

**SIGNED
COPY**

CORK SIMON COMMUNITY
(Not having share capital and limited by guarantee)

Annual Report
Financial Year Ended 31 December 2018

CONTENTS

	Page
REFERENCE AND ADMINISTRATION DETAILS	2
DIRECTORS' REPORT	3 to 12
INDEPENDENT AUDITORS' REPORT	13 to 15
STATEMENT OF FINANCIAL ACTIVITIES	16
BALANCE SHEET	17
CASH FLOW STATEMENT	18
NOTES TO THE FINANCIAL STATEMENTS	19 to 34

REFERENCE AND ADMINISTRATION DETAILS

Board of Directors as at 20 May 2019

Eoin MacCuir (Chair)
Ernest Cantillon
Ann FitzGerald
Bernadette McGonigle
John J. Murphy
Anthony O'Donovan
James O'Shaughnessy
Peter O'Meara
Sean Ormonde
Brendan Ryan
Mary Ryan
Leslie Warren

Solicitors

Murphy Lynam & Co
Courthouse Chambers
Washington Street
Cork

Secretary and Registered Office

Brendan Ryan
14 Cove Street
Cork

Bankers

Allied Irish Banks plc
26 Patrick Street
Cork

Bank of Ireland
32 South Mall
Cork

Key Management Staff

Dermot Kavanagh (Director)
(Not a member of the Board of Directors)

Permanent TSB
1 Curraheen Road
Cork

Charitable Status No: CHY 9155

Charity Regulatory Authority No: 20022914

Registered No: 42511

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Albert Quay
Cork

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Cork Simon Community ("the Community" and "Cork Simon") for the year ended 31 December 2018.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law). The financial statements have also been prepared with reference to the Charities SORP (FRS 102). Charity SORP (FRS 102) is not currently obligatory under Charities Act, 2009.

Objectives and Activities

Cork Simon Community was founded in 1971 for the charitable purpose of alleviating homelessness and the problems associated with homelessness. Cork Simon works in solidarity with men and women who have past or present experience of homelessness, or at risk of future homelessness. We campaign for a society without homelessness. Cork Simon is particularly concerned for people whose experience of homelessness is not just a short term setback but is a longer term manifestation of deep social exclusion.

Homelessness takes many forms. Sleeping rough is very visible but many people's experiences of homelessness are often hidden. Homelessness causes countless practical difficulties. It also has a detrimental effect on people's health and well-being. It is an isolating experience and people experiencing homelessness are some of the most vulnerable and socially excluded people in our society.

Many people seeking Cork Simon Community services are experiencing the following or a combination of the following: suffering from the impacts of poverty, social deprivation, low income, weak social and familial supports and networks, social exclusion, sleeping rough, physical health problems, a range of mental health issues (including chronic), addiction, substance misuse, behavioural concerns, surviving abuse, learning difficulties and self-harming.

The continuation of the Housing Crisis has made it even more difficult for people to find and access housing and for people who have been pushed into homelessness.

Cork Simon offers a range of services in response to these needs including low threshold emergency accommodation, key working and case management, and a range of housing and accommodation with appropriate levels of care and support. Cork Simon is an Approved Housing Body and a social landlord. We work to a Housing Led approach to addressing homelessness.

A Housing First approach embodies a commitment to housing as a social right. The aim of this approach is to minimise the number of steps and the amount of time a person has to take from the point of becoming homeless to the point of being rehoused. A Housing First or Housing Led approach provides immediate or near-immediate re-housing without any requirement that people experiencing homelessness show themselves to be 'housing ready' before they are re-housed. Support to sustain their housing and improve their health, well-being and social integration is provided to people in their own home, and use of that support is something over which people exercise considerable choice and control.

The following values are inherent in what Cork Simon does and how we work: equality, rights based, social justice & social action, trauma informed, choice, respect, person centred, client led, empowerment, diversity, inclusiveness, community engagement, activism, engagement, acceptance, understanding, dynamism, openness to new ideas, collaboration, supportiveness.

In 2018, Cork Simon provided the following services:

Outreach team: Working on the street and from our Day Service, the team supports people sleeping rough, surviving in squats or people who have no other option but to stay with friends – people on the very edge of homelessness. Often the first point of contact for people falling into homelessness, the team works to make sure the most appropriate supports are available to address each person's individual needs. These supports include access to accommodation and housing and harm reduction supports relevant to problem drug and alcohol use.

DIRECTORS' REPORT - continued

Objectives and Activities - continued

Soup Run: Our first service back in 1971 – and it continues to operate every night of the year. A team of part-time volunteers, often joined by a member of our Outreach Team, offers respite from the elements, hot nourishing food and a listening ear in a warm, friendly, non-judgemental environment.

Emergency shelter: Open around the clock, the shelter provides care, accommodation and one-to-one support for people each night. The shelter team works with each resident, assessing their needs and working with them on a clear pathway out of homelessness as quickly as possible.

Night Light: Additional emergency accommodation in response to a growing need, consisting of up to 18 spaces per night. Night Light beds are medium threshold and are available during night-time hours. These extra emergency spaces were put in place as part of Cork City's Winter initiative in November 2017. They were due to be withdrawn in March 2018, however the need was such that they remain in place.

Day service: A hub of activity housing a specialist team of doctors, nurses, counsellors and other health professionals who provide the most appropriate healthcare for people who are sleeping rough or staying in our Emergency Shelter. Our Rough Sleeper Service also operates from the centre, providing rough sleepers with shower and laundry facilities, breakfast and an opportunity to explore housing options. The centre is also used for a variety of training courses.

Youth homelessness and drug prevention service: Working specifically with 18 to 26 year olds who are homeless or at risk of homelessness, and who are either at risk of drug use or are active drug users, the service offers a range of direct one-to-one supports, and refers people to other services as appropriate.

Housing support services: Our Settlement / Housing First Team works to a Housing-Led approach in tackling homelessness. It means supporting people to move out of homelessness as quickly as possible and into permanent housing with a tailored visiting support package for as long as each person needs. As social landlord we provide some permanent housing directly, we make housing available in the private rented sector through our Social Rentals initiative and we work closely with other social housing providers so as to make sure the most appropriate housing is available to suit people's individual needs.

High support housing: We also provide intensive levels of round-the-clock care every day for men and women whose health and other personal support needs are such that they are unable to live independently. Residents have their own room and share kitchen and other common areas. Experienced care workers and trained volunteers staff all five high-support houses.

Specialist services: A range of services which include a drug and alcohol programme, an addiction aftercare support and housing service (providing 7 aftercare beds in two houses), the provision of counselling and addiction counselling services, that coordinate with the Youth Homelessness and Drug Prevention programme, the Employment & Training Service initiatives, the Activities Team and a Community Employment Scheme.

Employment & training service: The team supports people who have often left school early and are long-term unemployed to complete their formal education, retrain and return to the workforce. It's a practical way to help people build self-confidence and develop new skills. The team works closely with external education providers and training agencies. Getting people back to work and back to participating in the wider community can make all the difference in helping to make sure people can leave homelessness behind them for good. Employment & Training works closely with local employers to provide direct support to people by helping them to improve their employability through short-term work placements and ultimately full-time employment.

