

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

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**Annual Report**  
**Financial Year Ended 31 December 2019**

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## REFERENCE AND ADMINISTRATION DETAILS

### Board of Directors as at 17 August 2020

Eoin MacCuirc (Chair)  
Ernest Cantillon  
Ann FitzGerald  
John J. Murphy  
Anthony O'Donovan  
James O'Shaughnessy  
Peter O'Meara  
Sean Ormonde  
Brendan Ryan  
Mary Ryan  
Leslie Warren  
Katherine Harford  
James Leonard

### 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 Company", "the Community" or "Cork Simon") for the year ended 31 December 2019.

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 in line with some but not all provisions of 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, childhood trauma, 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 in Ireland 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 2019, Cork Simon provided the following services:

- **Outreach team:** Working on the street and from our Day Service function, 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 16 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 2018. The need has been such that we have continued to provide these places throughout the year.
- **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:** Cork Simon provides a rapid resettlement service and intensive support services in line with our Housing-Led approach to tackling homelessness. This 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.
- **Cork Region Housing First Service:** Cork Simon is the lead agency for the Cork Region Housing First Service. The service is delivered in partnership with Focus Ireland and with the Health Service Executive (HSE). The service was established in April 2019 and provides housing linked to intensive case management, clinical nursing, addiction counselling and related support for people who are long term homeless with very complex support needs. The target for the service is to have 40 tenancies in place by 2020. Half of the units are to be delivered by Cork Simon / Focus Ireland and the remainder by Cork City Council.
- **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. One of these houses, Gateway, operates as a recovery-oriented pre-stabilisation service for people with addiction issues. Another, Mill House, provides support to people with severe problem-alcohol use and allows for controlled drinking on the premises in line with harm reduction principles.
- **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.

## DIRECTORS' REPORT - continued

### Objectives and Activities - continued

- **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. We work closely with the Simon Communities of Ireland in its national policy advocacy work.
- **Volunteering programme:** We provide full time and part time volunteers, and student placement opportunities across our services.

### Review of activities in 2019

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

- 1,088 people turned to Cork Simon Services for care and a range of supports in 2019.
- Between the Emergency Shelter and the Nightlight, an average of 61 people per night relied on Cork Simon for emergency accommodation.
- Our Outreach service recorded 370 people sleeping rough for at least one night during 2019, 69 were women and 301 were men.
- 456 people turned to our Homeless Emergency Support Services for shelter, care and supports in the heart of Cork city. 50% of people turning to our emergency accommodation did so for the first time. Year-on-year, we have supported over a quarter of long term homeless people in Cork into safe and affordable independent and supported housing.
- The Soup Run served 11,467 hot meals and provided one-to-one supports to on average 31 people per night.
- 535 people presented to the Day Service during 2019. The majority were people who were rough sleeping or in a range of temporary housing.
- 289 people used the Safer Saturdays service (offering respite from the streets at weekend) with on average 17 people attending each Saturday.
- Working to a Housing First philosophy, the Housing and Support service supports people to move from homelessness to secure and appropriate housing and through tailored supports, helps people maintain their homes and work towards fulfilling their goals. Our Housing and Support Services supported 232 people throughout 2019.
- 68 people were supported into addiction treatment and aftercare services and supports.
- 74 people lived in our five high-support houses in which Cork Simon provides communal accommodation and on-site round-the-clock supports.
- 52 people were newly housed in 2019, moving to secure and affordable, independent and supported housing. 85% of people who moved to housing in 2019 were still in their homes at the year end with assistance from our Housing and Support Services.

## **DIRECTORS' REPORT - continued**

### **Review of activities in 2019 - continued**

- The Cork Simon team supported 228 people with back to education, training and employment in 2019. The team organised 293 different education and training courses and 45 people entered employment with the support of the team.
- 244 people took part in 1,104 group and individual activities in 2019. Activities in building skills and confidence are often a stepping-stone to find pathways out of homelessness.
- More than 16,042 kind hearted and committed donors donated €4.8 million in support of our work.
- 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. 862 part-time volunteers and 39 full-time volunteers from 11 different countries gave generously of their time and skills during 2019. They worked alongside our highly trained and experienced staff in reaching out to and supporting people using our services. 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.

### **Achievements and performance**

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

- We maintained and enhanced our range of existing services.
- We began work on a new Community Plan (strategy) for the five years from 2020 to 2025. This includes a review of our theory of practice and the further elaboration of our Housing First and Trauma Informed 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 increased our housing stock by a further nine apartments, five through direct purchase and four via an agreement with another housing body.
- We commenced renovation work, in line with planning permission, at St Joachim and Anne's building at Anglesea Street, Cork, to sensitively convert this listed building into eight independent living apartments for people who are long term homeless.
- 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 April, with funding through the Cork City Council, we commenced the new Cork Regional Housing First service, in partnership with Focus Ireland. 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.

