
SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
(A company limited by guarantee)

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | Carmel Hynes (resigned 12 March 2018, reappointed 22 November 2018) Darragh Reid (appointed 14 March 2018) Mark Magennis (resigned 19 December 2018) Martin Cowley Thomas O'Brien Denis Murphy |
| Company secretary | Carmel Hynes (resigned 12 March 2018, reappointed 22 November 2018) Aine Nally (resigned 22 November 2018) |
| Registered number | 115749 |
| Charity number | 7015 |
| Registered office | 90 Meath Street Dublin 8 Ireland |
| Independent auditors | PKF O'Connor Leddy & Holmes Century House Harold's Cross Road Dublin 6W |
| Bank | Bank of Ireland James Street Dublin 8 |
| Solicitors | Fieldfisher Suite 401 The Capel Building, Mary's Abbey Smithfield Dublin OCWM Law Kilmore House Mayor Street Upper Dublin |

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their annual report and the audited financial statements for South Inner City Community Development Association Limited (SICCCA) for the year ended 31 December 2018. The Company qualifies as a small company in accordance with Section 280A of the Companies Act 2014 and this report has been prepared in accordance with the small companies regime.

Directors' responsibilities statement

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

Irish company law requires the Directors to prepare the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' .

Under company law, the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss for that 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's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Principal activities

The Company is incorporated in Ireland as a company limited by guarantee.

The Company is established under a Constitution comprising a Memorandum and Articles of Association. The Memorandum of Association established the objects and powers of the company as a charity. The company is managed by a Board of Directors.

The Company is a community development organisation based in The Liberties in Dublin's South Inner City whose principal activities are to:

- Benefit the public by providing a safe and supervised facility where people can meet and interact; and
- Benefit people of the community by providing both education and recreation facilities for them to use and enjoy

The board is made up of local residents and other volunteers with particular expertise in areas such as finance, human resources and the law, along with volunteers from the local community and is committed to and actively involved in tackling the social, educational, health, economic, and environmental problems facing the community.

There has been no significant change in these activities during the year ended 31 December 2018.

Against the backdrop of limited resources and insecurities over funding, it has continued to be difficult to plan or develop services. The Company achieved an excess of expenditure over income for the current period and the previous period. However with medium term funding secured along with enhanced financial management and the support of all staff members the company is confident that this position can be reversed in the following period.

Financial Results

The deficit for the year, after providing for depreciation, amounted to €46,198 (2017 - deficit €64,254).

Directors

The Directors who served during the year were:

Carmel Hynes (appointed 22 November 2018, resigned 12 March 2018)
Darragh Reid (appointed 14 March 2018)
Mark Magennis (resigned 19 December 2018)
Martin Cowley
Thomas O'Brien
Denis Murphy

The secretaries who served during the year were:

Carmel Hynes (Appointed 22 November 2018)
Aine Nally (Resigned 22 November 2018)

In accordance with the Constitution, one third of the Directors retire by rotation at the annual general meeting and, being eligible, offer themselves for re-election.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Accounting records

The measures taken by the Directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the company's registered office at 90 Meath Street, Dublin 8, Ireland.

Future developments

The Directors of SICCCDA wish to identify and comment on a number of issues occurring since year end that could have the potential to have material impact on the operations of SICCCDA into 2020 and beyond.

1. A protected disclosure was made to the then Chair in December 2018 concerning the matter of SICAP (Social Inclusion and Community Activation Programme) and ICCSP (Inner City Community Services Project) targets and achievements being "grossly inflated and erroneous information included". The Board of SICCCDA had in fact been aware (albeit not to the extent it now knows) of the issue and had agreed to carry out a full audit of all services prior to the protected disclosure. Despite considerable efforts on behalf of SICCCDA and the funder, the Dublin City Community Cooperative (Co-op), to address and close the issue, the discloser continues to insist the issue is unresolved.