Community engagement and activities programme: Working across all Cork Simon services, the team creates opportunities for people to build social support networks, build self-confidence, and interact positively with the wider community. The 'A-Team' tackles loneliness, boredom and isolation. Participation in activities can often be a doorway to further education and training.

Campaigning programme: We communicate information and policy advocacy messages to stakeholders, the general public, to politicians, policy makers and influencers, among other.

DIRECTORS' REPORT - continued

Volunteering programme: We provide full time and part time volunteers, and student placement opportunities across our services.

Review of activities in 2018

During the year we responded to an increase to the number of people seeking our range of services.

- 1,103 people used Cork Simon Services in 2018.
- 1,030 people used Cork Simon's homeless emergency support services throughout 2018.
- Outreach service recorded 394 people sleeping rough for at least one night during 2018, 76 were women and 318 were men.
- On average 46 people were accommodated each night in a Cork Simon Emergency bed in the heart of Cork's city centre, with a further 11 on average using the Night Light service. 425 people stayed at the Emergency Shelter and Night Light throughout 2018.
- The Soup Run served 12,045 hot meals and provided one-to-one supports to on average 33 people per night. 749 people used our indoor Soup Run while 300 people were met on the streets.
- 639 people presented to the Day Service during 2018. The majority would be people who are rough sleeping or in a range of temporary housing.
- 304 people used the Safer Saturdays service with on average 17 people each Saturday.
- Housing Support Team supported 186 people in either their rented housing or in search of housing in 2018. The team supports, by arrangement, residents of Galtan Limited, a Cork based social housing association and other formerly homeless people in social, public and private rented sector accommodation as well as in Cork Simon Community's own housing including Cork Simon social rentals.
- 68 people lived in five high-support houses in which Cork Simon provides communal accommodation and on-site round-the-clock supports.
- 22 people were newly housed in long term housing. 23 people were newly accommodated in transitional/specialist housing. 8 people were rehoused in long term housing, preventing them from returning to homelessness.
- Women accounted for 17% of all people supported across Cork Simon's services in 2018.
- Volunteers remain at the heart of everything we do. We are thankful for the volunteers who continue to help improve the quality and effectiveness of all our services for people who are homeless in Cork. 824 part-time volunteers and 38 full-time volunteers from 15 different countries worked alongside our highly trained and experienced staff in reaching out to and supporting people using our services in 2018. Volunteers are involved in every aspect of Cork Simon's work: in our emergency shelter, visiting people, getting involved in sports, arts and other activities, helping people develop life skills like cooking and literacy, and doing office and administration. Volunteers join with the Outreach team in providing the Soup Run. Volunteers organise and participate in a variety of events including flag days and collections, and community based events to help raise funds. The Board of directors are all volunteers.

DIRECTORS' REPORT - continued

Achievements and performance

During the year, in line with our objectives and priorities:

- We maintained and enhanced our range of existing services.
- We continued with a phased implementation of the strategic Community Plan 2017-2020. This has included a review of our theory of practice and the implementation of the Housing First approach to addressing homelessness.
- We actively promoted the Housing First approach which is aimed at making sure people experiencing homelessness are assisted to live their lives in their own ways through a model that offers choices in both housing and support services to facilitate personal empowerment and recovery.
- We continued to take a Trauma Informed Care approach to service delivery across all Cork Simon services. This involves implementing learning from the research and audit of services from a trauma informed perspective and training for staff in the principles of trauma informed practice.
- We acquired 20 housing units, between social rentals, allocations from other approved housing bodies (especially Galtan) and our own purchases of 5 additional units
- As part of the Cold Weather Initiative for Cork City we agreed with the Cork City Council to keep the Night Light service open throughout the year. While this is a basic service, it provides respite from the street and a warm place for people.
- Our Safer Saturdays programme offered greater empowerment for people using our day services on weekends. We have shared our learning on this initiative with our European Street Support project partners.
- In October 2018 we were informed that our bid to deliver the new Cork Regional Housing First service, in partnership with Focus Ireland, was successful. We will house 40 long term homeless people with complex needs over the next three years. With the support of the HSE, clinical support specialists who will work side by side with the Case Management Team in delivering intensive supports to clients of the service.
- Our Campaigning programme framed the narrative of the housing and homeless crisis at national and local level. Our 'Locked Out' campaign continued to highlight the impact that the lack of certainty and permanence in housing is having on people, as well as highlighting the rising cost of housing in the private rented sector. Simon Week, with a theme 'Homelessness is Not Normal', formed part of our advocacy work locally and nationally to urge the Government to respond urgently to the growing housing and homeless crisis. 2018 saw the publication of our longitudinal research focusing on how long-term homelessness impacts on people's health and well-being. 'Last Resort – Vulnerabilities, Resilience and Quality of Life in a Homeless Population' included quantitative and qualitative findings in the quality of life of people long-term homeless. Through our ongoing programme we aim to raise awareness and recruit the wider public to help communicate the severity of the housing and homeless crisis, to politicians, policy makers and influencers, among others.
- We grew and developed our engagement with social media audiences.
- With the generosity of our donors, our Fundraising team of staff and volunteers raised over €4.5m gross in voluntary donations and bequests. This support is required to deliver and sustain each of our services.
- We continued the integration with South East Simon Community in the areas of Housing First, homeless services, fundraising, accounting, staffing and management supports
- We are implementing the National Quality Standards Framework standards of service delivery and document how this can be evidenced.
- Following the initial audit and policy reviews to ensure compliance by the May 2018 deadline, our GDPR working group continued to review and improve processes and policies.

DIRECTORS' REPORT - continued

Achievements and performance - continued

- We continued to represent the people we support at Local and Regional Homeless Fora, and continued to represent Cork Simon's experience on the ground at a national level at the Simon Communities of Ireland.
- We implemented recommendations arising from an independent external review of Cork Simon board and governance structures.
- We rolled out a new "Inform" case management system across services.

Financial review

The directors report the following significant financial events during the year:

- The financial results for the year ended 31 December 2018 are shown in the Statement of Financial Activities on page 16.
- Income from allocations and grants from other agencies accounted for 44% of income for 2018 (2017: 48%). Fundraising and other income account for 56% of income in 2018 (2017: 52%).
- Total income amounted to €9,319,097 (2017: €8,535,099). This includes €22,720 received in 2018 as capital donations and restricted to be spent on housing. Total expenditure was €9,613,997 (2017: €8,627,596). The net movement in funds is reported as a decrease of €65,882.
- The end of year reserves are reported as €5,605,958. These reserves are comprised of:

€2,495,192 unrestricted funds	Of these €726,319 were previously spent on fixed assets and are not available for other purposes, and €1,768,873 is available for working capital and the continuity of services. This represents less than three months of total costs and is less than our targeted reserve of four months of total operating costs.
€112,654 restricted funds	Represent restricted donations received in 2018 for specific projects and carried over to 2019.
€2,430,000 designated funds	Funds designated towards future property maintenance and development costs.
€568,112 restricted building funds	Capital funds received for capital assets and not available for other purposes. At year end €92,220 of this remains unspent and restricted to a specific capital project that is in progress.
€5,605,958	Total reserves as reported at year end.

