

**Company Number: 51144**

**SOS Kilkenny Company Limited by Guarantee**  
(A company limited by guarantee, without a share capital)

**Directors' Report and Financial Statements**

**for the year ended 31 December 2016**

**O'Neill Foley  
Chartered Accountants and Registered Auditors  
Patrick's Court  
Patrick Street  
Kilkenny**

# **SOS Kilkenny Company Limited by Guarantee**

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

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**SOS Kilkenny Company Limited by Guarantee**  
(A company limited by guarantee, without a share capital)  
**DIRECTORS AND OTHER INFORMATION**

**Directors**

Michael Hogan  
Brian Kiely (Appointed 18 April 2016)  
Rosaleen O'Keefe (Appointed 18 April 2016)  
Frank Tobin (Appointed 18 April 2016)  
Elizabeth Manning  
Bishop Seamus Freeman  
Rt Rev Mgr Kieron Kennedy (Appointed 18 April 2016)  
William Murphy  
Morgan Doyle  
Jacinta Culliton  
John Trant  
David De Loughry (Resigned 21 March 2016)

**Members**

Patrick McAlinney  
Vivien Good  
Patrick Henderson  
James Cradock  
Kieron Kennedy  
Rosaleen O'Keeffe  
Michael Hogan

**Company Secretary**

Ann English

**Company Number**

51144

**Charity Number**

20024727

**Registered Office**

Callan Road  
Kilkenny

**Auditors**

O'Neill Foley  
Chartered Accountants and Registered Auditors  
Patrick's Court  
Patrick Street  
Kilkenny

**Bankers**

Allied Irish Banks Plc  
3 High Street  
Kilkenny

**Solicitors**

Poe Kiely Hogan Lanigan  
21 Patrick Street  
Kilkenny

# **SOS Kilkenny Company Limited by Guarantee**

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

## **DIRECTORS' REPORT**

for the year ended 31 December 2016

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

The reports and results of the company are presented in a form that complies with the requirements of the Companies Act 2014 and are in compliance with FRS 102. The company as a registered charity has adopted the Statement of Recommended Practice, Charity SORP (FRS 102) - Accounting and Reporting by Charities 2015.

### **Structure Governance and Management**

#### **Constitution**

The charity is registered as a company limited by guarantee not having a share capital and its CRO Registration Number is 51144. During the year the company's name changed from SOS Kilkenny Limited to SOS Kilkenny Company Limited by Guarantee pursuant to the Companies Act 2014. The company was established under a Memorandum of Association which sets out the objects and powers of the charity and is governed under its Articles of Association by a Board of Directors. Under the new Companies Act the Memorandum and Articles are now renamed as the constitution. The company has charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No. CHY9858. In 2015 the company registered with the Charities Regulatory Authority and its CRA number is 20024727.

#### **Governance**

The Board met six times during the year. It continues to give priority to achieving the highest standards of corporate governance including strategic planning and financial management.

Key to our activities and central to our core values is a strong commitment to good governance. The company is currently engaged in updating its policies and corporate governance procedures to ensure compliance with and full adoption of "The Governance Codes". The Governance Code is a code of governance developed specifically for the community and voluntary sector.

The State has obligations to provide services to people with disabilities. This responsibility currently rests with the HSE. Under a Service Arrangement the company is appointed as an agent to the HSE to enable it to deliver on its obligations. The company is economically dependent on the HSE, who provides over 90% of its funding. In this regard the company recognises the importance of its engagement with the HSE and the need for mutual understanding, transparency, practicable solutions, adequate resources and a partnership approach.

The company applies the four principles of clarity, governance, value for money and fairness in its management of substantial public funding which it receives from the HSE, other state companies and the public.

#### **Selections, Induction and Elections of Directors**

The company has a policy in place in relation to Board Renewal and Appointment of Directors and also has a Code of Conduct for Board Members. There is induction training for new directors which also incorporates training for all board members. Each board member receives an induction briefing together with a handbook covering legal documents, organisation policies, code of practice and rules of procedure in relation to the governance of the Company. There is a minimum of six and a maximum of 15 directors allowed under the Constitution and each year one-third of its directors retire by rotation. The maximum period that any director can serve without a break is 9 years. All directors serve in a voluntary capacity and do not receive any remuneration from the company. There are a number of sub-committees of the board including, an Executive Sub-committee, a Finance and Audit sub-committee and a Quality, Safety and Risk Committee. These sub-committees meet a number of times during the year and present their findings/recommendations to the main board.

#### **Management**

Operational decisions concerning the running of the company are the responsibility of the CEO and the senior managers. The Current Senior Management team includes Francis Coughlan CEO, Ann English (Financial Controller/Company Secretary), Stephanie Downes (Operations Manager) and Dermot Rafter (Behavioural Support Specialist). The CEO and company secretary attend bi-monthly meetings of the board and the CEO reports to the board.

#### **Accounting Records**

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at Callan Road, Kilkenny.

# **SOS Kilkenny Company Limited by Guarantee**

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

## **DIRECTORS' REPORT**

for the year ended 31 December 2016

### **Directors and Secretary**

The directors who served throughout the year, except as noted, were as follows:

Michael Hogan  
Brian Kiely (Appointed 18 April 2016)  
Rosaleen O'Keefe (Appointed 18 April 2016)  
Frank Tobin (Appointed 18 April 2016)  
Elizabeth Manning  
Bishop Seamus Freeman  
Rt Rev Mgr Kieron Kennedy (Appointed 18 April 2016)  
William Murphy  
Morgan Doyle  
Jacinta Culliton  
John Trant  
David De Loughry (Resigned 21 March 2016)

The secretary who served throughout the year was Ann English

In accordance with the Articles of Association, the directors retire by rotation and, being eligible, offer themselves for re-election.

### **Mission, Objectives and Values**

#### **Vision**

The organisation's vision is to enable the persons who avail of our service to belong in a world where people with a disability participate fully in all aspects of life as equal citizens.

#### **Mission**

The mission of SOS Kilkenny Company Limited by Guarantee is to provide a lifetime commitment to people with a learning disability which recognises:

- The dignity and potential of the person with a learning disability
- The right of the person with a learning disability to be enabled to integrate as fully as possible into society.

#### **Objectives**

1. To provide a lifetime service to people with a moderate learning disability from Kilkenny County and Ossory Diocese.
2. To ensure that the service users receive a service with quality and dignity in accordance with their rights.
3. To enable service users achieve their full potential and fulfil their ambition in accordance with realistic and achievable goals.
4. To provide quality-training programmes and work opportunities, which cater for the physical, mental, spiritual and emotional development of the individual.
5. To provide the means for social integration in accordance with the service users individual needs and choices.
6. To provide a good standard of facilities and conditions which derive to support training, work, and development.