## DIRECTORS' REPORT - continued

### Achievements and performance - continued

- Our Campaigning programme framed the narrative of the housing and homeless crisis at national and local level. We hosted our conference, 'The Way Home – Best Practice in Homeless Prevention and Housing Provision'. Housing first expert, Hilary Melton of Pathways Vermont spoke about her experiences of implementing Housing First in a small US state. Professor Nicholas Pleace of University of York presented his Simon Communities of Ireland commissioned paper, 'Preventing Homelessness: A Review of the International Evidence'. We visited 75 secondary schools and colleges supporting 3,140 students to understand the causes of and be part of the solutions to homelessness. We launched our longitudinal 'A Working Life' research series which explores the experiences of people returning to work with support from our Employment and Training team. The first paper of the series, 'A Working Life: The Early Days', reports on the motivations, challenges and life changes associated with the group's initial weeks in employment. Our inaugural 'Write for Home' schools writing competition, aimed at discovering writing and storytelling talent and giving students a voice to tackle the homeless crisis, received over 200 entries from students across Munster. In partnership with Simon Communities in Ireland we continued to conduct the 'Locked out of the Market' studies throughout 2019. These reports highlighted the ongoing gap between Rent Supplement/Housing Assistance Payment and raising rents in Cork and nationally, reflecting the challenges people using our services face when trying to find an affordable home. Through our ongoing programme we 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 continued to grow and develop our engagement with social media audiences.
- With the generosity of our donors, our Fundraising team of staff and volunteers raised almost €4.8 million gross in voluntary donations and bequests in 2019. 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. All staff providing South East Simon Community services are employees of Cork Simon Community and we have worked to implement that same policies across the wider team.
- We are implementing the National Quality Standards Framework standards of service delivery and document how this can be evidenced.
- Our GDPR working group continued to review and improve processes and policies across the organisation.
- We established a Women in Services and a Women in the Workplace working groups with the purpose making recommendations regarding a range of issues that disproportionally affect women.
- 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 externally facilitated review of Cork Simon board and governance structures.

### Financial review

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

- The financial results for the year ended 31 December 2019 are shown in the Statement of Financial Activities on page 18.
- Income from allocations and grants from other agencies accounted for 43% of income for 2019 (2018: 44%). Fundraising and other income account for 57% of income in 2019 (2018: 56%).
- Total income amounted to €10,141,864 (2018: €9,319,097). This includes €575,804 received in 2019 as capital donations and restricted to housing capital. Total expenditure was €10,196,576 (2018: €9,613,997). The net movement in funds is reported as an increase of €527,076.

## **DIRECTORS' REPORT - continued**

### **Financial review - continued**

- The end of year reserves are reported as €5,923,034. These reserves are comprised of:

	€	
Unrestricted funds	2,252,025	Of this reserve, €1,106,538 at year end has been spent on fixed assets and is not available for other purposes, and €1,145,487 is available for working capital and the continuity of services. This represents less than two months of total costs and is less than our targeted reserve of four months of total operating costs.
Restricted funds	151,599	Represent restricted grants and donations received in 2019 for specific projects and carried over to 2020.
Designated funds	2,430,000	Funds designated towards future property maintenance and development costs.
Restricted building funds	1,089,410	This reserve is capital funds received for capital assets and not available for other purposes. At year end €223,420 of this remains unspent and restricted to a specific capital project that is in progress and €865,990 has been spent on fixed assets.
	<u>5,923,034</u>	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.

### **Plans for future periods**

Cork Simon's main priorities are:

- Complete our Community Plan for the period 2020-2025.
- Continue to 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.
- Move towards ending our reliance on large scale institutional emergency accommodation. Increase the number of scatter site flats and inclusive housing projects.
- Secure additional housing units through a range of sources, including properties owned by Cork Simon, as housing options for people in emergency and temporary accommodation or sleeping rough in Cork.
- Continue to deliver housing and intense support services to people who are long term homeless under the Cork Region Housing First service.
- Complete the development of 8 self-contained units on the St Joachim and Anne site on Anglesea Street, Cork.

## **DIRECTORS' REPORT - continued**

### **Plans for future periods - continued**

- 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 & 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 the 8 themes of the National Quality Standards Framework across all services.
- Demonstrate how we comply with the new Charities Regulator Governance Code.
- Demonstrate how we comply with the Governance and Performance Standards that have issues from the Housing Agency regulation office.
- After the year end, in response to the COVID-19 pandemic we had to introduce difficult and necessary changes to adapt quickly in support of everyone turning to us for help, recognising that lives were at risk. In 2020 and future years we will continue to be resourceful and transformative as we adapt to changing circumstances and to increasing demands on our services.

### **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.
- 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.
- Cork Simon is the lead agency for the Cork Region Housing First service and has a close partnership with Focus Ireland, the HSE and Cork City Council in the delivery of this service
- 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).