Reserves and investment strategy

Cork Simon has a responsibility to ensure that it uses the funds and resources it receives for its charitable purpose of ending homelessness. Grants are confirmed on an annual basis and other sources of income and resources are not guaranteed. Cork Simon must plan its use of these funds and resources to ensure the continuity and sustainability of the services it offers. To this end, Cork Simon has a reserves policy in place and currently targets to hold four months of operating costs in reserve.

As is usual for housing bodies, Cork Simon holds a property maintenance and development fund, often referred to as the 'sinking fund'. The directors have designated unrestricted funds for the future maintenance and development of the community's properties. At the year end this designated fund amounts to €2,430,000.

Cork Simon has put in place an investment strategy that sets out clearly how it plans to make the best use of any available reserve funds in a low risk environment in line with its charitable purposes.

DIRECTORS' REPORT - continued

Plans for future periods

Cork Simon's main priorities are:

- Implement the next phases of our strategic Community Plan 2017-2020. This will include a review of our strategy with the support of Prof Nicholas Pleace of the University of York and will be informed by research we have commissioned regarding the prevention and ending of long term homelessness in Cork to be undertaken by Prof Cathal O'Connell and Joe Finnerty of UCC.
- Align all Cork Simon services with a Trauma Informed Care approach.
- Facilitate faster onward progression for people out of homelessness, in line with Housing First.
- Secure additional housing units through a range of sources as housing options for people in emergency and temporary accommodation or sleeping rough in Cork.
- Move towards ending our reliance on large scale institutional emergency accommodation. Increase the number of scatter site flats and inclusive housing projects.
- Commence the Cork Region Housing First service and deliver housing and intense support services to people who are long term homeless.
- Complete the development of 8 self-contained units on the St Joachim and Anne site on Anglesea Street.
- Continue to support people who are sleeping rough to reduce harms associated with life on the streets.
- Secure funding for several services which Cork Simon has successfully piloted and which have been financed by fundraised income, including our coordinated education, training and employment service, our activities programme and our aftercare service.
- Enhance specialist services including services for young people, women, people with drug and alcohol addictions and people with mental health issues.
- Improve the situation of people who are currently homeless through Cork Simon acting as a leading advocate for the right to housing and supports for all at a national and local level.
- Continue to maintain and develop Cork Simon's broad support base and promote a general understanding of the causes of and solutions to homelessness.
- Continue to implement the proposed actions from the independent review of Cork Simon board and governance structures.
- Continue to implement in full the National Quality Standards Framework across all services.
- Document the compliance record to demonstrate how we comply with the new Charities Regulator Governance Code.
- Complete the assessment framework to confirm we meet the Governance and Performance Standards that have issues from the Housing Agency regulation office.
- A major theme for 2019 will be on improving the position of women in the workplace and women in services in Cork Simon Community. We will work to improve gender equity in Cork Simon.

Relationships with other bodies

Cork Simon recognises that the range of needs of people who are homeless are too complex for one organisation to solve. Cork Simon fosters relationships and working arrangements with a variety of other agencies and providers of related services.

- Cork Simon Community is part of a network of eight independent Simon Communities operating in the Republic of Ireland, the others being in Dundalk, Dublin, Midlands, South East, Galway, North West and Mid-West. All eight Simon Communities share common values and ethos in tackling all forms of homelessness throughout Ireland and work collectively through a National Office to conduct valuable research and to inform and influence national policy.
- Cork Simon is an Approved Housing Body and a member of the Irish Council for Social Housing.

DIRECTORS' REPORT - continued

Relationships with other bodies - continued

- Cork Simon Community has close links with other agencies in Cork providing services for people who are homeless. As part of the Cork Social Housing Forum, Cork Homeless Forum and the Cork Youth Homeless Forum we seek to achieve a co-ordinated approach to homelessness in Cork.
- The Southwest Joint Regional Homelessness Consultative Forum is a key policy link between the delivery of homeless services in the South West and national policy. The Forum is responsible for the Cork & Kerry region.
- Cork Simon Community has good working relationships with the Health Service Executive, Cork City Council, Department of Social Protection, Cork Local Drugs Task Force, Cork Education and Training Board and the Community Gardaí. We work with private landlords, voluntary housing bodies and a range of Community groups including Cork City Partnership and Cork Equal and Sustainable Communities Alliance (CESCA).
- Cork Simon Community has forged connections and networks with the Cork business community.
- Cork Simon is a founding member of the Cork Homeless Network which brings together all the voluntary agencies in Cork providing services for people who are homeless.
- Cork Simon Community partners with Focus Ireland, Threshold and St Vincent de Paul on a Cork Rentals and Housing Support Partnership to facilitate people to move out of emergency accommodation to a home of their own.
- Cork Simon provides operational and management supports to South East Simon Community.

Structure, governance and management

Cork Simon Community is a company limited by guarantee (CLG). Cork Simon Community has a Memorandum and Articles of Association. A Board of Directors is elected from among the membership of the company. The directors are volunteers. The membership is open to any person who has recently participated in the Community, as a service user or a volunteer, and who subscribes to the values of Cork Simon.

Cork Simon complies with the Governance Code for community, voluntary and charitable organisations in Ireland. In 2018 the Board implemented the recommendations arising from an independent external review of Board and governance structures. In 2019 the Board will assess Cork Simon against the new Charities Regulator Code of Governance.

Cork Simon has signed up to the Voluntary Regulation Code for Approved Housing Bodies. Cork Simon adheres to the Statement of Guiding Principles for Fundraising. In service delivery Cork Simon applies the Putting People First Code, the National Quality Standards Framework, and the Quality Standards in Alcohol and Drugs Services. We reach the 'triple lock' standard as set out by the Charities Institute of Ireland.

Cork Simon Community is committed to openness and transparency both within the organisation and externally with donors, funders, supporters and the public. More information about this is available on our website <http://www.corksion.com/ie/how-we-are-run/>.

The board of directors is responsible for governance and for developing and approving policies and strategies of the Community. The day to day management of the Community is delegated to the management team who are responsible for the implementation of these policies and strategies, as approved by the board of directors, and for managing the operation and delivery of services in line with Cork Simon Community values. The day to day management of the Community is delegated to the Director, Dermot Kavanagh, supported by his management team. Dermot is not a member of the Board of Directors.

The Board has established a Finance, Audit and Remuneration committee, a Quality and Safety committee, a Property committee, and an Investment Advisory committee. These meet during the year and report to the Board.

DIRECTORS' REPORT - continued

Principal risks and uncertainties

The directors have ultimate responsibility for managing risk and are aware of the risks associated with the operating activities of the Community. The directors carry out an annual risk audit and review the risks on an ongoing basis. The directors are satisfied that adequate systems of governance, supervision, procedures and internal controls are in place to mitigate the exposure to the major risks and that these controls provide reasonable assurance against such risks. The major risks include financial risks, operational and safety risks, compliance risks and reputational risks.

Financial risk

Reduced or insufficient income will impact directly on services and the people who avail of them. Changes to government policy and economic climate can impact on fundraised income and on grants from statutory agencies. Measures to reduce this risk include an investment in a fundraising strategy which includes a mix of income streams, positive negotiation with key stakeholders and funders, and the management and control of budgets and costs. Financial information is subject to detailed review at board of director level allowing for continuous monitoring of the Community's operations and financial status.