#### **Values**

As an organisation SOS is informed and led by the core value that the quality of life is greatly enhanced through opportunities for social inclusion; and it is guided by the belief that the empowerment of service users is the most effective means of ensuring a person centred service of the highest standard. SOS is:

- Founded on genuine empathy with the needs and wishes of its service user.
- Led by the individuals to who our organisation provides a service.
- Designed and developed in consultation with all relevant stakeholders.
- Based on the provision of individual support packages that increase the potential of the person in a positive manner.
- Delivered on a person centred and socially inclusive basis.
- Accountable for the achievement of quality personal outcomes, for the people who use its services.

# **SOS Kilkenny Company Limited by Guarantee**

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

## **DIRECTORS' REPORT**

for the year ended 31 December 2016

### **Services and Activities**

#### **Day Services**

The day services within SOS aim to provide meaningful day options for each person with a disability that are compatible with their own needs and wishes. The Day services are provided in a number of locations in Kilkenny including the original campus and ASPECT autism service on the Callan Road in Kilkenny City, Access at Margaretsfield also on the Callan Road, Deenview Day Services in Castlecomer, Abbey Business Centre in Abbey Street, Kilkenny, Flipside in Collier's Lane, Kilkenny and two new service locations in Walkin Street and Patrick's Court in Kilkenny City which opened in mid 2016. The day services work to implement the HSE's "New Directions" policy by providing person centred services where by each individual in SOS is helped to identify their own personal choices, dreams and goals. The delivery of day services to people with disabilities which meet the objective of the New Directions policy is through a combination of programmes and activities which can be broadly categorised as follows:

1. Training and Supported Employment;
2. Activity based programme;
3. Community Inclusion Programme.

Under the training and Supported Employment programme SOS offers the H.S.E. Rehabilitative Training Programme. On completion of this programme certification is achieved through OCR (UK accredited) and FETAC. Central to the Supported Employment service it is SOS's belief that everyone should experience the dignity and purpose of a paid, meaningful job. Thus SOS sources opportunities for job tasters, placements and paid employments. SOS uses the model of 'customised employment' to match the skills and interests of job seekers to the specific business needs identified by an employer.

Activity based programmes include media, broadcasting, photography, sports, creative arts including felting, painting, drawing, mixed media, pottery, music, singing and drama.

Our new city based locations are specifically chosen to facilitate more natural community inclusion, and employment, volunteering and inclusive education options further enhance community inclusion. SOS day services are driven by community inclusion and many activities pursued are in community settings such as libraries, leisure centres and other local amenities e.g. banks, post offices, cafes, shops, cinema, parks. SOS continues to expand Day services to enable clients to make informed decisions when making lifestyle and recreational choices.

### **Residential and Respite Services**

#### **Residential**

The SOS Residential Service consists of eighteen community based homes in the City of Kilkenny and the town of Castlecomer. Two of these community homes are comprised of apartment units of which one has four apartments and the second has eight individual apartments. Over 100 people receive residential support through SOS with residential homes offering varying degrees of support to meet the individual needs of residents. All of our homes are based on the principles of full and active participation within the home and local community, thus creating a home from home atmosphere. This is achieved through the style of support provided, a process of shared decision making and a culture of consultation which has proven to be paramount to the success of our residential programme. SOS Residential Service provides seven different community living and support options which are aimed at maximising independence for all our residents. These options change on a regular basis to reflect the needs and preferences of individual residents as required. This ensures we are constantly evolving to meet new challenges as they arise. The seven living options available are:

- Retirement Home
- Low Support Homes
- Medium Support Homes
- High Support Home
- Semi Independent
- Independent – SOS Community Homes
- Independent - Private residential and County Council tenancies

Each residential service has a line manager whose role it is to provide support and assistance to the staff and residents at evenings and weekends. This helps to enable each resident to achieve their individual goals and to live a full and meaningful life. All homes are supported with a twenty four hour on-call system which provides support and assistance in an emergency.

# **SOS Kilkenny Company Limited by Guarantee**

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## **DIRECTORS' REPORT**

for the year ended 31 December 2016

### **Respite**

SOS provides a dedicated respite service in three locations. In addition to the original six bed respite house in Kilkenny City, it also provides respite services from a second house and an apartment which are also city based. SOS provides respite for day service attendees and external people.

Respite allows our day service clients to experience life in a residential home and enables parents and carers to plan holidays/breaks. Respite also provides emergency care when required. Over thirty five people avail of this service on a yearly basis and this demand continues to increase.

### **Management Services**

At the request of the HSE SOS is currently providing management personnel and expertise to another local disability service. This recognises the quality, experience and effectiveness of our operations and management team.

### **Principal Risks and Uncertainties**

The Directors consider the principal risk facing the group to be that if its economic dependence on the Health Service Executive (HSE) for funding. This risk is mitigated through a Service Arrangement between the HSE and the company. HSE funding has been reduced over the past 7 years through the application of Value for Money, efficiency and pay cuts. These funding cuts have seen our annual funding reduced by €1.05million. Over €250,000 of these cuts were applied directly to salaries by cutting rates of pay and over €460,000 was found in efficiencies and cost reductions programmes. HSE Funding for small capital items was also discontinued and in addition no funding was received from the HSE in relation to costs arising from an 2% increase in the standard VAT rate, the application of water rates, new water charges, HIQA registration costs and increased compliance costs. The directors have identified four main areas where increased funding is essential as follows:

#### **Implementation of Quality Standards**

The funding impact of recommendations by Health Information Quality Authority (HIQA) to address fire and safety issues, staffing levels and quality standards is considerable. New standards are being developed for application to day services. Additional funding will be required to ensure compliance with legal standards and to maintain the current level of service. Discussions are ongoing with the HSE in this regard. Maintenance of standards is critical for the continuity of services.

#### **Changing Needs**

Changing needs in the lives of our Service Users is significant for SOS. Founded in 1975 for young adults with disabilities who wished to have a community based service, SOS now has to deal with the changing needs of clients who have increased needs typical of an ageing population. The 1975 clients are now in their sixties. In the case of longer established services this would not be as critical or as significant as a natural cycle would have been established whereby people are able to access an existing older persons service as those before them pass away. However in SOS these issues have arisen in a period of significant funding cuts and as a result the medical and care needs arising from dementia and an ageing clientele are inadequately funded. This issue is critical for SOS and huge efforts have been made to adequately present the associated business cases to the HSE. We continue to work with the HSE to resolve this issue.

#### **Sleepovers**

Further to a Labour Court Recommendation (LCR20837), SOS will have to treat the time spent on the sleepover as working time and therefore must comply with the Organisation of Working Time Act 1997. The Health Sector is in ongoing discussions with relevant Trade Unions under the auspices of the Labour Relations Court on this issue. The impact of this will be significant for SOS who recognises that increased funding from the HSE will be required to discharge its obligations.

#### **Pay Increments**

The HSE has not provided any funding toward annual increments since 2009. While, services were expected to find the funding for increments within the existing funding, the HSE also instructed that levels of service could not be affected by cost containment measures or the payment of increments. In addition to securing savings to meet the Value for money, efficiency, pay-cuts and increased costs, SOS also succeeded in implementing further cost reductions and efficiencies to enable it to pay the 2010 and 2011 increments. The annual cost to SOS of these increments was circa. €300,000. In effect SOS has secured over €1.4m in annual savings over the past seven years. To put this in perspective this is more than the total non-Pay costs in the organisation in 2016.

