

Registration number 310139

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

Directors' Report and Financial Statements
for the financial year ended 31 December 2016

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

	Page
Directors and other information	3
Directors' report	4 - 9
Directors' responsibility statement	10
Independent auditor's report	11
Statement of financial activities	12
Statement of financial position	13
Statement of changes in reserves	14
Statement of cash flows	15
Notes to the financial statements	16 - 32

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

DIRECTORS AND OTHER INFORMATION

Chief Executive

Tony O'Riordan

Directors

Denis Doherty
Helena O'Donoghue
Felix McKenna
Gráinne Hilton
Una Coleman
John Duffy
Jean Quinn
Eamonn Martin
Karl McDonagh
Julia Carmichael

Company secretary

Felix McKenna

Charity number

CHY 13516

**Registered office and
business address**

25 Cork Street
Dublin 8
Ireland

Auditors

ECOVIS DCA
Chartered Accountants and Statutory Audit firm
Suites D3/D4, The Cubes Offices
Beacon South Quarter
Sandyford
Dublin
D18 R7N8
Ireland

Bankers

Bank of Ireland
Walkinstown
Dublin 12
Ireland

Solicitors

H. O'Boyle & Co.
64 Booterstown Avenue
Booterstown
Co. Dublin
Ireland

Sophia Housing Association Limited

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

DIRECTORS' REPORT

for the financial year ended 31 December 2016

The directors present their annual report and the audited financial statements of Sophia Housing Association Limited for the financial year ended 31 December 2016.

Companies Act 2014

The Companies Act 2014 commenced on 1 June 2015. Sophia Housing Association 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 organisation has been granted charitable status, for taxation purposes, by the Revenue Commissioners (Registered Charity Number 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, Daughter of Wisdom, and Eamonn Martin in 1999. 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 vision, mission and values

Vision

The organisation's vision is to support marginalised people to realise their potential and fulfil their ambition. Sophia pursues its vision through projects that enable people to make positive differences in their lives. Every project aims to be innovative and ensure service users feel safe and secure.

Mission

Sophia exists to provide homes and ongoing support for families and individuals with complex needs.

Values

The organisation's values are as follows:

- Sophia is committed to social justice principles, empowerment and inclusion;
- Sophia respects diversity and affords parity of esteem to service users, members of staff and volunteers;
- Sophia is committed to collaborating with statutory and non-statutory partners in pursuing its mission;
- Sophia aspires to being a good employer, efficient, competent, accountable, well governed and well managed; and
- Sophia values the wisdom derived from experience, feedback from stakeholders, reflection, sharing and openness to ideas for improvements from wherever they are offered.

Principal activities

Provision of Affordable housing

The principal activity of the company is that of the provision of affordable housing enabling all persons to live independent lives with varying degrees of support. We provide safe and supported homes for 398 vulnerable and marginalised people, offering a range of accommodation, including 1, 2 or 3 bedroom houses or apartments, and we cater for both long-term and short-term tenancies. Not only do we own and manage properties, we provide outreach and tenancy sustainment for people in public or private rented accommodation in order to support people at risk of becoming homeless.

Support services and interventions

Sophia supports adults in developing the skills of independent living. We provide intensive care 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 and key working;
- Health and wellbeing;
- Advocacy and liaison with statutory organisations and support services linking with healthcare, welfare, training and education, childcare and employment services;
- Practical support in stabilising chaotic behaviour relating to mental health, physical health and anti-social behaviour;
- Training and support in basic living skills;

Sophia Housing Association Limited

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

DIRECTORS' REPORT

for the financial year ended 31 December 2016

- 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, substance abuse support.

Strategic objectives

The strategic objectives of Sophia are to:

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

Structure, governance and management

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

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

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

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

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

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

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 nine times in 2016 (seven times in 2015).

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

for the financial year ended 31 December 2016

There are three sub-committees of the Board:

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; and
- To ensure that Sophia complies with best practice in relation to financial accounting standards and financial management.

Audit, Risk & 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 3 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.