Operational and safety risks

Cork Simon services are aimed at people who are vulnerable and socially isolated. Poor quality services can have a detrimental impact on people. Cork Simon is committed to providing high quality services. We adhere to recognised quality standards, operate a training programme for staff and volunteers, and work to a range of operational and staff performance policies and procedures aimed at providing consistently safe living, working and volunteering environments.

Compliance risk

Cork Simon has to comply with a range of legislation and regulation. Non-compliance could incur penalty and result in reputational damage. Cork Simon has signed up to the various governance codes relating to the voluntary sector and the approved housing bodies. The policies and procedures and internal control systems that are in place aim to ensure compliance with laws and policies, and to ensure efficient and effective use of the Community's resources.

Reputational risk

Cork Simon is delivering services on behalf of the wider community and relies on the support of that wider community. Damage to Cork Simon's reputation would impact on that support.

External risks include the impact of the current housing crisis. An increase to the number of people needing homeless services, or an inability of Cork Simon to access a range of housing options for people, or a change in government policy or de-prioritisation of homelessness can all impact on the services Cork Simon can offer. Cork Simon campaigns and consults with key stakeholders to influence and mitigate the impact of these risks.

Directors

The names of the persons who are currently or were directors at any time during the year ended 31 December 2018 are set out below. Unless indicated otherwise, they served as directors for the entire year.

Ernest Cantillon		John J. Murphy	
Ann FitzGerald		Tomás O'Callaghan	(resigned 21 May 2018)
Eoin MacCuirc	(chair)	Anthony O'Donovan	
Tim McCarthy	(resigned 14 February 2019)	Peter O'Meara	
Angela McDonald	(resigned 15 February 2019)	James O'Shaughnessy	
Brendan Ryan		Bernadette McGonigle	
Mary Ryan	(appointed 16 October 2018)	Leslie Warren	(appointed 16 October 2018)
Sean Ormonde	(appointed 16 October 2018)		

Brendan Ryan was company secretary during 2018.

All board members are volunteers with Cork Simon. No board member received any remuneration. There were no contracts of any significance in relation to the business of the Community in which the directors had any interest, as defined in the Companies Act 2014, at any time during the year ended 31 December 2018.

DIRECTORS' REPORT - continued

Directors' and secretary's interests

No board member holds a beneficial interest in the charity.

The company is a company limited by guarantee, not having a share capital. The liability of the members is limited to €1.00 each, that they have guaranteed to contribute to the assets of the company on winding up of the company.

Going concern

The directors, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore these entity financial statements have been prepared on a going concern basis. Refer to note 3(b) for further details.

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at 14 Cove Street, Cork.

Events since the end of the year

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

Statement of directors' responsibilities

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

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law). The financial statements have also been prepared with reference to the Charities SORP (FRS 102). Charity SORP (FRS 102) is not currently obligatory under Charities Act, 2009.

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the net movement in funds of the company for the financial year.

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

- select suitable accounting policies 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 and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and movement in funds of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

DIRECTORS' REPORT - continued

Political donations

It is Cork Simon policy not to make political donations. The Electoral (Amendment) (Political Funding) Act, 2012, requires companies to disclose all political donations to any individual party over €200 in value made during the financial year. The directors confirm no political donations have been made.

Disclosure of information to auditors

The directors in office at the date of this report have confirmed that:

- as far as they are aware, there is no relevant audit information of which the company's statutory auditors were unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the company's statutory auditors are aware of that information.

Statutory auditors

The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

By order of the board

Bernadette McGonigle

Brendan Ryan

BT McGonigle
Brendan Ryan
20 May 2019



Independent auditors' report to the members of Cork Simon Community

Report on the audit of the financial statements

Opinion

In our opinion, Cork Simon Community's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2018 and of its net expense and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the balance sheet as at 31 December 2018;
- the statement of financial activities for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our 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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have 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 website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

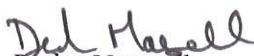
Companies Act 2014 opinions on other matters

- 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.
-

Companies Act 2014 exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.



Declan Maunsell

for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Cork
21 May 2019

CORK SIMON COMMUNITY
(Not having share capital and limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2018

	Notes	Restricted funds €	Unrestricted funds €	Designated Building fund €	Restricted Building fund €	Total 2018 €	Total 2017 €
Income from:							
Donations		212,614	3,870,965	-	22,720	4,106,299	3,537,730
Legacies		-	224,702	-	-	224,702	116,153
Other fundraising activities		-	216,446	-	-	216,446	181,088
Charitable activities		4,109,644	482,872	-	-	4,592,516	4,527,002
Interest and investment income		-	2,331	-	-	2,331	6,334
Other income		-	420	-	-	420	2,885
Income from South East Simon		176,383	-	-	-	176,383	163,907
Total income	15	<u>4,498,641</u>	<u>4,797,736</u>	<u>-</u>	<u>22,720</u>	<u>9,319,097</u>	<u>8,535,099</u>
Expenditure on:							
Expenditure for South East Simon		176,383	-	-	-	176,383	163,907
Charitable activities		5,730,991	2,456,593	-	-	8,187,584	7,409,933
Raising funds		-	1,250,030	-	-	1,250,030	1,053,756
Total expenditure	5/15	<u>5,907,374</u>	<u>3,706,623</u>	<u>-</u>	<u>-</u>	<u>9,613,997</u>	<u>8,627,596</u>
Net (loss)/gain on investments		-	(11,052)	-	-	(11,052)	66,214
Capital Assistance Scheme repayments relieved		-	240,070	-	-	240,070	240,070
Net (expense)/income	7	<u>(1,408,733)</u>	<u>1,320,131</u>	<u>-</u>	<u>22,720</u>	<u>(65,882)</u>	<u>213,787</u>
Transfer from restricted building fund	15	-	36,722	-	(36,722)	-	-
Transfer from unrestricted fund	15	1,413,535	(1,413,535)	-	-	-	-
Net movement in funds		<u>4,802</u>	<u>(56,682)</u>	<u>-</u>	<u>(14,002)</u>	<u>(65,882)</u>	<u>213,787</u>
Reconciliation of funds							
Total funds brought forward		<u>107,852</u>	<u>2,551,874</u>	<u>2,430,000</u>	<u>582,114</u>	<u>5,671,840</u>	<u>5,458,053</u>
Total funds carried forward		<u>112,654</u>	<u>2,495,192</u>	<u>2,430,000</u>	<u>568,112</u>	<u>5,605,958</u>	<u>5,671,840</u>

The statement of financial activities includes all gains and losses recognised in the year. There are no other items to be included in the statement of comprehensive income. Income and net (expense)/income arose solely from continuing activities. Movements in funds are set out in note 15 on page 30. Please refer to note 6 on page 25 where the detailed comparative statement of financial activities for the financial year ended 31 December 2017 is disclosed.