However, increments due from 2012 to 2016 have not been applied to staff salaries as the company is unable to do this without affecting the level of service. In 2017 the company will be 6 annual increments in arrears. This equates to an annual cost of over €700,000. The Company and its trade unions have participated in a mediation process with the Workplace Relations Commission which has issued a recommendation in relation to restoration of increments. All parties, however, acknowledge the need for increased funding from the HSE to enable these recommendations to be implemented. Apart from the risk of industrial action and significant disruption to services, SOS also recognises that it will not attract and retain quality staff if pay rates are not competitive.

# **SOS Kilkenny Company Limited by Guarantee**

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## **DIRECTORS' REPORT**

for the year ended 31 December 2016

### **Going Concern**

The Company is economically dependent on the Health Service Executive for funding and this economic dependency is underpinned by a Service Level Arrangement (SLA) between the Health Service Executive (HSE) and the Company. Accordingly the financial statements have been prepared on a going concern basis.

### **Financial Review**

The surplus/(deficit) for the year after providing for depreciation amounted to €53,900 (2015 - €(15)).

At the end of the year the company has assets of €2,401,682 (2015 - €2,599,337) and liabilities of €2,403,301 (2015 - €2,654,856). The net liabilities of the company have decreased by €53,900.

SOS had total income of €11,266,469 in 2016 (2015 - €10,404,510). €10,783,119 (96%) was received for specific purposes and was therefore treated as restricted funds. €10,261,613 which represent s 92% of total income was received in state funding. €54,165 of restricted income was not spent in the year and remains in restricted reserves in the balance sheet at year end. Total unrestricted income received was €483,350 (2015 - €552,412) which represented 4% of income and was mainly derived from fundraising and donations, contributions from Service Users and amortisation of grants. There was an overspend in unrestricted income of €265 which added to the existing negative balance in unrestricted reserves giving a closing negative unrestricted reserves balance of €55,784.

Total Expenditure in SOS was €11,212,569 of which €9,929,275 (89%) related to staff and staff related costs and €1,283,294 (11%) related to other costs.

The directors note the efforts of management to secure funding towards capital and upgrade costs of circa. €750,000 incurred by its related party SOS Kilkenny Housing Association Company Limited by Guarantee that enabled the company comply with fire safety regulations and other standards as required by The Health, Information and Quality Authority (HIQA).

It also noted that the Health Service Executive (HSE) has advised the company that it is not in a position to reimburse these costs and have further requested the company procure a commitment from SOS Kilkenny Housing Association Company Limited by Guarantee not to pursue the reimbursement of these costs from the company or the HSE.

Having considered this request in light of its close relationship with the Company; SOS Kilkenny Housing Association Company Limited by Guarantee has advised the company that it will agree to the request of the HSE on the understanding that the company will reach agreement with the HSE in relation to the quantum of funding required for its ongoing operational and capital requirements.

### **Achievements and Performance**

#### **Day Services**

In 2016 we provided day services across our three programmes to 185 adults with disabilities, supporting them towards greater inclusion in society, and to live and work independently. The total costs incurred in relation to day services amounted to €3,782,255. This includes staff and related costs of €2,917,898 of which 90% related to direct support staff.

18 persons with disabilities participated in a rehabilitative training programme in 2016. In that year also, SOS supported 46 persons with disabilities in approximately 56 employment positions and 14 others availed of job taster opportunities. A wide range of work experience options were supported for students on the rehabilitative training programme, in addition to many others who expressed an interest in these options. The opening of the new Patrick Street base in 2016, located in the heart of Kilkenny City, has enhanced the success of the supported employment service. This new location also supports three people interested in vocational training, one individual who is pursuing further educational studies and another who is accessing third level studies at Waterford Institute of Technology.

9 people now volunteer in the community and many others now use a wide variety of community facilities on a regular basis. A significant development was the opening of a further community location in Walkin Street in Kilkenny which offers a number of innovative lifestyle programmes which educate and support people to understand, participate and be part of their own local community. These programmes include the use of technology such as Skype, internet and ATM access. An Over 50's Ladies session and a Men's session discuss issues which are relevant to those groups and new options such as photography have also commenced and are based at this new location.

The new town locations have ensured that people are supported and encouraged to be active, independent members of their community and are present on a daily basis using services and contributing to society. Supports are tailored where necessary to take account of the individual's needs and preferences and at all times the core value of person centeredness principles are applied.

# **SOS Kilkenny Company Limited by Guarantee**

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## **DIRECTORS' REPORT**

for the year ended 31 December 2016

The overall objective is to ensure that people are offered a choice of personal supports to have meaningful social roles in their local community.

### **Residential & Respite Services**

In 2016 the organisation provided supports in a number of different residential settings including community houses and a number of independent living options. These supports were personalised and included helping people to access and manage their tenancies and live independently in the community. 101 persons, 43 female and 58 male, all with intellectual disabilities received residential supports in 2017. Overnight respite services were provided to 36 persons with intellectual disabilities/autism of which 32 were male and 4 were female. A total of 1,289 respite overnights was accessed in 2016. The cost of providing residential services amounted to €6,918,299. €6,547,566 related to staff and staff related costs of which 93% related to direct support staff.

### **Management Services**

SOS continues to provide management services under a Memorandum of Understanding between the HSE, SOS and a local disability service. This arrangement has been extended and will be reviewed in 2017. Significant progress has been achieved in relation to quality standards and compliance in the relevant service under this arrangement. The cost of services provided in 2016 was circa. €481,851. SOS was fully reimbursed for these costs.

### **Strategic Objectives and Future Performance**

SOS will focus on eleven strategic objectives in 2017. These objectives reflect our highest priorities. In this regard we will work to:

1. Advance the application of SRV (Social Role Valorisation) as the organisation's theory of practise. This will help us to better understand what is required by, and lead to better outcomes for, our service users.
2. Develop further town centre locations in line with New Directions.
3. Continue development of Callan Road campus for identified needs including autism specific services.
4. Extend development of services for people with autism in South Tipperary region.
5. Develop further respite options and services.
6. Complete HIQA registration of all residential facilities and maintain high standards as in relation to compliance with all relevant legislation and HIQA requirements.
7. Explore new initiatives to meet housing needs.
8. Address the transport needs within the service.
9. Continue to review policies, processes and procedures to ensure that governance is in line with best practise.
10. Clarify future relationship with local disability service which is currently a party to a management services contract under a memorandum of understanding between themselves, the HSE and SOS.
11. Continue efforts to meet energy savings objectives in accordance with the National Energy Efficiency Plan 2009-2020 (NEEAP) which requires the public sector including all publically funded bodies to achieve improvements in energy efficiency of 33% by 2020.

Service users and their families and employees are kept as fully informed as is practicable about developments within the service.