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

for the financial year ended 31 December 2016

Internal controls

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

The key elements of internal control systems are:

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

Principal risks and uncertainties

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

Financial review

Change in Financial Reporting Framework

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

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

Results for the year

There was a deficit of income over expenditure for the year of €242,135 (2015: surplus of €429,468). The deficit arises due to the following:

- 1) An impairment of the property based in Tubbercurry has been recorded in the current financial year where it was believed the value of the property shown at cost less depreciation was in excess of the net realisable value. The value of the impairment of €946,922.
- 2) A change in accounting policy in the prior year in relation to how CAS/CLSS loans are treated under FRS102 has resulted in amortisation of €1,278,036 being credited to the statement of financial activities in the current year. In addition under FRS102, the component parts of the corresponding housing properties are now depreciated and an amount of €673,665 was debited to the statement of financial activities in the current year.

The operating surplus of the organisation is €100,416 for 2016 but the treatment of the above items has resulted in a deficit of income over expenditure for the year end 31 December 2016.

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

Achievements and performance

Appointment of a new CEO and the Collaboration Agreement with Midlands Simon

Declan Dunne resigned as CEO of Sophia in July 2016 and Tony O'Riordan was appointed to the role of CEO in October 2016. The appointment of Tony O'Riordan to this role forms part of a collaboration agreement between the Midlands Simon Community and Sophia. This agreement allows for the CEO of Sophia to also fulfil the duties of CEO of the Midlands Simon Community.

This agreement arose from the growing collaborative relationship between Sophia and the Midlands Simon Community. The ethos, values and mission of both organisations have core common features. Both organisations believe that providing a home or shelter is the important first step in meeting the needs of homeless persons whose needs are complex.

The two organisations continue to operate independently, with their respective Boards retaining overall responsibility

Sophia Housing Association Limited

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

DIRECTORS' REPORT

for the financial year ended 31 December 2016

for Governance, Finance, Policy, Service Delivery and Development and Strategy.

The collaboration between Sophia and the Midlands Simon Community seeks to develop new ways of attaining greater returns from public funds and resources and is aimed at achieving quality outcomes for service users by optimising the use of service provider resources. The board will review this agreement in due course.

Support services

Sophia supported an average of 257 adults and 141 children within tenancies at Sophia projects in 2016.

The outreach and tenancy sustainment service engaged with an average of 50 adults and 60 children in 2016.

Over the last 12 months, Sophia's qualified professional care team has grown from 57 to 68, reflecting expanding operations and the confidence of our funders. In 2016, Sophia employed an average of 130 people.

Developments

Sligo

Sophia received CAS funding approval for the purchase of a property at Rathbraughan, Sligo which will provide accommodation for four individuals with intellectual disabilities moving out of congregated settings in line with the government strategy for housing for people with disabilities. This is in partnership with Sligo County Council and the HSE. Sophia are working with the HSE on other similar proposals.

Sophia are working in partnership with a number of Religious and Local Authorities with regard to the potential development of a number of a number of sites to meet defined housing needs. These projects are at feasibility stage and it is hoped that these will progress in 2017.

Sophia has continued to receive the very generous support of a number of Religious Orders. In 2016 Sophia was gifted two properties in Kilkenny by the Presentation Sisters and The Daughters of Charity donated a property in Tallaght to Sophia, these are for the provision of social housing.

Childcare

Sophia saw an increase in the number of young children living in our projects and being supported by our outreach services throughout 2016. We have a dedicated early childcare team who implement child-centred strategies to encourage children to thrive, despite any traumas they may have experienced.

Support of Religious Orders

Over the years, Religious Orders have been generous donors and valued supporters of the work of Sophia. In 2016, they played a very important role in terms of the provision of funding to Sophia and we continue to receive most generous fundraising support from many different religious bodies.

Corporate donations

Companies such as Deloitte, ESB, GE Capital and AbbVie, amongst others, participated in fundraising and volunteer events to benefit our service users.

From sale of works to sponsored races to static cycles, Sophia benefited from many fundraising events throughout the year including a 'Who wants to be a Thousandaire' and a Charity Ball event hosted by Elm Green Nursing Home with half of all proceeds going to Sophia.

Many Christmas gifts were donated to the children who live in Sophia from organisations including AbbVie, Special Olympics, Zero-G, Culmullen National School in Drumree, Inner City Helping Homelessness, Deloitte and the volunteer organisation A Christmas Box for the Homeless.

Governance

The Company has, during the year continued to improve its levels of governance. It has introduced and updated policies in relation to governance, reporting, accounting and risk.

Community Employment Scheme

The Community Employment Scheme continues to provide training and work experience to participants across Sophia's projects. Sophia works in partnership with the Department of Social Protection to provide training and work experience to participants on the Scheme.