2. While historically there has been no correlation between targets and funding, the matter of the protected disclosure causes concern and has resulted in the suspension of funding received. In 2019, this is likely to be between €35,000 and €72,000. In 2020, if the protected disclosure issue remains unclosed the Board is unsure of what funding if any will be received through SICAP/ICCSP.

3. An audit of the Afterschools projects identified that some projects were being classified incorrectly. This has resulted in a reduction in funding of circa 50%. While there is an agreed sustainability plan now in place, this funding cut, combined with new Afterschools' regulations being introduced in 2020, puts the provision of the service into an uncertain future.

4. During late 2018 and into 2019, there has been considerable resignations from project management roles. This causes concerns for the Board around sustainability.

5. The cash reserves of SICCCDA had a positive growth thanks to the sale of the Newmarket property in 2018. However, much of this cash surplus is being expended on the protected disclosure and project supports.

Post balance sheet events

There have been no significant events affecting the Company since the year end, other than that mentioned above.

Statement on relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Auditors

The auditors, PKF O'Connor Leddy & Holmes were appointed by the Directors for the current year and will remain in office in accordance with section 383 of the Companies Act 2014.

This report was approved by the board and signed on its behalf.

Carmel Hynes
Director

Date: 22/10/2019

Denis Murphy
Director

Date: 22/10/2019

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH INNER CITY COMMUNITY
DEVELOPMENT ASSOCIATION**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of South Inner City Community Development Association (the 'Company') for the year ended 31 December 2018, which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISA (Ireland) 570 requires us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH INNER CITY COMMUNITY
DEVELOPMENT ASSOCIATION (CONTINUED)**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

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

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

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH INNER CITY COMMUNITY
DEVELOPMENT ASSOCIATION (CONTINUED)**

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our Auditors' report.

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

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 Auditors' 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.

Susan Wylie
for and on behalf of
PKF O'Connor Leddy & Holmes
Century House
Harold's Cross Road
Dublin 6W
Date: 22/10/2019

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
(A company limited by guarantee)

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Note | 2018 € | 2017 € |
|---|------|--------------------|-------------|
| Income | 5 | 1,176,755 | 1,286,013 |
| Administrative expenses | | (1,327,629) | (1,350,266) |
| Operating deficit | | (150,874) | (64,253) |
| Profit on disposal of investment property | 9 | 104,676 | - |
| Deficit before taxation | | (46,198) | (64,253) |
| Taxation | 12 | - | - |
| Deficit for the financial year | | (46,198) | (64,253) |

There were no recognised gains and losses for 2018 or 2017 other than those included in the income and expenditure account.

The notes on pages 12 to 24 form part of these financial statements.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
(A company limited by guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Note | 2018 € | 2017 € |
|--|------|-----------------|-----------|
| Deficit for the financial year | | (46,198) | (64,253) |
| Other comprehensive income | | | |
| Impairment of revalued asset | 9 | - | (262,789) |
| Other comprehensive income for the financial year | | - | (262,789) |
| Total comprehensive income for the financial year | | (46,198) | (327,042) |

Signed on behalf of the board:

Carmel Hynes

Director

Date: 22/10/2019

Denis Murphy

Director

Date: 22/10/2019

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 DECEMBER 2018

| | Note | 2018 € | 2017 € |
|--|------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 9 | 1,092,429 | 1,489,830 |
| | | 1,092,429 | 1,489,830 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 10 | 13,413 | 79,714 |
| Cash at bank and in hand | | 559,988 | 196,006 |
| | | 573,401 | 275,720 |
| Creditors: amounts falling due within one year | 11 | (183,540) | (237,062) |
| Net current assets | | 389,861 | 38,658 |
| Net assets | | 1,482,290 | 1,528,488 |
| Members' funds and reserves | | | |
| Capital reserves and funds | 12 | 855,195 | 855,195 |
| Income and Expenditure account | 12 | 80,535 | 90,093 |
| Revaluation Reserve | 12 | 546,560 | 583,200 |
| Members' funds | | 1,482,290 | 1,528,488 |

These financial statements have been prepared in accordance with the small companies regime.