On behalf of the board

Bernadette McGonigle

Brendan Ryan

BALANCE SHEET
As at 31 December 2018

	Notes	2018 €	2017 €
Fixed assets			
Tangible assets	9	6,252,627	5,616,265
Investments	10	1,158,548	1,169,600
		<u>7,411,175</u>	<u>6,785,865</u>
Current assets			
Stock	11	11,256	-
Debtors	12	222,582	375,193
Cash at bank		3,800,468	3,257,385
		<u>4,034,306</u>	<u>3,632,578</u>
Creditors - Amounts falling due within one year	13	<u>(1,155,938)</u>	<u>(805,362)</u>
Net current assets		<u>2,878,368</u>	<u>2,827,216</u>
Total assets less current liabilities		10,289,543	9,613,081
Creditors - Amounts falling due after more than one year	14	<u>(4,683,585)</u>	<u>(3,941,241)</u>
		<u>5,605,958</u>	<u>5,671,840</u>
Total funds of the charity			
Unrestricted funds	15	2,495,192	2,551,874
Restricted funds	15	112,654	107,852
Designated building fund	15	2,430,000	2,430,000
Restricted building funds	15	568,112	582,114
Total charity funds	15	<u>5,605,958</u>	<u>5,671,840</u>

The notes on pages 19 to 34 form an integral part of these financial statements.

The financial statements on pages 16 to 34 were authorised for issue by the board of directors on 20 May 2019 and signed on its behalf:

On behalf of the board

Bernadette McGonigle

Brendan Ryan

BT. Gough
Brendan Ryan



CASH FLOW STATEMENT
For the financial year ended 31 December 2018

	Notes	2018 €	2017 €
Net cash provided by charitable activities	17	<u>661,413</u>	<u>47,226</u>
Cash flows from investing activities			
- investment income		2,331	6,334
- payments to acquire tangible assets		(1,137,616)	(924,395)
- proceeds from sale of tangible assets		-	500
Net cash used in investing activities		<u>(1,135,285)</u>	<u>(917,561)</u>
Cash flows from financing activities			
- proceeds from capital assistance scheme		<u>1,016,955</u>	<u>19,280</u>
Net cash generated from financing activities		<u>1,016,955</u>	<u>19,280</u>
Change in cash and cash equivalents in the year	17	<u>543,083</u>	<u>(851,055)</u>
Cash and cash equivalents at the beginning of year		3,257,385	4,108,440
Change in cash equivalents		<u>543,083</u>	<u>(851,055)</u>
Cash and cash equivalents at the end of year		<u>3,800,468</u>	<u>3,257,385</u>

On behalf of the board

Bernadette McGonigle

Brendan Ryan

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Cork Simon Community is a charitable organisation established to alleviate homelessness and the problems associated with homelessness. The registered number of the company is 42511. The registered number of the charity is 20022914.

Cork Simon Community is a company limited by guarantee in the Republic of Ireland. The address of its registered office is 14 Cove Street, Cork.

These financial statements are the company's financial statements for the financial year beginning 1 January 2018 and ending 31 December 2018.

The company is a company limited by guarantee. The liability of the members is limited to €1.00 each, that they have guaranteed to contribute to the assets of the company on winding up of the company.

2 Statement of compliance

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law). The financial statements have also been prepared with reference to the Charities SORP (FRS 102).

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation, uncertain at the reporting date. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

Cork Simon Community meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(b) Going concern

The company meets its day-to-day working capital requirements through its cash balances and investments. The current economic conditions continue to create uncertainty over (a) possible changes in government policy; and (b) income available from fundraising. The company's forecasts and projections, taking account of reasonably possible changes in operating performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore these entity financial statements have been prepared on a going concern basis.

(c) Revenue

(i) Donations and other fundraising activities

In common with many similar charitable organisations, the company derives a proportion of its income from voluntary donations and fund raising activities held by individuals or parties outside the control of the company. Accordingly, donations are recognised when the Community has entitlement to the income, certainty of receipt and the amount can be measured with sufficient reliability. In the case of voluntary income receivable by way of donations and gifts, income is recognised when the donation is entered into the Community's bank accounts or entered into the Community's accounting records. Fund-raising income is shown gross without deduction of any overhead costs involved in raising such funds.

(ii) Legacies

Income is recognised for legacies once the bequest has entered the Community's bank account or title deeds of the related properties have transferred to Cork Simon Community.

(iii) Revenue grants

Revenue grants relating to charitable activities are recognised when receivable and are reflected in the statement of financial activities on this basis.

(iv) Capital grants and donations

Grants and donations receivable in connection with capital expenditure are recognised in the Statement of Financial Activities and included in the Restricted Building Fund when receivable. On an annual basis, a transfer is made from the Restricted Building Fund to the Unrestricted Funds on the same basis as the related tangible assets are depreciated.

(d) Other revenue

Cork Simon Community also earns interest income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Community; this is normally upon notification of the interest paid or payable by the bank.

(e) Deferred income

Grants relating to expenditure to be incurred in a future accounting period received in advance are deferred and recognised in the period to which they relate. Deferred income is released to income in the period in which the related performance occurs.

(f) Capital assistance scheme loans

Loans under Capital Assistance Schemes, receivable from local authorities for the purposes of acquiring and developing specified housing properties and advanced to the Community under the terms of a mortgage agreement, are recognised in the financial statements as creditors repayable over fixed terms of 30 years. Under the terms of the mortgage agreement the Community is relieved of monthly capital and interest repayments by the relevant local authority provided the Community is in compliance with certain specific conditions. The repayments so relieved are recognised in the Statement of Financial Activities as they are waived or relieved. If the company fails to comply with the specific condition the unrelieved balance becomes repayable.

The amounts repayable to the local authorities under the terms of the Capital Assistance Scheme, representing advances received as reduced by repayments relieved, are disclosed as creditors classified as amounts repayable within one year and amounts repayable after more than one year.

This loan is accounted for as Public Benefit Entity Concessionary Loans under Chapter 34 of FRS 102.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(g) Restricted and unrestricted funds

Cork Simon operate the following funds:

(i) Restricted funds

Restricted income funds are to be used for specific purposes as laid down by the donor or grantor. Expenditure which meets these criteria is shown as charged to the fund. These funds may become repayable in the event that the conditions laid down by the donor or grantor are not adhered to.

(ii) Unrestricted funds

Unrestricted income funds are donations and other incoming resources received or generated for charitable purposes which can be used at the discretion of Cork Simon Community in furtherance of the objects of the Charity.

(iii) Restricted building funds

Restricted building funds are to be used for specific capital purposes as laid down by the donor or grantor. The funds that have been spent on housing assets are amortised over the same period as the related asset is depreciated. The funds that have not been spent may be repayable in the event that the conditions laid down by the donor or grantor are not adhered to.

(iv) Designated funds

Cork Simon Community aims to maintain its housing properties in good condition and repair. The designated fund represents unrestricted funds allocated for the future maintenance and development of the Community's housing properties. This is often referred to as the Sinking Fund.

(h) Expenditure

Expenditure accounted for when they are incurred and include amounts due at the end of the year but not paid. Expenditure expended include attributable Value Added Tax which cannot be recovered. Expenditure expended are allocated to the particular activity or service where the cost relates directly to that activity or service. The costs of supporting activities, training, volunteers and overall direction are reallocated to each activity or project based mainly on staff and volunteer numbers and utilisation.