In 2016, 62 participants worked across a number of areas including childcare, catering, reception, hygiene, maintenance, accounts and administration.

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

for the financial year ended 31 December 2016

The areas of training include training up to Fetac Level 5 in a broad range of areas including Guarding Skills and Door Security Procedures, Writing Skills for Journalism, European Computer Driving Licence, Work Experience, Health & Safety at Work, HACCP and Food Safety, Childcare, Occupational First Aid, Train the Trainer (QQI 6) Floor and Wall Tiling, Painting & Decorating, Care Skills and Care of the Older Person, Safe Pass, Manual & Computerised Accounts, Reception and Customer Service.

Plans for future periods

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

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

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

Directors and Secretary and their interests

In accordance with the Constitution, the following directors retired by rotation at the AGM, and being eligible, offered themselves for re-election: Helena O'Donoghue, John Duffy, Karl McDonagh and Julia Carmichael.

Julia Carmichael was appointed as a director on 14 April 2016.

Accounting records

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

Auditors

Due to a restructuring within the ECOVIS group, ECOVIS BBT resigned as auditors during the year and the directors appointed ECOVIS DCA, (Chartered Accountants), to fill the vacancy.

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

Statement on Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The directors have taken steps that they ought to have taken, to the best of their ability, in order to make themselves aware, of any relevant audit information and they have established that the statutory auditors are made aware of that information.

Signed on behalf of the board

Eamonn Martin
Director

Date: _____

John Duffy
Director

Date: _____

Sophia Housing Association Limited

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

DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2016

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Signed on behalf of the board

Eamonn Martin
Director

Date: _____

John Duffy
Director

Date: _____

INDEPENDENT AUDITOR'S REPORT

to the Members of Sophia Housing Association Limited

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

We have audited the financial statements of Sophia Housing Association Limited for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows, the Accounting Policies and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of its results for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of the Companies Act 2014.

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

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

Matters on which we are required to report by exception

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

Declan Dolan
for and on behalf of
ECOVIS DCA

Chartered Accountants and Statutory Audit Firm
Suites D3/D4, The Cubes Offices
Beacon South Quarter
Sandyford
Dublin
D18 R7N8
Ireland

Date: _____

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

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2016

	Notes	Endowment funds	Restricted funds	Unrestricted funds	Total funds	Total funds
		2016 €	2016 €	2016 €	2016 €	2015 €
Income from:						
Donations and legacies		-	47,436	53,032	100,468	227,992
Charitable activities	6	-	3,462,807	-	3,462,807	3,030,219
Other income	7	-	1,295,422	776,242	2,071,664	1,993,652
Total income		-	4,805,665	829,274	5,634,939	5,251,863
Expenditure on:						
Raising funds		-	10,893	2,475	13,368	114,050
Charitable activities	9	23,044	5,007,428	742,946	5,773,418	4,466,881
Other expenditure	10	-	76,708	13,580	90,288	241,464
Total expenditure		23,044	5,095,029	759,001	5,877,074	4,822,395
Net income/(expenditure) and net movement in funds for the year		(23,044)	(289,364)	70,273	(242,135)	429,468

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Notes	2016 €	2015 €
Fixed Assets			
Tangible assets – housing properties	15	37,441,323	37,884,063
Tangible assets – other	16	91,082	123,892
Financial assets	17	9	9
		<u>37,532,414</u>	<u>38,007,964</u>
Current Assets			
Debtors	18	646,707	394,814
Cash at bank and in hand	22	950,635	1,192,316
		<u>1,597,342</u>	<u>1,587,130</u>
Creditors: amounts falling due within one year	19	<u>(951,830)</u>	<u>(1,049,794)</u>
Net current assets		<u>645,512</u>	<u>537,336</u>
Total assets less current liabilities		<u>38,177,926</u>	<u>38,545,300</u>
Creditors:			
Amounts falling due after more than one year	20	<u>(26,497,972)</u>	<u>(27,375,472)</u>
Net Assets		<u><u>11,679,954</u></u>	<u><u>11,169,828</u></u>
Reserves			
Sinking fund		149,584	131,055
Accumulated funds			
- Endowment		1,086,634	357,417
- Restricted		9,785,656	10,075,020
- Unrestricted		658,080	606,336
		<u>11,679,954</u>	<u>11,169,828</u>

Approved by the board on _____ and signed on its behalf by:

Eamonn Martin
Director

John Duffy
Director

Sophia Housing Association Limited

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

STATEMENT OF CHANGES IN RESERVES

as at 31 December 2016

	Sinking fund	Endowment fund	Restricted fund	Unrestricted fund	Total
	€	€	€	€	€
At 1 January 2016	131,055	357,417	10,075,020	606,336	11,169,828
Net outgoing resources	-	(23,044)	(289,364)	70,273	(242,135)
Transfer to sinking fund	18,529	-	-	(18,529)	-
Gifted Properties transfer to endowment fund	-	752,261	-	-	752,261
At 31 December 2016	149,584	1,086,634	9,785,656	658,080	11,679,954

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
STATEMENT OF CASH FLOWS
for the year ended 31 December 2016

	Notes	2016 €	2015 €
Cash flows from operating activities			
Net surplus/(deficit) for the year		(242,135)	429,468
Adjustments for:			
Depreciation		738,472	916,213
Amortisation of CAS/CLSS loans		(1,278,036)	(1,232,315)
Impairment of property		946,922	-
Release of capital grants		-	(4,225)
Gain on write-off of CAS/CLSS funding received for discontinued project		-	(112,726)
Loss on write-off of cost of development of discontinued project		-	158,578
Loss on disposal of tangible fixed assets		-	-
Interest receivable and similar income		(385)	(66)
Interest payable and similar charges		7,964	583
		<u>172,802</u>	<u>155,510</u>
Movements in working capital:			
Movement in debtors		(251,893)	33,392
Movement in creditors		(119,971)	181,319
		<u>(199,062)</u>	<u>370,221</u>
Cash generated from operations		(199,062)	370,221
Deposit interest received		385	66
Interest paid on bank loans and overdrafts		(7,812)	(431)
Interest element of finance lease and hire purchase rental payments		(152)	(152)
		<u>(206,641)</u>	<u>369,704</u>
Cash flows from investing activities			
Grants received to fund acquisition of housing properties		401,121	969,915
Payments to acquire housing properties		(425,583)	(976,084)
Grants received to fund acquisition of other tangible assets		-	4,242
Payments to acquire other tangible assets		(31,997)	(8,568)
		<u>(56,459)</u>	<u>(10,495)</u>
Net cash used in investment activities		(56,459)	(10,495)
Cash flows from financing activities			
Bank loans drawn down		74,384	64,748
Bank loans repaid		(51,205)	(66,336)
Other loans drawn down		-	-
Capital element of finance lease and hire purchase rental payments		(1,831)	(1,170)
		<u>21,348</u>	<u>(2,758)</u>
Net cash (used in)/generated from financing activities		21,348	(2,758)
Net increase in cash and cash equivalents		(241,752)	356,451
Cash and cash equivalents at beginning of financial year		1,192,301	835,850
Cash and cash equivalents at end of financial year	22	950,549	1,192,301

Sophia Housing Association Limited

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

1. GENERAL INFORMATION

Sophia Housing Association Limited is a company limited by guarantee incorporated in the Republic of Ireland. The address of the registered office and principal place of business is 25 Cork Street, Dublin 8. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. 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 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.

3. ACCOUNTING POLICIES

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

Statement of compliance

The financial statements of the company for the year ended 31 December 2016 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 Statement of Recommended Practice (SORP) (FRS 102) "Accounting and reporting by Charities".

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" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants Ireland as applied in accordance with the Statement of Recommended Practice (SORP) (FRS 102) "Accounting and reporting by Charities" jointly issued by the Charity Commission for England and Wales and the office of the Scottish Charity Regulator, who are recognised by the UK Accounting Standards Board as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with the SORP is considered best practice for charities in Ireland and the directors are satisfied that the adoption of the SORP requirements is the most appropriate accounting practice and presentation to properly reflect the activities of the company.

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.

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:

Housing properties - financed by way of CAS/CLSS	- (see below)
Housing 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 Limited

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2016

Housing properties - financed by way of CAS/CLSS loans

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

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

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

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

Financial assets

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

Trade and other debtors

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

Cash and cash equivalents

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

Borrowing costs

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

Trade and other creditors

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

Leasing and hire purchase commitments

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

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

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

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provision of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

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.

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

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. In line with best practice, stock condition surveys were undertaken in 2016 and 2017. The organisation is committed to meeting the future sinking fund requirements as outlined in the survey reports.

