Housing Association contributed towards service charge cost in the amount of €6,148 (2021: €6,148). As at 31 December 2022, the balance owed by City Park House Management Limited in this regard was €Nil (2021: €Nil).

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2022

Riverway Mews Management Company Limited by Guarantee (CLG)

Riverway Mews Management Company CLG is connected to the company by virtue of the fact that the CEO and secretary of Sophia Housing Association, Tony O'Riordan, being a director. During the year, Sophia Housing Association discharged costs on behalf of Riverway Mews Management Company in the amount of €692 (2021: €1,886). As at 31 December 2022, the balance owed by Riverway Mews Management Company CLG to the company in this regard was €Nil (2021: €Nil).

Simon Community (Midlands) Company Limited By Guarantee (CLG)

A collaboration agreement was signed in October 2016 between Sophia Housing Association CLG and Simon Community (Midlands) CLG. The Board of Directors renewed this collaboration agreement in 2021. The agreement allows for shared cost between the two organisations.

As part of the agreement, a number of roles including the CEO, Human Resources Manager and Director of Services, and other costs including an office in Athlone are shared between the companies. A total of €151,092 (2021: €69,634) was recharged by Sophia Housing Association CLG to the Simon Community (Midlands) CLG during the year ended 31 December 2022.

A total of €82,136 (2021: €21,958) was owed by Simon Community (Midlands) CLG to Sophia Housing Association CLG on 31 December 2022.

25 CONTROLLING PARTY

The Board of Directors is considered the ultimate controlling party of the Charity.

26 POST STATEMENT OF FINANCIAL POSITION EVENTS

Demand for Sophia's services has continued to be very strong into 2023 but there continues to be financial challenges to ensure that there is sufficient revenue generated to meet the cost of supporting service users and the related property costs.

The organisation continues to work with grant funders to secure additional funding to meet the increasing costs associated with the general inflationary environment, addressing the issue of staff recruitment and retention and the ongoing challenges associated with the maintenance of properties to the required regulatory standards.

Core funding from these sources remains robust and these discussions should see additional revenue generated for the delivery of services and managing the associated costs.

There has however been delays associated with the development of new units which will delay the timing of additional revenue from these rental sources.

The organisation has secured additional capital investment to assist with cash flow management in 2023.

The directors believe that there are no post balance sheet adjusting items.

27 DEFERRED INCOME

Income received in respect of future specified service provision is deferred until the criteria for income recognition is met. These include designated income, restricted funds received and government grant received in advance. The total deferred Income in 2022 was €362,058 (2021: €235,448).

SOPHIA HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2022

28 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had capital commitments of €1,355,326.49 (2021 – Nil) at the financial year ended 31 December 2022. These commitments are to be funded by way of approved CAS loans.

There were no contingent liabilities outstanding at 31 December 2022 (2021 €Nil) other than the contingent liabilities outstanding on the CAS and CLSS loans (see note 21).

29 MORTGAGES AND CHARGES

The Local Authorities and Clann Credo CLG (Irish Social Finance Centre, 10 Grattan Crescent, Inchicore, Dublin 8) have legal charges registered against the mortgaged properties.

Further details of all charges on the assets of the company are registered with the Companies Registration Office and are available at www.cro.ie.

30 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 18 October 2023.