Expenditure on raising funds includes the staff time directly spent on raising funds, the cost of producing and disseminating literature, and the delivery of fundraising events. The cost of generating funds also include the costs incurred in fundraising and encouraging third parties to make voluntary contributions now and in the future towards the provision of services by the Community. The costs are expensed when they are incurred although the benefit in terms of funds raised may occur in a future period.

(i) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised. Assets in the course of construction are carried at cost. These assets are not depreciated until they are available for use.

(i) Depreciation and residual values

Depreciation is calculated, using the straight-line method over their estimated useful lives, as follows:

Freehold property	25 years
Fixtures, fittings, tools and equipment	3 to 5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(i) Tangible fixed assets - continued

(ii) Repairs and maintenance

Repairs, maintenance and minor inspection costs are expensed as incurred.

(iii) De-recognition

Tangible assets are de-recognised on disposal or when no future economic benefit is expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of financial activities.

(j) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments

(i) Financial assets

Basic financial assets, including sundry debtors, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. There were no financial asset arrangements that constituted a financing arrangement.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Realised gains and losses on disposal of investments are the difference between sales proceeds receivable and carrying value. Unrealised gains and losses are the difference between market value at year end and carrying value.

Financial assets are de-recognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party, or (c) control of the financial asset has been transferred to another party who has the practical liability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument

(k) Allocation of support costs

Support costs are those functions that assist the delivery of the charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 5.

(l) Employee benefits

(i) Defined contribution plan

The company operates a defined contribution pension scheme. The company's contributions to this scheme are dealt with in the Statement of Financial Activities on an accruals basis.

(ii) Short term benefits

Short term employees' benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(m) Donated goods, facilities and services, including volunteers

Goods and services donated to Cork Simon Community include items used in the delivery of services and items passed on to people using Cork Simon services. Where it is practical to record and measure reliably the value of these donated goods, the value of the goods is included in income and in related expenditure. Donated goods that are in store at the year end and that are expected to be used after the year end, are included in stock, where it is possible to measure reliably the value of these items.

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised in the financial statements.

Please refer to the review of activities in 2018 section within directors' report for more information about the volunteers' contribution to the Community.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 addressed below.

Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the tangible fixed assets, and note 3 for the useful economic lives for each class of tangible fixed assets.

Recognition of bequests

When Cork Simon is made aware of a potential bequest, estimates and assumptions are made concerning the probable timing of any income and eventual value of the bequest income, in assessing when that income should be recognised.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Resources expended

For the year ended 31 December 2018

	Staff costs €	Direct costs €	Depreciation €	Support costs €	Total 2018 €
Homeless services	5,053,365	1,199,142	458,253	821,933	7,532,693
Campaigns and research	237,655	394,608	-	22,628	654,891
Charitable activities	5,291,020	1,593,750	458,253	844,561	8,187,584
Raising funds	415,396	823,320	-	11,314	1,250,030
Costs incurred on behalf of South East Simon	-	176,383	-	-	176,383
Training, volunteering and other support	510,007	302,867	43,001	(855,875)	-
Total 2018	6,216,423	2,896,320	501,254	-	9,613,997

For the year ended 31 December 2017

Homeless services	4,760,587	1,072,793	423,836	564,401	6,821,617
Campaigns and research	219,686	352,500	-	16,130	588,316
Charitable activities	4,980,273	1,425,293	423,836	580,531	7,409,933
Raising funds	376,258	669,433	-	8,065	1,053,756
Costs incurred on behalf of South East Simon	-	163,907	-	-	163,907
Training, volunteering and other support	294,169	250,117	44,310	(588,596)	-
Total 2017	5,650,700	2,508,750	468,146	-	8,627,596

Direct costs are costs, excluding staff costs, which are incurred directly for the specific areas of activity. These include costs such rent, household costs, welfare, utilities, food, repairs, insurance and fundraising costs.

Support costs include internal finance, maintenance, IT, human resources, administration and general management functions. Training costs relate to the cost of running an extensive training for staff and volunteers essential to their work environment. Volunteering costs are incurred in providing for and accommodating full time volunteers and coordinating full-time and part-time volunteer activity. These costs are allocated across other services on the basis of staff and volunteer numbers and utilisation as appropriate.

Costs incurred on behalf of South East Simon occurred due to assistance and support provided by Cork Simon Community to South East Simon. These were fully recharged to South East Simon with no margin being earned on the transactions that occurred during the year. This income and expenditure amounting to €176,383 has been included in the Statement of Financial Activity.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Comparative statement of financial activities for the financial year ended 31 December 2017

	Restricted funds	Unrestricted funds	Restricted building fund	Total 2017
	€	€	€	€
Income from:				
Donations	327,007	3,174,223	36,500	3,537,730
Legacies	-	116,153	-	116,153
Other fundraising activities	-	181,088	-	181,088
Charitable activities	4,061,341	465,661	-	4,527,002
Interest and other income	-	9,219	-	9,219
Income from South East Simon	163,907	-	-	163,907
Total income	<u>4,552,255</u>	<u>3,946,344</u>	<u>36,500</u>	<u>8,535,099</u>
Expenditure on:				
Charitable activities	5,708,863	1,701,070	-	7,409,933
Raising funds	-	1,053,756	-	1,053,756
Expenditure for South East Simon	163,907	-	-	163,907
Total expenditure	<u>5,872,770</u>	<u>2,754,826</u>	<u>-</u>	<u>8,627,596</u>
Net gain on investments	-	66,214	-	66,214
Capital Assistance Scheme repayments relieved	-	240,070	-	240,070
Net income/(expenditure)	(1,320,515)	1,497,802	36,500	213,787
Transfer from restricted building fund	-	36,722	(36,722)	-
Transfer from unrestricted fund	1,269,149	(1,269,149)	-	-
Net movement in funds	<u>(51,366)</u>	<u>265,375</u>	<u>(222)</u>	<u>213,787</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Net incoming/(outgoing) resources	2018	2017
	€	€
Net incoming/(outgoing) resources is stated after charging/(crediting):		
Staff costs (note 8)	6,216,423	5,650,700
Depreciation (note 10)	501,254	468,146
Profit on disposal of tangible asset	-	(500)
Capital Assistance Scheme financing repayments relieved (note 14)	(240,070)	(240,070)
Directors' remuneration	-	-
Directors' expenses	-	-
Auditors' remuneration (including expenses)		
- Audit of the entity financial statements	4,000	3,800
Other assurance services	630	630
Bank interest and similar charges	13,625	14,443
Other income	(420)	(2,385)
Interest income	(2,331)	(6,334)

None of the directors have been paid any remuneration or received any other financial benefit from Cork Simon. A total of €459 of expenses were reimbursed to directors in 2018.

8 Employee information and benefits

(a) The average number of whole time equivalent staff employed by the Community during the year is analysed below:	2018	2017
	Number	Number
Homeless services	104	97
Campaigning and research	3	3
Raising funds	9	8
Community employment scheme	11	10
	127	118

(b) The company's employment costs for all employees comprise:	2018	2017
	€	€
Wages and salaries	5,516,152	5,010,125
Social insurance costs	557,227	505,331
Other retirement benefit costs	143,044	135,244
	6,216,423	5,650,700

(c) At the end of 2018, 163 individual people were employed. Of these 62 people were employed full time, 61 were part time, 20 were on CES and 20 were on the staff relief panel.