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

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

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

Other income includes along other things, rent and service charge income, catering income and Nurturing Centre/Wisdom Centre fee income. Rent and service charge income is recognised on a receivable basis. Catering income and Nurturing Centre/Wisdom Centre fee income is recognised on a cash receipts basis.

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

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

Expenditure and irrecoverable VAT

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

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

Pensions

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

Taxation

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

4. DEPARTURE FROM COMPANIES ACT 2014 PRESENTATION

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

for the year ended 31 December 2016

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 3 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.

Depreciation is not provided on the cost of land and main structure of housing properties on the grounds that the estimated residual value after 50 years is at least equal to the capitalised cost of this component.

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 and CLSS loans

CAS and CLSS 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 and CLSS 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.

6. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2016 €	Restricted funds 2015 €
Dublin Regional Homeless Executive on behalf of:		
Dublin City Council	726,237	500,546
Dun Laoghaire Rathdown County Council	157,351	157,351
Fingal County Council	165,332	165,332
South Dublin County Council	113,670	113,667
Cork City Council 2016	312,058	265,006
Cork City Council 2015 income deferred	42,947	-
Limerick City and County Council	138,365	96,000
<i>Health Service Executive:</i>		
Dublin East	35,816	35,816
South Western Dublin	329,444	329,444
Northern Dublin	161,321	161,321
South Cork	47,097	47,097
Dublin North City	154,385	-
Management and maintenance grants	61,538	78,453
Childcare grants	41,894	55,271
Other small grants	4,333	6,832
Department of Social Protection Community Employment Scheme	971,019	1,018,083
	3,462,807	3,030,219

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

continued

7. OTHER INCOME

	Restricted funds 2016 €	Unrestricted funds 2016 €	Total funds 2016 €	Total funds 2015 €
Rent and service charge income	-	653,156	653,156	494,422
Catering income	-	58,327	58,327	62,508
Nurturing Centre and Wisdom Centre fee income	-	64,374	64,374	57,838
Interest receivable and similar income (Note 8)	-	385	385	66
Gain on write-off of funding received for discontinued project	-	-	-	112,726
Refund from Sligo County Council of Cairns Hill lease payments	-	-	-	29,552
Amortisation of CAS/CLSS loans	1,278,036	-	1,278,036	1,232,315
Release of capital grants	-	-	-	4,225
Release of Restricted Capital Donation Income	17,386	-	17,386	-
	<u>1,295,422</u>	<u>776,242</u>	<u>2,071,664</u>	<u>1,993,652</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 €	2015 €
Deposit interest	385	66
	<u>385</u>	<u>66</u>

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

continued

9. EXPENDITURE ON CHARITABLE ACTIVITIES

	Endowment funds	Restricted funds	Unrestricted funds	Total funds	Total funds
	2016	2016	2016	2016	2015
	€	€	€	€	€
Support and housing services for individuals and families	-	2,924,269	709,365	3,633,634	3,161,661
Housing support maintenance costs	-	420,809	33,581	454,390	389,007
Depreciation	23,044	715,428	-	738,472	916,213
Impairment	-	946,922	-	946,922	-
	<u>23,044</u>	<u>5,007,428</u>	<u>742,946</u>	<u>5,773,418</u>	<u>4,466,881</u>

10. OTHER EXPENDITURE

	Endowment funds	Restricted funds	Unrestricted funds	Total funds	Total funds
	2016	2016	2016	2016	2015
	€	€	€	€	€
Governance costs	-	22,863	2,621	25,484	29,885
Interest payable and similar charges (Note 11)	-	-	7,964	7,964	583
Loss on write-off of cost of development of discontinued project	-	-	-	-	158,578
Catering costs	-	28,812	126	28,938	26,540
Research, development and education	-	25,033	2,869	27,902	25,878
	<u>-</u>	<u>76,708</u>	<u>13,580</u>	<u>90,288</u>	<u>241,464</u>

11. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	€	€
On bank loans and overdrafts	7,812	431
Lease finance charges and hire purchase interest	152	152
	<u>7,964</u>	<u>583</u>

12. STATUTORY AND OTHER INFORMATION

	2016	2015
	€	€
Net movement in funds for the year is stated after charging/(crediting):		
Auditors' remuneration	12,082	12,082
Depreciation of housing property	673,665	825,249
Depreciation of other tangible assets	64,807	90,964
Impairment of housing property	946,922	-
Amortisation of CAS/CLSS loans	(1,278,036)	(1,232,315)
Release of capital grants	-	(4,225)
	<u></u>	<u></u>