### **Reserves Policy**

#### **Restricted Funds**

Restricted reserves represent funding, grants, donations and sponsorships received which can only be used for particular purposes specified by the donors and binding on the directors. Such purposes are within the overall aims of the charity.

#### **Unrestricted funds**

Unrestricted Funds represent amounts which may be spent or applied at the discretion of the Directors in furtherance of the objectives of the Company. They may include designated reserves which are earmarked by the directors for specific projects.

The Company is economically dependent on the Health Service Executive for funding but this funding is restricted and may only be applied to the costs arising from the provision of agreed services and specified capital projects. The Board of Directors has examined the company's requirements for reserves in light of the main risks of the organisation. It has established that a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be maintained at 8 weeks to meet the working requirements of the company. While the board is currently unable to implement this, it is satisfied that its cash-flow management policy ensures that there is sufficient cash to meet future commitments for a period of about 5 weeks. This issue will be raised with the HSE again in 2017 and the Board hopes to agree a strategy to address this risk.

# **SOS Kilkenny Company Limited by Guarantee**

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## **DIRECTORS' REPORT**

for the year ended 31 December 2016

### **Remuneration Policy**

It is the policy of the company to offer remuneration at a level that is sufficient to attract, retain and motivate staff. In the case of key executives this is of paramount importance. To achieve value for money and recruit and retain the right calibre of leadership, the company needs the flexibility to offer competitive salaries and benefits. It also has to be set at a level that enables the organisation to compete in the market for key talent. In addition, pay should be fairly scaled and proportionate to the size of the company along with the responsibilities associated with the role. The company follows best practise in the market by accessing appropriate data across a relevant peer group and using it to make decisions on remuneration that reflect the organisation's compensation philosophy. The company has also developed an effective succession plan and a leadership training programme. This is key to ensuring leadership continuity in pivotal positions and helps to retain and develop knowledge, capital, and relationships for the future sustainability of the Company.

All members of staff are eligible to join the company's Pension Scheme. This is a defined contributions scheme which is operated by the National Federation of Voluntary Bodies. It is registered with the Pensions Board (PB67866) and is approved by Revenue ("Exempt Approved Scheme") SF7346. Other than salary and the company's contribution to the pension scheme, no member of staff receives any further benefit from their employment either from this company or any related entity.

Under its Service Level Agreement SOS is required to have regard to the Department of Health Circular 11/2013, and the requirements of Government pay policy. Under public service pay policy, the Department of Health Consolidated Salary Scales (1 July 2013), as sanctioned by the Minister for Health, set out current salaries for public health service staff. In the case of employees in the public health service, it does not in any circumstances allow such employees receive remuneration in the nature of pay and allowances of an amount greater than the amount prescribed.

It also instructs that non-exchequer sources of funding may not be used to supplement approved rates of remuneration. Remuneration is defined as basic salary, allowances and all other benefits in cash or in kind, together with general terms in regard to superannuation, holidays, sick leave etc., approximating to health service norms.

The board notes that while SOS remunerations rates are linked to the HSE salary scales, the overall remuneration of employees in SOS is not exactly the same as those in similar roles in the public health sector. However taking into account the value of public pensions, longer holidays, sick leave and other pay and benefits in the public health sector, it is satisfied that in no instance is the remuneration of any employee (taking the definition of remuneration as defined in the circular) in excess of that of an employee in a similar role in the public health sector, or, where a comparable role does not exist, it does not exceed the remuneration of the closest comparable role.

The directors do not receive any remuneration for their services as directors and the Executive Sub-committee of the board agrees the remuneration of the CEO.

### **Post Balance Sheet Events**

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

### **Political Contributions**

The company did not make any disclosable political donations in the current year.

### **Auditors**

The auditors, O'Neill Foley, (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 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.

**Signed on behalf of the board**

**Michael Hogan**  
Director

3 April 2017

**Morgan Doyle**  
Director

3 April 2017

# **SOS Kilkenny Company Limited by Guarantee**

(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 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Signed on behalf of the board**

**Michael Hogan**  
Director

3 April 2017

**Morgan Doyle**  
Director

3 April 2017

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Members of SOS Kilkenny Company Limited by Guarantee**

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

We have audited the financial statements of SOS Kilkenny Company Limited by Guarantee for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Reconciliation of Members' Funds, the Cash Flow Statement, the Information on Government Grants – in accordance with Circular 13/2014, 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 surplus 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.

**Leslie Moynan**

**for and on behalf of**

**O'NEILL FOLEY**

Chartered Accountants and Registered Auditors

Patrick's Court

Patrick Street

Kilkenny

**3 April 2017**

# SOS Kilkenny Company Limited by Guarantee

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

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2016

	Notes	2016 Restricted Funds €	2016 Unrestricted Funds €	2016 Total €	2015 Total As restated €
<b>Income from:</b>					
Donations and legacies	5	-	17,034	17,034	22,362
Charitable activities	6				
Day services		3,597,949	184,306	3,782,255	3,611,743
Residential services		6,687,415	230,884	6,918,299	6,463,018
Management services		481,851	-	481,851	240,001
Other trading activities	7	15,905	48,126	64,031	67,386
Other income		-	3,000	3,000	-
<b>Total income</b>		<b>10,783,119</b>	<b>483,350</b>	<b>11,266,469</b>	<b>10,404,510</b>
<b>Expenditure on:</b>					
Raising funds	8	-	19,859	19,859	19,020
Charitable activities	9				
Day services		3,559,689	130,792	3,690,481	3,453,626
Residential services		6,687,415	332,964	7,020,379	6,691,878
Management services		481,851	-	481,851	240,001
<b>Total expenditure</b>		<b>10,728,954</b>	<b>483,615</b>	<b>11,212,569</b>	<b>10,404,525</b>
<b>NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>54,165</b>	<b>( 265)</b>	<b>53,900</b>	<b>( 15)</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing operations.

Approved by the board on 3 April 2017 and signed on its behalf by

Michael Hogan  
Director

Morgan Doyle  
Director

# SOS Kilkenny Company Limited by Guarantee

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

## BALANCE SHEET

as at 31 December 2016

	Notes	2016 €	2015 €
<b>Fixed Assets</b>			
Tangible assets	15	889,960	1,015,532
<b>Current Assets</b>			
Debtors	16	477,744	1,064,495
Cash and cash equivalents		1,033,978	519,310
		1,511,722	1,583,805
<b>Creditors: Amounts falling due within one year</b>	17	(1,473,954)	(1,582,141)
<b>Net Current Assets</b>		37,768	1,664
<b>Total Assets less Current Liabilities</b>		927,728	1,017,196
<b>Government grants</b>	20	(929,347)	(1,072,715)
<b>Net Liabilities</b>		(1,619)	(55,519)
<b>Funds of the charity</b>			
Restricted funds	22	54,165	-
Unrestricted funds		(55,784)	(55,519)
<b>Members' Funds</b>		(1,619)	(55,519)

Approved by the board on 3 April 2017 and signed on its behalf by:

Michael Hogan  
Director

Morgan Doyle  
Director

**SOS Kilkenny Company Limited by Guarantee**  
 (A company limited by guarantee, without a share capital)  
**RECONCILIATION OF MEMBERS' FUNDS**  
 as at 31 December 2016

	Unrestricted funds €	Restricted funds €	Total €
<b>At 1 January 2015</b>	(55,504)	-	(55,504)
Deficit for the year	(15)	-	(15)
<b>At 31 December 2015</b>	(55,519)	-	(55,519)
Surplus for the year	(265)	54,165	53,900
<b>At 31 December 2016</b>	<b>(55,784)</b>	<b>54,165</b>	<b>(1,619)</b>

**SOS Kilkenny Company Limited by Guarantee**

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

**CASH FLOW STATEMENT**

for the year ended 31 December 2016

	Notes	2016 €	2015 €
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the year		53,900	(15)
Adjustments for:			
Depreciation		163,372	184,835
Surplus/Deficit on disposal of tangible fixed assets		(3,000)	-
Amortisation of government grants		(164,368)	(194,427)
		<u>49,904</u>	<u>(9,607)</u>
Movements in working capital:			
Movement in debtors		586,751	(705,052)
Movement in creditors		(108,187)	22,303
		<u>528,468</u>	<u>(692,356)</u>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(37,800)	(83,300)
Receipts from sales of tangible fixed assets		3,000	-
		<u>(34,800)</u>	<u>(83,300)</u>
<b>Cash flows from financing activities</b>			
Government grants		21,000	74,040
		<u>514,668</u>	<u>(701,616)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>514,668</b>	<b>(701,616)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>519,310</b>	<b>1,220,926</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>28</b>	<b><u>1,033,978</u></b>	<b><u>519,310</u></b>

## SOS Kilkenny Company Limited by Guarantee

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

### Information relating to Government Grants - In Accordance with Circular 13/2014

for the year ended 31 December 2016

Name of Grantor	Name of Grant	Purpose	Amount Awarded	Term	Amount Taken as Income 2016
Health Service Executive	Section 39 Capitation Funding	Service Provision (Regular)	9,620,714	2016 - 1 Year	9,620,714
Health Service Executive	Section 39 Capitation Funding	Service Provision (Emergency)	20,515	2016 - 1 Year	20,515
Health Service Executive	Rehabilitative Training Funding	Rehabilitative Training	200,731	2016 - 1 Year	200,731
Health Service Executive	National Lottery Grant 2016	IPADS	6,500	2016 - 1 Year	6,500
Health Service Executive	National Lottery Grant 2016	Respite Holiday	3,000	2016 - 1 Year	3,000
Department of Health	National Lottery Funding 2016	Upgrade of Autism Unit	20,000	2016 - Once-Off	20,000
Health Service Executive	Pension Funding	Employers Pension Obligations	389,893	2016 - 1 Year	389,893
Sustainable Energy Authority of Ireland	Better Energies Community Grant	Heating System Upgrade/Insulation	83,669	2016 - Once-Off	83,669

#### Reconciliation of grant income taken in the period to cash received.

Name of Grantor	Name of Grant	Purpose	Amount Taken as Income 2016	Cash Received 2016	Due at year end
Health Service Executive	Section 39 Capitation Funding	Service Provision (Regular)	9,620,714	9,606,696	14,018
Health Service Executive	Section 39 Capitation Funding	Service Provision (Emergency)	20,515	20,515	-
Health Service Executive	Rehabilitative Training Funding	Rehabilitative Training	200,731	200,731	-
Health Service Executive	National Lottery Grant 2016	IPADS	6,500	6,500	-
Health Service Executive	National Lottery Grant 2016	Respite Holiday	3,000	3,000	-
Department of Health	National Lottery Funding 2016	Upgrade of Autism Unit	20,000	20,000	-
Health Service Executive	Pension Funding	Employers Pension Obligations	389,893	300,547	89,346
Sustainable Energy Authority of Ireland	Better Energies Community Grant	Heating System Upgrade/Insulation	83,669	39,318	44,351

#### Capital Grants

Name of Grantor	Name of Grant	Purpose	Amount Awarded	Cash Received 2016	Due at year end
Health Service Executive	Section 39 Capitation Funding	Purchase of Motor Vehicle	1,000	1,000	-
Department of Health	National Lottery Funding 2015	Purchase of Motor Vehicle	20,000	20,000	-

SOS Kilkenny Company Limited by Guarantee derives over 50% of its income from Exchequer funds.

# **SOS Kilkenny Company Limited by Guarantee**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2016

### **1. GENERAL INFORMATION**

SOS Kilkenny Company Limited by Guarantee is a company limited by guarantee incorporated in the Republic of Ireland. Callan Road, Kilkenny, is the registered office, 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' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

### **2. 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 on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland

Although not obliged to by law the company has also implemented where relevant the recommendations of the Statement of Recommended Practice (SORP) Charities SORP FRS 102 - Accounting and Reporting by Charities as issued by the Charity Commissioners for England and Wales and the Office of the Scottish Charity Regulator rather than the disclosure requirements of the Companies Act 2014 on the basis that the company does not trade for the acquisition of gain by the members.

#### **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 in Ireland.

#### **Income**

##### **Income**

Income is recognised by inclusion in the Statement of Financial Activities (including Income and Expenditure Account) only when the company is legally entitled to the income, receipt is probable and the amounts involved can be measured with sufficient reliability.

##### **Income from charitable activities**

##### **Grants from governments and other co-funders**

Grants from governments and institutional donors, are recognised as income when the activities which they are intended to fund have been undertaken or offer of funding has been communicated to the company, the related expenditure incurred, and there is reasonable probability of receipt.

Income due to the company from governments and institutional sources but not yet received at year end is included in debtors in the balance sheet, and funds already received but not yet utilised are shown in creditors.

##### **Income from donations and legacies**

Income from donations and legacies, which consists of monetary donations from the public (including legacies), and from corporate and major donors, together with related tax refunds, is recognised in the period in which the organisation is entitled to the resource, receipt is probable, and when the amount can be measured with sufficient reliability. In the case of monetary donations from the public this income is generally recognised when the donations are received; with legacies it is when the client receives confirmation of unconditional entitlement to the bequest, the activities which it is intended to fund have been undertaken and the related expenditure incurred; whereas, with tax refunds it is when claims are compiled and submitted to the revenue authorities for reimbursement.

# **SOS Kilkenny Company Limited by Guarantee**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2016

continued

### **Income from other trading activities**

Income from other trading activities is recognised once the company is legally entitled to the income, receipt is probable, and the amounts can be measured with sufficient reliability. Other trading activities of the company include (but are not limited to) fundraising, canteen sales and rental income.

### **Income from investments**

Income from investments is recognised once the company is legally entitled to the income, receipt is probable, and the amounts can be measured with sufficient reliability.

### **Other income**

Income from sources not defined above is recognised once the company is legally entitled to the income, receipt is probable, and the amounts can be measured with sufficient reliability.

### **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 measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs. The activities undertaken are classified as Day services, Residential services and Management services.
- Other expenditure represents those items not falling into any other heading.