(d) Cork Simon employs professional staff with diverse skills and expertise to support the work we do. At the end of 2018, the number of whole time equivalent staff with pay, excluding employer retirement benefit costs, falling within the following bands was:

	2018	2017
Up to €29,999	59	52
Between €30,000 and €39,999	22	18
Between €40,000 and €49,999	25	27
Between €50,000 and €59,999	15	13
Between €60,000 and €69,999	-	4
Between €70,000 and €79,999	2	2
Between €80,000 and €89,999	3	2
Between €90,000 and €99,999	1	-

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Employee information and benefits - continued

- (e) Other retirement benefit costs related to a defined contribution pension scheme operated by Cork Simon. The total charge for the year amounted to €143,044 (2017: €135,244). Contributions of €Nil (2017: €Nil) are outstanding at balance sheet date.
- (f) Included in wages and salaries is €95,000 which is the cost of redundancy and termination payments made to staff during 2018.
- (g) Key management personnel of the Community refers to the organisation's Director (not a member of the Board of Directors) who had a salary totalling €91,620 (2017: €89,800) and employer pension contribution of €4,581 (2017: €4,490). The directors' remuneration is €Nil (2017: €Nil).

9 Tangible assets	Freehold property	Fixtures, fittings and equipment	Motor vehicles	Construction in progress	Total
	€	€	€	€	€
Cost					
At 1 January 2018	12,059,730	305,553	7,500	31,324	12,404,107
Additions	958,828	57,032	11,000	110,756	1,137,616
Disposals	-	-	(6,800)	-	(6,800)
At 31 December 2018	<u>13,018,558</u>	<u>362,585</u>	<u>11,700</u>	<u>142,080</u>	<u>13,534,923</u>
Accumulated depreciation					
At 1 January 2018	6,511,342	270,467	6,033	-	6,787,842
Charge for the year	479,373	18,634	3,247	-	501,254
Disposals	-	-	(6,800)	-	(6,800)
At 31 December 2018	<u>6,990,715</u>	<u>289,101</u>	<u>2,480</u>	<u>-</u>	<u>7,282,296</u>
Net book value					
At 1 January 2017	<u>5,099,129</u>	<u>29,080</u>	<u>2,267</u>	<u>29,540</u>	<u>5,160,016</u>
At 31 December 2017	<u>5,548,388</u>	<u>35,086</u>	<u>1,467</u>	<u>31,324</u>	<u>5,616,265</u>
At 31 December 2018	<u>6,027,843</u>	<u>73,484</u>	<u>9,220</u>	<u>142,080</u>	<u>6,252,627</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Financial assets – investments	2018 €	2017 €
Investments held		
Managed funds	1,158,422	1,169,474
Prize bonds	126	126
	<u>1,158,548</u>	<u>1,169,600</u>
		Managed funds €
Market value at 1 January 2018		1,169,474
Unrealised loss in investments		(11,052)
Market value at 31 December 2018		<u>1,158,422</u>
Historic cost at 31 December 2018		<u>1,028,496</u>
All listed investments are held on recognised stock exchanges.		
11 Stock	2018 €	2017 €
Stock	<u>11,256</u>	<u>-</u>
12 Debtors	2018 €	2017 €
Amounts falling due within one year:		
Prepayments and sundry debtors	68,593	242,925
South East Simon	104,476	105,323
Grants receivable	49,513	26,945
	<u>222,582</u>	<u>375,193</u>
13 Creditors - Amounts falling due within one year	2018 €	2017 €
Trade creditors	99,153	145,817
PAYE and pay related social insurance	125,259	117,476
Deferred income	456,510	144,444
Accruals	200,405	157,555
Capital Assistance Scheme loans (note 14)	274,611	240,070
	<u>1,155,938</u>	<u>805,362</u>

Deferred income primarily includes certain grant income, an advance of €140,000 from HSE towards the provision of future additional nursing service on the Adult Homeless Multi-Disciplinary Team, €40,000 from HSE towards a stabilisation facility, €83,000 from the HSE towards specialist staff as part of the Cork Region Housing First team, and €112,346 as part of the Léargas grant for the European Volunteer Service. We release these to income as the related activity is performed. Furthermore, an advance of €49,164 from the Department of Employment Affairs and Social Protection on the Community Employment Scheme grant is released to net income as the grant advance is recovered by the scheme.

Trade and other creditors are payable at various dates in the two months after the end of the financial year in accordance with the creditors usual and customary credit terms.

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Creditors - Amounts falling due after more than one year	2018 €	2017 €
Loans under the Capital Assistance Scheme	<u>4,683,585</u>	<u>3,941,241</u>
These loans are repayable in the following years after 31 December		
Within one year (note 13)	<u>274,611</u>	<u>240,070</u>
Between one and two years	274,611	240,713
Between two and five years	807,351	718,017
After five years	<u>3,601,623</u>	<u>2,982,511</u>
	<u>4,683,585</u>	<u>3,941,241</u>
	<u>4,958,196</u>	<u>4,181,311</u>

Loans under Capital Assistance Schemes are received by the Community from the local authority, Cork City Council, by way of mortgage, and are repayable over the repayment years for each funding agreement of 30 years.

Cork City Council has a charge over the Community's properties as security for the finance received. Under the terms of the mortgage, the Community is relieved of monthly capital and interest repayments so long as the Community is in compliance with the specific conditions set out in the relevant mortgage agreement, primarily with respect to the use and upkeep of the related properties.

Under the terms of the Capital Assistance Schemes the amounts repayable to the local authority as at the balance sheet date of €4,958,196 (2017: €4,181,311) represent the aggregate finance received to date amounting to €10,526,611 (2017: €9,509,656) as reduced by the cumulative repayments relieved to date of €5,568,415 (2017: €5,328,345).

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Reconciliation of movements in accumulated funds

Funds description Restricted funds	Balance at start of year €	Incoming resources €	Resources expended €	Investment gains €	Loan repayments relieved €	Transfers €	Balance at end of year €
HSE Section 39 care staff costs	(a) -	2,440,744	(3,032,000)	-	-	591,256	-
HSE LDATF outreach service	(b) -	100,999	(113,310)	-	-	12,311	-
HSE LDATF – addiction counsellor	(c) -	7,879	(7,879)	-	-	-	-
HSE Drugs and alcohol service	(d) -	6,759	(8,541)	-	-	1,782	-
CCC section 10 bednights	(e) -	665,935	(1,275,290)	-	-	609,355	-
CCC settlement grant	(e) -	150,100	(325,647)	-	-	175,547	-
CCC extended housing first	(f) 100,000	100,000	(101,262)	-	-	1,262	100,000
CCC cold weather initiative	(g) -	204,881	(204,881)	-	-	-	-
DEASP CE scheme	(h) -	321,405	(327,754)	-	-	6,349	-
European Volunteer Service	(i) -	36,200	(36,200)	-	-	-	-
DCYA YPFSS Cork ETB	(j) -	49,843	(65,516)	-	-	15,673	-
Cork ETB	(k) -	2,856	(2,856)	-	-	-	-
Erasmus - street support project	(l) 3,500	22,042	(28,222)	-	-	-	(2,680)
South East Simon	(m) -	176,383	(176,383)	-	-	-	-
Cork City Partnership	(n) -	1,980	(1,980)	-	-	-	-
Goods in kind	-	47,882	(36,626)	-	-	-	11,256
Other restricted income: (including fundraising income)	4,352	162,753	(163,027)	-	-	-	4,078
Restricted building fund	107,852	4,498,641	(5,907,374)	-	-	1,413,535	112,654
Total restricted funds	582,114	22,720	-	-	-	(36,722)	568,112
Unrestricted funds	689,966	4,521,361	(5,907,374)	-	-	1,376,813	680,766
Designated building fund	2,551,874	4,797,736	(3,706,623)	(11,052)	240,070	(1,376,813)	2,495,192
	2,430,000	-	-	-	-	-	2,430,000
Accumulated funds	5,671,840	9,319,097	(9,613,997)	(11,052)	240,070	-	5,605,958