The financial statements were approved and authorised for issue by the board:

Carmel Hynes
Director

Denis Murphy
Director

Date: 22/10/2019

Date: 22/10/2019

The notes on pages 12 to 24 form part of these financial statements.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Revaluation reserve € | Other reserves € | Income and expenditure account € | Total funds € |
|---|-----------------------------|------------------------|---|------------------|
| At 1 January 2018 | 583,200 | 855,195 | 90,093 | 1,528,488 |
| Comprehensive income for the year | | | | |
| Deficit for the year | - | - | (46,198) | (46,198) |
| Revaluation gain on disposal of investment property | (36,640) | - | (36,640) | - |
| Total comprehensive income for the year | - | - | (9,558) | (9,558) |
| At 31 December 2018 | 546,560 | 855,195 | 80,535 | 1,482,290 |

The notes on pages 12 to 24 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Revaluation reserve € | Other reserves € | Income and expenditure account € | Total funds € |
|--|-----------------------------|------------------------|---|------------------|
| At 1 January 2017 | 845,989 | 855,195 | 154,347 | 1,855,531 |
| Comprehensive income for the year | | | | |
| Deficit for the year | - | - | (64,254) | (64,254) |
| Impairment of revalued fixed asset | (262,789) | - | - | (262,789) |
| Total comprehensive income for the year | (262,789) | - | (64,254) | (327,043) |
| At 31 December 2017 | 583,200 | 855,195 | 90,093 | 1,528,488 |

The notes on pages 12 to 24 form part of these financial statements.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

South Inner City Community Development Association Company Limited by Guarantee is a company limited by guarantee incorporated in the Republic of Ireland. The registered office of the company is 90 Meath Street, Dublin 8, Ireland which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company has availed of the exemption in FRS 102 7.1B from including a cash flow statement in the financial statements on the grounds that the Company is small.

The following principal accounting policies have been applied:

2.2 Income

All incoming resources are included in the income and expenditure account when the company is entitled to the income and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

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

Voluntary income is received by way of grants, donations and gifts and is included in full in the Income and Expenditure Account when receivable.

Donated services and facilities are included at the value to the Company where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Investment income is included when receivable.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Company earns the right to consideration by its performance.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with claiming monthly grants from the CDET, DSP, POBAL, Department of Justice, Dublin City Council, Dublin Inner City Community Co-Op and the costs of educating the trainees and exam students.

Company expenditure comprises those costs incurred by the Company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting constitutional and statutory requirements of the Company and include the audit fees and costs linked to the strategic management of the Company.

2.4 Government Grants

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

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

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

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

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

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Income statement on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | | |
|------------------------------|---|-----|------------------|
| Land and buildings freehold | - | 2% | Straight line |
| Long-term leasehold property | - | 2% | Straight line |
| Plant and machinery | - | 25% | Reducing balance |
| Fixtures and fittings | - | 25% | Reducing balance |
| Computer equipment | - | 33% | Reducing balance |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

2.7 Investment property

Investment property is carried at fair value determined annually by key Directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income statement.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Impairment of assets, other than financial instruments

Where there is objective evidence that recoverable amounts of an asset is less than its carrying value the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the profit and loss account, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the profit and loss account, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in equity.

The recoverable amount of tangible fixed assets, goodwill and other intangible fixed assets is the higher of the fair value less cost to sell of the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the company which is considered by the directors to be a single cash generating unit.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

There are no accounting estimates or assumptions made in the financial statements re SICCCA accounting estimates or judgments.