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

continued

13. EMPLOYEES AND REMUNERATION

Number of employees

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

	2016	2015
	Number	Number
Social workers and administrators (DSP Community Employment Scheme)	62	68
Social workers and administrators	68	57
	<u>130</u>	<u>125</u>

The aggregate payroll costs of these person were as follows:

	2016	2015
	€	€
Wages and salaries	2,995,375	2,657,008
Social welfare costs	232,293	192,443
Pension costs	49,233	46,903
	<u>3,276,901</u>	<u>2,896,354</u>

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

	2016	2015
	Number	Number
€70,001 - €80,000	-	-
€80,001 - €90,000	1	-
€90,001 - €100,000	-	1
€100,001 - €110,000	-	-
€110,001 - €120,000	-	-
	<u>1</u>	<u>1</u>

The remuneration of the CEO is noted in the €80,001 - €90,000 band.

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

14. PENSION COSTS

The company operates a defined contribution pension scheme for certain employees. During the year, pension costs amounted to €49,233 (2015: €46,903). At 31 December 2016, the balance owed to pension providers was €8,165 (2015: €8,538).

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

continued

15. TANGIBLE ASETS – HOUSING PROPERTIES

	Total
	€
Cost	
At 1 January 2016	44,954,164
Additions	1,177,847
Disposals	-
	<u>46,132,011</u>
At 31 December 2016	<u>46,132,011</u>
Depreciation	
At 1 January 2016	7,070,101
Charge for the year	673,665
Impairment	946,922
	<u>8,690,688</u>
At 31 December 2016	<u>8,690,688</u>
Net book value	
At 31 December 2016	<u>37,441,323</u>
At 31 December 2015	<u>37,884,063</u>

TANGIBLE ASETS – HOUSING PROPERTIES (PRIOR YEAR)

	Total
	€
Cost	
At 1 January 2015	44,136,658
Additions	976,084
Disposals	(158,578)
	<u>44,954,164</u>
At 31 December 2015	<u>44,954,164</u>
Depreciation	
At 1 January 2015	6,244,852
Charge for the year	825,249
	<u>7,070,101</u>
At 31 December 2015	<u>7,070,101</u>
Net book value	
At 31 December 2015	<u>37,884,063</u>
At 31 December 2014	<u>37,891,806</u>

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

continued

15. TANGIBLE ASETS – HOUSING PROPERTIES (CONTINUED)

CAS/CLSS Loan funded properties	HOUSING PROPERTIES		CAS/CLSS LOANS	
	2016	2015	2016	2015
	€	€	€	€
Cork Street, Dublin (I)	15,303,884	15,680,308	9,183,848	9,643,040
Portrane Road, Donabate (II)	3,947,848	4,032,094	2,241,016	2,365,517
Fortunestown, Tallaght (III)	3,589,733	3,664,736	2,796,014	2,943,173
Greystones, Co Wicklow (IV)	1,355,268	1,381,914	1,150,182	1,202,463
Sullivan's Quay & Riverway Mews (V)	1,873,605	1,915,370	1,289,194	1,369,768
Camberly House, Churchtown (VI)	912,545	931,396	628,798	665,786
Tubbercurry, Co Sligo (VII)	7,356,807	8,303,729	7,356,807	7,663,340
Cairns Hill, Co Sligo (VII)	918,294	635,598	812,844	551,885
Rathbraughan Line, Sligo (VII)	338,408	-	323,833	-
Sean McDermott St (VIII)	740,908	-	715,436	-
	36,337,300	36,545,145	26,497,972	26,404,972
Assets in the course of construction	17,386	981,501	-	969,915
Other Gifted Properties	1,086,637	357,417	-	-
	37,441,323	37,884,063	26,497,972	27,374,887

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 and Cairns Hill Co Sligo. A liability exists to repay in whole or in part the amounts received in certain circumstances.

In the current financial year, the directors believe impairment has arisen in relation to the property in Tubbercurry, Co. Sligo. As a result, the property is now stated at a value that is less than depreciated cost. This is a departure from the current accounting policy but the directors believe it is required in order to give a true and fair view.