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Reconciliation of movements in accumulated funds - continued

- (a) Health Service Executive, Area 4, social inclusion, adult homeless services, Section 39 annual grant towards costs of care and support staff in high support houses and the emergency shelter in 2018. Total includes one off grant amounts for 2018.
- (b) Health Service Executive, Area 4, social inclusion, local drugs and alcohol task force, Section 39 annual grant towards staff and administration costs of the Cork Simon street outreach service in 2018.
- (c) Health Service Executive, Area 4, social inclusion, local drugs and alcohol task force, Section 39 grant towards staff and support costs to provide an addiction counselling service in early 2018.
- (d) Health Service Executive, Area 4, social inclusion, local drugs and alcohol task force, Section 39, once off grant towards the costs of overdose prevention.
- (e) Cork City Council, Section 10 annual bed-night and settlement grant towards the provision of homeless services accommodation and tenancy sustainment supports in 2018.
- (f) Cork City Council, Section 10 homeless services grant towards the staff costs of the Cork Simon extended Housing First service in 2018.
- (g) Cork City Council, Section 10 grant towards the staff costs of the Night Light and enhanced rough sleeper service as part of the Cork City winter strategy in 2018.
- (h) Department of Employment Affairs and Social Protection grant for the Community Employment Scheme staffing, materials and training costs. The schemes run from October to October and the new scheme commenced October 2018.
- (i) European Commission, Léargas, European Volunteer Service funding towards volunteer support costs. The grant covers 24 months from September 2018 to August 2020. The 2018 portion is included in income in 2018. The balance of the grant is included in deferred income.
- (j) Department of Children and Youth Affairs, the Young Peoples Facilities and Services Fund and Cork Education & Training Board, annual grant towards the staff and administration costs of the Cork Simon youth homelessness and drugs prevention service.
- (k) Cork Education and Training Board, community education grant towards the cost of providing recovery coaching service as part of the 2018 Cork Simon Employment and Training programme.
- (l) Erasmus+, Street Support Project. Grant towards staff and project costs of the Safer Saturday Programme.
- (m) Transactions incurred on behalf of South East Simon occurred due to assistance and support provided by Cork Simon Community to South East Simon. These have been recharged to South East Simon in full with no margin.
- (n) Cork City Partnership grant towards training courses as part of the 2018 Cork Simon Employment and Training programme.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Analysis of net assets between funds

	Unrestricted fund	Designated fund	Restricted fund	Restricted building fund	Total funds 2018
	€	€	€	€	€
Tangible assets	5,776,735	-	-	475,892	6,252,627
Investments	1,158,548	-	-	-	1,158,548
Current assets	1,399,432	2,430,000	112,654	92,220	4,034,306
Creditors falling due within one year	(1,155,938)	-	-	-	(1,155,938)
Creditors due after more than one year	(4,683,585)	-	-	-	(4,683,585)
Total funds at 31 December 2018	<u>2,495,192</u>	<u>2,430,000</u>	<u>112,654</u>	<u>568,112</u>	<u>5,605,958</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Reconciliation of net incoming resources to net cash flow from charitable activities	2018	2017
	€	€
(Expense)/income for the reporting year (as per Statement of Financial Activities)		
Net (expense)/income	(65,882)	213,787
Depreciation charges	501,254	468,146
Interest income	(2,331)	(6,334)
Profit on disposal of tangible fixed assets	-	(500)
(Increase) in stock	(11,256)	-
Decrease/(increase) in debtors	152,611	(218,565)
Increase/(decrease) in deferred income	312,066	(94,115)
Increase(decrease) in creditors	3,969	(8,909)
Gains/(losses) on investments	11,052	(66,214)
Capital Assistance Scheme loan repayments relieved	(240,070)	(240,070)
Net cash provided by charitable activities	661,413	47,226

Analysis of net funds	At 1	Cash	Other	At 31
	January	flow	non-cash	December
	2018		charges	2018
	€	€	€	€
Cash at bank and in hand	3,257,385	543,083	-	3,800,468
Loans under capital assistance scheme	(4,181,311)	(1,016,955)	240,070	(4,958,196)
Net debt	(923,926)	(473,872)	240,070	(1,157,728)

Reconciliation of net cash inflow to movement in net debt	2018	2017
	€	€
Increase/(decrease) in cash in year	543,083	(851,055)
Increase in net debt resulting from cash flows	(1,016,955)	(19,280)
Capital assistance scheme loan repayments relieved	240,070	240,070
Movement in net debt in the year	(233,802)	(630,265)
Net debt at start of year	(923,926)	(293,661)
Net debt at end of year	(1,157,728)	(923,926)

18 Taxation

No provision for taxation has been made because the company, being a charitable organisation, is exempt from tax under Section 11(6) of the Corporation Tax Act, 1976.

19 Related party transactions

During the year, Cork Simon Community engaged the services of Murphy Lynam solicitors in which John J Murphy, a company director, is also an employee. The legal services included processing of the 5 housing acquisitions and related Capital Assistance Scheme mortgages. The services provided were to the value of €13,565 (2017: €6,034) which represented a discount on commercial rates. At the balance sheet date, there were €Nil (2017: €Nil) owed to Murphy Lynam.

During the year, Cork Simon Community paid €6,528 (2017: €5,938) to Foodcloud Hubs for food supplies which are used in Cork Sim Community services. Foodcloud Hubs is a charity that redistributes surplus food in Ireland. Eoin MacCuirc, a company director, is also a director of Foodcloud Hubs. At the balance sheet date €919 (2017: €1,084) was owed to Foodcloud Hubs.

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Events after the balance sheet date

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

21 Capital commitments

	2018 €	2017 €
Authorised by directors but not contracted	2,231,000	1,884,000
Contracted not provided	-	-
	<u>2,231,000</u>	<u>1,884,000</u>

Capital commitments relate to the proposed development of 8 self-contained residential units in Cork city for which Capital Assistance Scheme funding has been allocated by the Department of Environment, Community and Local Government, but is not received or recorded by the company.

22 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 20 May 2019 and were signed on its behalf on that date.