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

### **Allocation of support costs**

Support costs are those costs that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the company's programmes and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities as appropriate.

### **Fund Accounting**

#### **Restricted funds**

Restricted funds represent funding, grants, donations and sponsorships received which can only be used for particular purposes specified by the donors and binding on the directors. Such purposes are within the overall aims of the charity.

#### **Unrestricted funds**

Unrestricted Funds represent amounts which may be spent or applied at the discretion of the Directors in furtherance of the objectives of the Company. They may include designated reserves which are earmarked by the directors for specific projects.

### **Tangible fixed assets and depreciation**

All tangible fixed assets are initially recorded at historic cost. This includes legal fees, stamp duty and other non-refundable purchase taxes, and also any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, which can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality. In relation to land and buildings, items which are seen to add value to the property are capitalised whilst those with no added value are taken directly to the Statement of Financial Activity as repairs. The board has adopted the policy that all minor plant, fixtures and fittings, furniture, equipment, and household items with a value of less than €5,000 should be taken directly to the Statement of Financial Activities. Items in excess of €5,000 are treated as Capital Expenditure with a corresponding amount of related income credited to Capital Grants. Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	- 5% Straight line
Long leasehold property	- 5% Straight line
Fixtures, fittings and equipment	- 12.5% Straight line
Motor vehicles	- 20% Straight line

**SOS Kilkenny Company Limited by Guarantee**  
(A company limited by guarantee, without a share capital)  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2016

continued

It is a requirement under FRS 102 that the carrying value of tangible fixed assets are reviewed annually for impairment and losses recognised in periods if events or changes in circumstances indicate that the carrying value may not be recoverable. As the company does not hold fixed assets for the purpose of generating cashflows, but were acquired to carry out charitable activities, the value cannot be meaningfully measured in terms of cashflow as the benefits that derive from their use are not financial. Accordingly, an impairment of fixed assets will only arise where the asset suffers impairment in a physical sense resulting in physical damage and the use of the assets has reduced significantly or is no longer in use or where the quality of service it provides has deteriorated. As long as such assets continue to provide the anticipated benefits to the company, the consumption of such benefits will be reflected in regular depreciation charges.

**Leasing**

Rentals payable under operating leases are dealt with in the Statement of Financial Activities as incurred over the period of the rental agreement.

**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 Balance Sheet bank overdrafts are shown within Creditors.

**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.

**Taxation**

The company has charitable tax exemption on its income under the provision of the section 207 of the Taxes Consolidation Act 1997. The charity number is CHY 9858.

**Government grants**

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the Statement of Financial Activities over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

**Pensions**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**SOS Kilkenny Company Limited by Guarantee**  
(A company limited by guarantee, without a share capital)  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2016

continued

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The company has made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the company's accounting policies. Estimates and judgements are continually evaluated and are based in historical experience and other factors that are considered to be reasonable under the circumstances.

The directors are of the assumption that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

**Useful lives of Tangible Fixed Assets**

Tangible fixed assets comprise office equipment, fixtures and fittings, motor vehicles, leasehold and freehold premises. The annual depreciation charge depends primarily on the estimated lives of each type of asset. The directors regularly review these useful lives and change them if necessary to reflect current conditions by considering changes in technology, physical condition and expected utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The carrying amount of the tangible fixed assets of the company at 31 December 2016 was €889,960 (2015: €1,015,532).

**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.

**5. INCOME FROM DONATIONS AND LEGACIES**

The income for the year has been derived from:-

	2016 €	2015 €
Unrestricted Funds		
Donations	17,034	16,617
Legacies and bequests	-	5,745
	<u>17,034</u>	<u>22,362</u>

**SOS Kilkenny Company Limited by Guarantee**  
(A company limited by guarantee, without a share capital)  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2016

continued

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

Revenue grants represent amounts received from HSE and other co funders as follows:

	Unrestricted Funds €	Restricted Funds €	2016 Total €	2015 Total €
<b>Day Services</b>				
HSE - core funding	-	3,213,744	3,213,744	3,010,355
HSE - pension funding	-	129,964	129,964	116,770
Service user canteen contributions	15,938	-	15,938	50,122
KRSP grant	-	260	260	-
HSE - Lottery grants	-	29,500	29,500	10,000
HSE - rehabilitative training funding	-	200,731	200,731	194,114
External services	-	23,750	23,750	22,875
Seasamh project	4,000	-	4,000	13,080
Amortisation of government grants	164,368	-	164,368	194,427
	<b>184,306</b>	<b>3,597,949</b>	<b>3,782,255</b>	<b>3,611,743</b>
	Unrestricted Funds €	Restricted Funds €	2016 Total €	2015 Total €
<b>Residential Services</b>				
HSE - core funding	-	6,427,486	6,427,486	6,020,710
HSE - pension funding	-	259,929	259,929	233,541
Income from residents	230,884	-	230,884	205,034
HSE - South Tipperary projects	-	-	-	3,733
	<b>230,884</b>	<b>6,687,415</b>	<b>6,918,299</b>	<b>6,463,018</b>
	Unrestricted Funds €	Restricted Funds €	2016 Total €	2015 Total €
<b>Management Services</b>				
HSE	-	-	-	106,234
HSE - St. Patricks	-	481,851	481,851	133,767
	<b>-</b>	<b>481,851</b>	<b>481,851</b>	<b>240,001</b>

The 2015 HSE core funding is stated after a capital allocation towards the purchase of motor vehicles and restatement for posting of deferred income.

**SOS Kilkenny Company Limited by Guarantee**  
(A company limited by guarantee, without a share capital)  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2016

continued

**7. INCOME FROM OTHER TRADING ACTIVITIES**

The income for the year has been derived from:-

	Unrestricted Funds €	Restricted Funds €	2016 Total €	2015 Total €
Shop and canteen sales	19,954	-	19,954	19,020
Rental income	24,000	-	24,000	24,000
Annual fundraising	812	1,000	1,812	-
Once off fundraising	2,309	1,870	4,179	1,921
Church gate collections	-	-	-	10,001
Flag day	981	-	981	1,592
Golf classic	-	-	-	5,831
Mini marathon	-	6,008	6,008	4,421
Wellie race	-	800	800	600
Special Olympics	70	-	70	-
Castlecomer car fundraiser	-	6,227	6,227	-
	<u>48,126</u>	<u>15,905</u>	<u>64,031</u>	<u>67,386</u>

The annual church gate collection and golf classic were held in the name of SOS Kilkenny Housing Association Company Limited by Guarantee in 2016 and all monies raised applied to charitable purposes in that company.