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2016

15. TANGIBLE ASSETS – HOUSING PROPERTIES (CONTINUED)

(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 St, Dublin 1. A liability exists to repay in whole or in part the amounts received in certain circumstances.

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 2016 the Presentation Sisters gifted the legal interest of 2 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 2016 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.

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

continued

15. TANGIBLE ASSETS – HOUSING PROPERTIES (CONTINUED)

	2016
	€
Movement on properties acquired during the year	
CAS/CLSS loans received during the year	
Balance at 31 December 2016	26,497,972
Balance at 31 December 2015	27,374,887
	<hr/>
Amortised during the year	(876,915)
	<hr/>
Received during the year	401,121
	<hr/>
Cost of properties acquired	
Balance at 31 December 2016	37,441,323
Balance at 31 December 2015	37,884,063
	<hr/>
Value of Properties gifted	(442,740)
Impairment of property	(752,262)
Depreciation charge for the year	946,922
	<hr/>
	673,665
	<hr/>
Cost during the year	425,585
	<hr/>
Cash flow movement on properties acquired during the year	(24,464)
	<hr/> <hr/>
	2015
	€
Movement on properties acquired (PRIOR YEAR)	
CAS/CLSS loans received during the year	
Balance at 31 December 2015	27,374,887
Balance at 31 December 2014	27,750,013
	<hr/>
Gain on write-off of CAS/CLSS funding received for discontinued project	(375,126)
Amortised during the year	112,726
	<hr/>
Received during the year	969,915
	<hr/>
Cost of properties acquired	
Balance at 31 December 2015	37,884,063
Balance at 31 December 2014	37,891,806
	<hr/>
Written off during the year	(7,743)
Depreciation charge for the year	158,578
	<hr/>
	817,305
	<hr/>
Cost during the year	976,084
	<hr/>
Cash flow movement on properties acquired during the year	(6,169)
	<hr/> <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

continued

16. TANGIBLE FIXED ASSETS - OTHER

	Fixtures, fittings and equipment	Cork Street fit out	Computers	Motor Vehicles	Total
	€	€	€	€	€
Cost of valuation					
At 1 January 2016	834,554	125,601	155,325	5,000	1,120,480
Additions	28,150	-	3,847	-	31,997
At 31 December 2016	<u>862,704</u>	<u>125,601</u>	<u>159,172</u>	<u>5,000</u>	<u>1,152,477</u>
Depreciation					
At 1 January 2016	736,835	124,904	129,849	5,000	996,588
Charge for the year	58,190	697	5,920	-	64,807
At 31 December 2016	<u>795,025</u>	<u>125,601</u>	<u>135,769</u>	<u>5,000</u>	<u>1,061,395</u>
Net book value					
31 December 2016	<u>67,679</u>	<u>-</u>	<u>23,403</u>	<u>-</u>	<u>91,082</u>
31 December 2015	<u>97,719</u>	<u>697</u>	<u>25,476</u>	<u>-</u>	<u>123,892</u>

TANGIBLE FIXED ASSETS – OTHER (PRIOR YEAR)

	Fixtures, fittings and equipment	Cork Street fit out	Computers	Motor Vehicles	Total
	€	€	€	€	€
Cost of valuation					
At 1 January 2015	832,423	125,601	148,905	5,000	1,111,929
Additions	2,131	-	6,420	-	8,551
At 31 December 2015	<u>834,554</u>	<u>125,601</u>	<u>155,325</u>	<u>5,000</u>	<u>1,120,480</u>
Depreciation					
At 1 January 2015	656,572	123,824	120,228	5,000	905,624
Charge for the year	80,263	1,080	9,621	-	90,964
At 31 December 2015	<u>736,835</u>	<u>124,904</u>	<u>129,849</u>	<u>5,000</u>	<u>996,588</u>
Net book value					
31 December 2015	<u>97,719</u>	<u>697</u>	<u>25,476</u>	<u>-</u>	<u>123,892</u>
31 December 2014	<u>175,851</u>	<u>1,777</u>	<u>28,677</u>	<u>-</u>	<u>206,305</u>

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

continued

16. TANGIBLE FIXED ASSETS – OTHER (CONTINUED))

Included above are assets held under finance lease or hire purchase contract as follows:

	2016		2015
	Net Book Value	Depreciation Charge	Net Book Value
	€	€	€
Computer Equipment	2,091	570	2,661
	<u>2,091</u>	<u>570</u>	<u>2,661</u>

17. INVESTMENTS

	2016	
	Subsidiary undertakings shares	Total
	€	€
Investments Cost		
At 31 December 2016	9	9
Net book value		
At 31 December 2016	9	9
At 31 December 2015	9	9
INVESTMENTS PRIOR YEAR		
	Subsidiary undertakings shares	Total
	€	€
Investments Cost		
At 31 December 2015	9	9
Net book value		
At 31 December 2015	9	9
At 31 December 2014	9	9

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 2016 were as follows:

Capital and reserves	Loss for the year
€	€
704	(571)
<u>704</u>	<u>(571)</u>

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, Sullivans Quay, Co. Cork.