SOUTH INNER CITY COMMUNITY DEVELOPMENT ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Income

| | 2018 € | 2017 € |
|-----------------------------------|------------------|------------------|
| DSP - CE Scheme | 221,147 | 249,523 |
| DSP - Jobs Club | - | 47,691 |
| CDETB - Life Skills | 80,652 | 76,716 |
| Pobal - Afterschools | 424,253 | 517,745 |
| Dublin Inner City Community Co-op | 97,518 | 97,098 |
| Grants | 49,515 | 12,688 |
| Sundry Income | 22,110 | 22,876 |
| Liberties Festival | 45,000 | 40,000 |
| Rent Receivable | 120,933 | 109,932 |
| Dept of Justice - Liberties Club | 115,627 | 111,744 |
| | <u>1,176,755</u> | <u>1,286,013</u> |

During the year, the Company received €15,000 in Liberties Festival income which related to 2017. This amount was not provided for in the 2017 accounts and thus is included in 2018.

5. Deficit on ordinary activities before taxation

The operating loss is stated after charging:

| | 2018 € | 2017 € |
|---------------------------------------|---------------|---------------|
| Depreciation of tangible fixed assets | 84,553 | 19,968 |
| Defined contribution pension cost | - | 5,519 |
| | <u>84,553</u> | <u>25,487</u> |

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FOR THE YEAR ENDED 31 DECEMBER 2018

6. Employees

The average monthly number of employees during the year was as follows:

| | 2018 | <i>2017</i> |
|-----------------------|-----------------------|-----------------------|
| | No. | <i>No.</i> |
| Office | 8 | <i>10</i> |
| Project Co-ordinators | 6 | <i>7</i> |
| Other Project workers | 5 | <i>3</i> |
| Cleaners | 1 | <i>2</i> |
| Childcare workers | 16 | <i>15</i> |
| Maintenance | 2 | <i>2</i> |
| Food chef | 1 | <i>1</i> |
| | <hr/> 39 <hr/> | <hr/> <i>40</i> <hr/> |

7. Directors' remuneration

There was no Director's remuneration during the year (2017- *NIL*).

8. Key Management Compensation

Key management compensation was Nil (2017 - *NIL*).

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Tangible fixed assets

| | Freehold property € | Investment property € | Fixtures and fittings € | Office equipment € | Computer equipment € | Total € |
|-------------------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------|----------------------------|------------------|
| Cost or valuation | | | | | | |
| At 1 January 2018 | 581,153 | 917,211 | 140,902 | 120,591 | 149,247 | 1,909,104 |
| Additions | - | - | - | 24,363 | - | 24,363 |
| Disposals | - | (337,211) | - | - | - | (337,211) |
| At 31 December 2018 | <u>581,153</u> | <u>580,000</u> | <u>140,902</u> | <u>144,954</u> | <u>149,247</u> | <u>1,596,256</u> |
| Depreciation | | | | | | |
| At 1 January 2018 | 30,026 | - | 130,018 | 119,675 | 139,555 | 419,274 |
| Charge for the year on owned assets | 74,200 | - | 2,891 | 4,581 | 2,881 | 84,553 |
| At 31 December 2018 | <u>104,226</u> | <u>-</u> | <u>132,909</u> | <u>124,256</u> | <u>142,436</u> | <u>503,827</u> |
| Net book value | | | | | | |
| At 31 December 2018 | <u>476,927</u> | <u>580,000</u> | <u>7,993</u> | <u>20,698</u> | <u>6,811</u> | <u>1,092,429</u> |
| At 31 December 2017 | <u>551,127</u> | <u>917,211</u> | <u>10,884</u> | <u>916</u> | <u>9,692</u> | <u>1,489,830</u> |

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9. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

| | 2018 € | 2017 € |
|---------------------|------------------|------------------|
| Freehold | 476,927 | 551,127 |
| Investment property | 580,000 | 917,211 |
| | <u>1,056,927</u> | <u>1,468,338</u> |

10. Debtors

| | 2018 € | 2017 € |
|---------------|---------------|---------------|
| Trade debtors | 12,760 | 21,476 |
| Other debtors | - | 16,378 |
| Prepayments | 653 | 41,860 |
| | <u>13,413</u> | <u>79,714</u> |

11. Creditors: Amounts falling due within one year

| | 2018 € | 2017 € |
|-------------------------------|----------------|----------------|
| Bank Overdraft | 19,868 | 73,021 |
| Taxation and social insurance | 10,479 | 11,630 |
| Accruals | 120,319 | 137,411 |
| Deferred income | 32,874 | 15,000 |
| | <u>183,540</u> | <u>237,062</u> |

12. Reserves

Income and expenditure account

Includes all current and prior period retained surplus and deficits.