**8. EXPENDITURE ON RAISING FUNDS**

	2016 €	2015 €
Unrestricted Funds		
Food for canteen.	<u>19,859</u>	<u>19,020</u>

**9. EXPENDITURE ON CHARITABLE ACTIVITIES**

Programme costs represent necessary costs incurred in the provision of the principal activities of the charity. These costs exclude costs of generating service income and can be analysed as follows:

	Day Services €	Residential Services €	Management Services €	2016 Total €	2015 Total €
<b>Direct costs</b>					
Staff and related costs	2,610,398	6,086,316	481,851	9,178,564	8,531,670
Service user programme costs	121,062	162,194	-	283,256	334,724
Transport travel and motor expenses	127,898	29,846	-	157,744	150,751
Establishment costs	336,481	171,963	-	508,444	327,804
Office and administration costs	8,838	21,661	-	30,499	33,795
	<u>3,204,677</u>	<u>6,471,980</u>	<u>481,851</u>	<u>10,158,507</u>	<u>9,378,744</u>
<b>Support costs</b>	481,158	523,244	-	1,004,402	970,679
Governance costs	4,646	25,155	-	29,801	36,082
	<u>3,690,481</u>	<u>7,020,379</u>	<u>481,851</u>	<u>11,192,710</u>	<u>10,385,505</u>

**SOS Kilkenny Company Limited by Guarantee**  
(A company limited by guarantee, without a share capital)  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2016

continued

**10. SUPPORT COSTS**

Support costs are allocated by activity on a percentage basis as deemed appropriate by the directors.

	Day Services €	Residential Services €	2016 Total €	2015 Total €
Staff and related costs	307,868	461,802	769,670	715,685
Service user programme costs	2,899	4,349	7,248	6,776
Transport travel and motor expenses	2,511	3,766	6,277	5,998
Establishment costs	5,786	8,679	14,465	9,327
Office and administration costs	17,348	26,022	43,370	48,058
Depreciation	144,746	18,626	163,372	184,835
	<u>481,158</u>	<u>523,244</u>	<u>1,004,402</u>	<u>970,679</u>

**11. GOVERNANCE COSTS**

Governance costs are allocated by activity on a percentage basis as deemed appropriate by the directors.

	Day Services €	Residential Services €	2016 Total €	2015 Total €
Health Information and Quality Authority (HIQA)	-	20,509	20,509	27,169
Staff training	247	247	494	199
Audit fees	4,305	4,305	8,610	8,610
Legal and CRO fees	94	94	188	104
	<u>4,646</u>	<u>25,155</u>	<u>29,801</u>	<u>36,082</u>

**12. OPERATING SURPLUS/(DEFICIT)**

	2016 €	2015 €
<b>Operating surplus/(deficit) is stated after charging/(crediting):</b>		
Depreciation of tangible fixed assets	163,372	184,835
Surplus on disposal of tangible fixed assets	(3,000)	-
Operating lease rentals		
- Land and buildings	124,484	73,612
Amortisation of Government grants	(164,368)	(194,427)
Auditors remuneration		
- Audit Fees	8,610	8,610
	<u>8,610</u>	<u>8,610</u>

**SOS Kilkenny Company Limited by Guarantee**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. EMPLOYEES AND REMUNERATION**

**Number of employees**

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

	2016 Number	2015 Number
Management and administration	14	11
Health and social care	100	118
Support services	7	6
Other patient and client care	52	47
Nursing	32	29
	<b>205</b>	<b>211</b>

The staff costs comprise:

	2016 €	2015 €
Wages and salaries	8,610,912	8,012,268
Social welfare costs	928,472	847,610
Pension costs	389,891	350,308
	<b>9,929,275</b>	<b>9,210,186</b>

During the financial year nine employees were paid a salary of greater than €70,000 as follows.

	2016	2015
€ 70,001 - € 80,000	4	3
€ 80,001 - € 90,000	-	-
€ 90,001 - € 100,000	2	1
€ 100,001 - € 110,000	1	1

The above numbers show an increase as a result of staff which are seconded to another agency at the request of the HSE (Health Service Executive).

The total paid to key management personnel in the period was €417,405. Key management personnel consist of the Chief Executive Officer, Financial Controller, Director of Services, Human Resource manager and Clinical Co-Ordinator. The Health Service Executive pay scales are used as a benchmark for setting the pay of key management personnel.

**14. PRIOR YEAR ADJUSTMENT**

In order to improve presentation and disclosure, certain prior year figures have been regrouped/restated where necessary on the same basis as those for current year. These adjustments do not result in a change to reserves.

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**15. TANGIBLE FIXED ASSETS**

	Land and buildings freehold €	Long leasehold property €	Fixtures, fittings and equipment €	Motor vehicles €	Total €
<b>Cost</b>					
At 1 January 2016	2,827,545	422,422	507,661	372,198	4,129,826
Additions	-	-	-	37,800	37,800
Disposals	-	-	-	(34,000)	(34,000)
At 31 December 2016	2,827,545	422,422	507,661	375,998	4,133,626
<b>Depreciation</b>					
At 1 January 2016	2,103,513	211,210	507,661	291,910	3,114,294
Charge for the year	111,207	21,121	-	31,044	163,372
On disposals	-	-	-	(34,000)	(34,000)
At 31 December 2016	2,214,720	232,331	507,661	288,954	3,243,666
<b>Net book value</b>					
At 31 December 2016	612,825	190,091	-	87,044	889,960
At 31 December 2015	724,032	211,212	-	80,288	1,015,532

**15.1. TANGIBLE FIXED ASSETS PRIOR YEAR**

	Land and buildings freehold €	Long leasehold property €	Fixtures, fittings and equipment €	Motor vehicles €	Total €
<b>Cost</b>					
At 1 January 2015	2,827,545	422,422	507,661	288,898	4,046,526
Additions	-	-	-	83,300	83,300
At 31 December 2015	2,827,545	422,422	507,661	372,198	4,129,826
<b>Depreciation</b>					
At 1 January 2015	1,987,952	190,089	489,972	261,446	2,929,459
Charge for the year	115,561	21,121	17,689	30,464	184,835
At 31 December 2015	2,103,513	211,210	507,661	291,910	3,114,294
<b>Net book value</b>					
At 31 December 2015	724,032	211,212	-	80,288	1,015,532
At 31 December 2014	839,593	232,333	17,689	27,452	1,117,067

**16. DEBTORS**

	2016 €	2015 €
Taxation (Note 18)	527	545
Prepayments and accrued income	477,217	1,063,950
	<b>477,744</b>	<b>1,064,495</b>

**SOS Kilkenny Company Limited by Guarantee**  
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<b>17. CREDITORS</b>	<b>2016</b>	<b>2015</b>
Amounts falling due within one year	€	€
Trade creditors	100,132	134,343
Taxation (Note 18)	435,799	242,335
Accruals	763,063	1,029,503
Deferred Income	174,960	175,960
	<u>1,473,954</u>	<u>1,582,141</u>

Deferred income relates to HSE funding for projects not yet commenced.

<b>18. TAXATION</b>	<b>2016</b>	<b>2015</b>
	€	€
<b>Debtors:</b>		
VAT	527	545
	<u>527</u>	<u>545</u>
<b>Creditors:</b>		
Payroll taxes	435,799	242,335
	<u>435,799</u>	<u>242,335</u>

**19. PENSION COSTS - DEFINED CONTRIBUTION**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to €389,891 (2015 - €350,308).