Sophia Housing Association Limited
(A company limited by guarantee, without a share capital)
NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2016

18. DEBTORS	2016	2015
	€	€
Trade debtors	29,789	27,547
Prepayments and accrued income	49,811	30,527
Grant income receivable	278,108	122,239
Other debtors	288,999	214,501
	<u>646,707</u>	<u>394,814</u>
	<u><u>646,707</u></u>	<u><u>394,814</u></u>
19. CREDITORS	2016	2015
Amounts falling due within one year	€	€
Bank loans and overdrafts	30,922	7,744
Other loans	100,000	100,000
Net obligations under finance leases and hire purchase contracts	585	1,169
Trade creditors	267,233	321,335
Tax and social welfare (see Note 21)	65,019	71,160
Other creditors	32,524	38,057
<u>Accruals and deferred income</u>		
Pension accrual	8,165	8,538
Other accruals	166,493	153,613
Deferred grant income	182,067	249,550
Other deferred income	98,822	98,628
	<u>951,830</u>	<u>1,049,794</u>
	<u><u>951,830</u></u>	<u><u>1,049,794</u></u>
Other loans are unsecured, interest free and are expected to be repaid in 2017.		
20. CREDITORS	2016	2015
Amounts falling due after more than one year	€	€
Net obligations under finance leases and hire purchase contracts	-	585
CAS/CLSS loans (Note 15)	26,497,972	27,374,887
	<u>26,497,972</u>	<u>27,375,472</u>
	<u><u>26,497,972</u></u>	<u><u>27,375,472</u></u>
21. TAXATION AND SOCIAL WELFARE	2016	2015
	€	€
Creditors:		
VAT	5,027	13,807
PAYE	28,432	29,026
PRSI	27,430	25,002
RCT Payable	4,130	3,325
	<u>65,019</u>	<u>71,160</u>
	<u><u>65,019</u></u>	<u><u>71,160</u></u>
22. CASH AND CASH EQUIVALENTS	2016	2015
	€	€
Cash and bank balances	950,635	1,192,316
Bank overdrafts	(86)	(15)
	<u>950,549</u>	<u>1,192,301</u>
	<u><u>950,549</u></u>	<u><u>1,192,301</u></u>

for the year ended 31 December 2016

23. FINANCIAL INSTRUMENTS	2016	2015
	€	€
Financial assets		
Financial assets that are debt instruments measured at amortised cost	596,896	364,287
	<u>596,896</u>	<u>364,287</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(608,811)	(631,041)
	<u>(608,811)</u>	<u>(631,041)</u>

Financial assets measured at amortised cost comprise trade debtors, grant income receivable and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, other loans, net obligations under finance lease and hire purchase contracts, trade creditors, other creditors and accruals due within one year and after more than one year.

24. CAPITAL STRUCTURE

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

25. RELATED PARTY TRANSACTIONS

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

City Park House Management Limited is a subsidiary of the company. During the year, the company incurred service charges of €5,526 (2015: €4,111) towards various costs of City Park House Management Limited. At 31 December 2016, the balance owed to City Park House Management Limited in this regard was €Nil (2015: €Nil).

Riverway Mews Management Company Limited is connected to the company by virtue of the common directorships of Jean Quinn and Eamonn Martin. During the year, the company incurred service charges of €1,234 (2015: €1,233) towards various costs of Riverway Mews Management Company Limited. At 31 December 2016, the balance owed to Riverway Mews Management Company Limited to the company in this regard was €Nil (2015: €Nil).

On 30 September 2016 a Collaboration Agreement was signed between Midlands Simon Community and Sophia Housing Association Limited. Based on the agreement, both companies agreed to share costs, such as CEO salary.

26. GOING CONCERN

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

27. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on _____.