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NOTES TO THE FINANCIAL STATEMENTS
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13. Related party transactions

The following related entities are considered to be related parties for the purposes of these financial statements:

The Charity is related to Ramsgrange Trust by virtue of its 50% ownership. The role of the Ramsgrange Trust was and is the ownership of a property now utilised by South West Wexford Community Development Group (SWWCDG), trading as South West Wexford Family Resource Center (SWWFRC) in Ramsgrange near New Ross, Co Wexford. SICODA and SWWCDG have both a 50% shareholding in the company. Likewise, both companies are entitled to 50% of the directorships. SICODA has capitalised fixed asset costs of €63,847 in relation to the Ramsgrange Property and has provided a loan to Ramsgrange Trust of €17,000.

During the year, Carmel Hynes resigned as a Director of the company to take up the position as interim CEO. Consultancy fees of €29,631 were paid by the company in relation to her interim term as CEO. M. Hynes received no remuneration or fees in relation to her position as company Director and secretary.

14. Tax Exemption

The company has been granted charitable tax status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No CHY 7015 and is registered with the Charities Regulatory Authority, no 20014223.

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15. State funding

Department of Social Protection

Grant programme: Community Employment Scheme

Purpose of the grant: To help people who are long term unemployed get back to work by offering part time and temporary placements in jobs within the local community.

Term: 1 Year

Total fund: €221,147.

Fund deferred or due at year end: €0.

Received in the year: €221,147.

Restriction on use: Restricted to programme.

Irish Youth Justice Service

Government department: Department of Justice and Equality

Grant programme: The Liberties Club

Purpose of the grant: Provide suitable activities to facilitate their personal development and improve the long term employability of early school leavers.

Total fund: €115,627.

Fund deferred at year end: €0.

Received in the year: €115,627.

Restrictions on use: Restricted to programme.

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City of Dublin Education and Training Board

Grant programme: Life Skills

Purpose of the grant: To provide a service to young people who want to update their skills with a view to obtaining meaningful employment.

Term: 1 Year

Total fund: €80,652.

Fund deferred at year end: €0.

Received in the year: €80,652.

Restrictions on use: Restricted to programme.

Pobal

Government department: Department of Children and Youth Affairs.

Grant programme: Community Childcare Subvention.

Term: 1 Year

Total fund: €496,660.

Fund refunded at year end: €72,407.

Received in the year: €424,253.

Restrictions on use: Restricted to programme.

Dublin City Council

Grant programme: Dublin City Community Co-operative

Purpose of the grant: To fund, support and facilitate a wide range of community development, social inclusion and poverty reduction programmes in Dublin's inner city areas.

Total fund: €37,818.

Fund deferred at year end: €0.

Received in the year: €37,818.

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Social Inclusion & Community Activation Programme

Government department: Department of Rural and Community Activation Programme

Grant programme: Dublin City Community Co-operative

Purpose of the grant: To fund, support and facilitate a wide range of community development, social inclusion and poverty reduction programmes in Dublin's inner city areas.

Total fund: €59,700.

Fund deferred at year end: €0.

Received in the year: €59,700.

Restrictions on use: Restricted to programme.

Dublin City Council

Grant programme: Liberties Festival

Purpose of the grant: To provide financial assistance towards programme and festival events.

Total fund: €45,000.

Fund deferred at year end: €0.

Received in the year: €45,000.

Restrictions on use: Restricted to programme.

16. Post balance sheet events

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

17. Legal status

The Company is limited by guarantee not having a share capital.

18. Approval of financial statements

The board of directors approved these financial statements for issue on 22/10/2019