<b>20. GOVERNMENT GRANTS DEFERRED</b>	<b>2016</b>	<b>2015</b>
	€	€
<b>Capital grants received and receivable</b>		
At 1 January 2016	3,848,840	3,774,800
Increase in year	21,000	74,040
	<u>3,869,840</u>	<u>3,848,840</u>
At 31 December 2016	3,869,840	3,848,840
<b>Amortisation</b>		
At 1 January 2016	(2,776,125)	(2,581,698)
Amortised in year	(164,368)	(194,427)
	<u>(2,940,493)</u>	<u>(2,776,125)</u>
At 31 December 2016	(2,940,493)	(2,776,125)
<b>Net book value</b>		
At 31 December 2016	929,347	1,072,715
	<u>929,347</u>	<u>1,072,715</u>
At 1 January 2016	1,072,715	1,193,102
	<u>1,072,715</u>	<u>1,193,102</u>

**21. STATUS**

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding € 2.

**SOS Kilkenny Company Limited by Guarantee**  
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**22. ANALYSIS OF FUNDS**

	Opening Balance 1 January 2016	Incoming Resources	Outgoing Resources Transfers	Closing Balance 31 December 2016
<b>Restricted Funds</b>				
<u>Charitable Activities</u>				
Day Services				
HSE – Core funding	-	3,213,744	(3,195,744)	18,000
HSE – Pension funding	-	129,964	(129,964)	-
KRSP Grant	-	260	-	260
HSE – Lottery grants	-	29,500	(9,500)	20,000
HSE – Rehabilitative training	-	200,731	(200,731)	-
External Service	-	23,750	(23,750)	-
	-	3,597,949	(3,559,689)	38,260
<b>Residential Services</b>				
HSE – Core funding	-	6,427,486	(6,427,486)	-
HSE – Pension funding	-	259,929	(259,929)	-
	-	6,687,415	(6,687,415)	-
<b>Management Services</b>				
HSE - St. Patricks	-	481,851	(481,851)	-
<u>Other Trading Activities</u>				
Castlecomer car fundraiser	-	15,905	-	15,905
<b>Total Restricted Funds</b>	-	10,783,119	(10,728,954)	54,165
<b>Total Unrestricted Funds</b>	(55,519)	483,350	(483,615)	(55,784)
<b>Total Funds</b>	(55,519)	11,266,469	(11,212,569)	(1,619)

**23. FINANCIAL COMMITMENTS**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Land and buildings</b>	
	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
<b>Due:</b>		
Within one year	77,528	58,328
Between one and five years	78,100	26,000
In over five years	261,135	-
	<b>416,763</b>	<b>84,328</b>

**24. CAPITAL COMMITMENTS**

The company had no material capital commitments at the year-ended 31 December 2016.

**SOS Kilkenny Company Limited by Guarantee**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. CONTINGENT LIABILITIES**

**Capital grants**

There is a contingent liability to repay capital grants amounting to €3,869,840 (2015 - €3,848,840) if the company does not adhere to the terms and conditions of the grant agreements, which include provision for the use of the assets as originally intended.

**26. RELATED PARTY TRANSACTIONS**

No director or trustee was remunerated or received any other benefits or expenses from the company during the year.

SOS Kilkenny Company Limited by Guarantee provides management services to related company SOS Kilkenny Housing Association Company Limited by Guarantee under the terms of a joint management agreement. The services provided include management of finance, tenancies and maintenance functions.

Under the terms of the management agreement there is no charge for the services provided as the objectives of both companies are interlinked and the services provided are mutually beneficial.

**27. POST-BALANCE SHEET EVENTS**

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

**28. CASH AND CASH EQUIVALENTS**

	2016 €	2015 €
Cash and bank balances	<u>1,033,978</u>	<u>519,310</u>

**29. FINANCIAL INSTRUMENTS**

The analysis of the carrying amounts of the financial instruments of the company required under section 11 of FRS 102 is as follows:

	2016 €	2015 €
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and in hand	1,033,978	519,310
Financial liabilities measured at amortised cost		
Trade creditors	100,132	134,343

**30. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the board of directors on 3 April 2017.

**SOS KILKENNY COMPANY LIMITED BY GUARANTEE**  
(A company limited by guarantee, without a share capital)

**SUPPLEMENTARY INFORMATION**

**RELATING TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**NOT COVERED BY THE REPORT OF THE AUDITORS**

**THE FOLLOWING PAGES DO NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

# SOS Kilkenny Company Limited by Guarantee

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

## SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

### INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2016

	Schedule	2016 €	2015 €
Income			
Canteen and shop sales		19,952	19,020
Income from residents		230,884	205,035
Service user canteen contributions		15,939	50,122
Fundraising		20,336	24,365
Seasamh project		4,000	13,080
HSE national lottery grant		29,500	10,000
Voluntary donations		17,034	22,363
Garden centre income		24,000	24,000
HSE capitation subsidy		9,641,229	9,031,065
HSE rehabilitative training		200,731	194,113
HSE external services		23,750	129,108
HSE pension		389,893	350,311
Contracted service - St. Patricks		481,851	133,768
HSE consultancy		-	3,733
Government grant amortisation		164,368	194,427
Profit on disposal of tangible assets		3,000	-
		<u>11,266,469</u>	<u>10,404,510</u>
Pay costs	1	(9,929,275)	(9,210,186)
Non pay costs	1	(1,283,294)	(1,194,339)
<b>Net surplus/(deficit)</b>		<u><u>53,900</u></u>	<u><u>(15)</u></u>

**SOS Kilkenny Company Limited by Guarantee**

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

**SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS****SCHEDULE 1 : PAY COSTS AND NON PAY COSTS**

for the year ended 31 December 2016

	2016 €	2015 €
<b>Pay Costs</b>		
Wages and salaries	8,610,912	8,012,268
Employer PRSI	928,472	847,610
Staff pension costs	389,891	350,308
	<u>9,929,275</u>	<u>9,210,186</u>
 <b>Non Pay Costs</b>		
Staff training	19,454	37,368
Service user support	16,220	5,747
Rent and rates	124,484	73,612
Raw materials	5,567	4,680
Food	239,001	243,163
Insurance	53,253	46,442
Light and heat	123,897	148,827
Cleaning	41,651	40,860
Repairs and maintenance	167,885	16,783
Printing and stationery	27,201	31,854
Advertising	3,029	1,797
Telephone and postage	31,493	26,451
Equipment rental and licence fees	11,738	10,606
Transport, travel and motor expenses	164,020	156,749
Sports and social programmes	13,733	22,810
Professional fees	56,538	111,394
Bank charges	2,854	4,223
Sundry expenses - allowable	9,294	17,528
Auditor's remuneration	8,610	8,610
Depreciation of tangible fixed assets	163,372	184,835
	<u>1,283,294</u>	<u>1,194,339</u>
 <b>Total Costs</b>	<u><u>11,212,569</u></u>	<u><u>10,404,525</u></u>