## **DIRECTORS' REPORT - continued**

### **Relationships with other bodies - continued**

- *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 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 Charities Governance Code. In 2019 the Board carried out an externally facilitated review of the Board and governance structures and management structures.

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.corksmon.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 Development committee, and an Investment Advisory committee. These meet during the year and report to the Board.

### **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 regular risk audits and review the risks on a quarterly 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 risks arising from the COVID-19 pandemic, financial risks, operational & safety risks, compliance risks and reputational risks.

#### ***COVID-19 pandemic risk***

The COVID-19 coronavirus pandemic is impacting Cork Simon's fund-raising, operations and employees & volunteers in the short term. Its impact on the not-for-profit sector has been acute. It is very likely to have lasting effects on the Irish economy, which will impact both the Community's income streams and demand for its services. The directors continue to manage the impact of this crisis, but the duration and final impact is still uncertain.

#### ***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.

## DIRECTORS' REPORT - continued

### Principal risks and uncertainties – continued

#### *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.

#### *Demand for services*

External risks include the impact of the recent and ongoing 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 2019 are set out below. Unless indicated otherwise, they served as directors for the entire year.

Ernest Cantillon	John J. Murphy
Ann FitzGerald	Bernadette McGonigle (resigned 16 September 2019)
Eoin MacCuirc (chair)	Anthony O'Donovan
Peter O'Meara	James O'Shaughnessy
Brendan Ryan	Mary Ryan
Leslie Warren	Sean Ormonde
Katherine Harford (appointed 9 December 2019)	James Leonard (appointed 23 March 2020)

Brendan Ryan was company secretary during 2019.

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 2019.

### 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.

### 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.

## **DIRECTORS' REPORT - continued**

### **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 in line with some but not all provisions of 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.

### **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.

## **DIRECTORS' REPORT - continued**

### **Going concern**

Cork Simon meets its day-to-day working capital requirements through its cash reserves, grant income, fund-raising income, rental income and return on investments. The current economic conditions caused by COVID-19 continue to create uncertainty over: the ability of the Community to maintain the same level of fund-raised income we have achieved in previous years; risks to grant income streams in the future, which are presently unknown; and how the economic impact of the crisis might impact on future demands for our services. The directors have considered the impact of measures to prevent the spread of the pandemic being implemented by the Irish government and the Community itself.

The Board have assessed the impact of the outbreak on its financial and operating outlook, and considered this on its cash flows, along with appropriate mitigations. The directors expect that the Community will be in a position to meet its obligations as they fall due for the foreseeable future. The directors have considered the Community's forecasts and projections for the next 12 months, which have been revised in light of the possible impacts of COVID-19 pandemic, and possible sensitivities. In arriving at its conclusion, the board has taken account of the level of cash resources which the company maintains to enable it to meet its working capital requirements. It holds no external bank debt. The Capital Assistance Scheme mortgages on properties are set in such a way that Cork Simon is relieved of repayments, as set out in note 14.

In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information up to 31 August 2021, being at least 12 months following the approval of these financial statements. The Community'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 arrangements. After making all necessary enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore these financial statements have been prepared on a going concern basis.

### **Events since the end of the year**

Subsequent to the year-end, the COVID-19 coronavirus pandemic has spread across the globe. It is causing significant financial market, economic and social disturbance globally and in Ireland, including significant disruption to business and economic activity. The not-for-profit sector has been severely impacted. This is a non-adjusting post balance sheet event for Cork Simon. Given the nature of the event, the ultimate extent of the effect on the Community of the measures taken in Ireland and globally to contain the spread of COVID-19 cannot be determined or quantified at present. However, the directors have determined that Cork Simon will be able to continue operating in this environment, albeit the scale of its operations could be impacted by these external factors. The directors will continue to monitor any significant adverse changes to cash flows, any adverse indicators in respect of the carrying value of assets and additional liabilities as a result of this pandemic, and take appropriate measures to address these matters, as required.

As the provider of essential services during the COVID-19 pandemic, we have continued to provide housing and support services to people who rely on our services. We have worked closely with the HSE, Cork City Council and other agencies to manage the operational risks of COVID-19. We have considered the financial impact of COVID-19 and performed various scenario analyses.

The COVID-19 lockdown, the subsequent social distancing restrictions and pessimistic economic outlook, are expected to have a negative impact on our income generation for the remainder of 2020 and beyond that time-frame, depending on the length of the pandemic. Based on our assessment, we note:

- **Grants income:** We have been working with our state funders and keeping them updated on any changes to the services they fund. We expect our grant income to remain steady during this period and this is reflected in our cash forecasts.
- **Fundraising income:** Cork Simon relies on fundraising for raise c. 50% of the funds required to provide the range of services we offer. At the start of this pandemic, we forecasted that our fundraising income would fall by up to 31% against previous year income. Many of our planned campaigns, and in particular *Community, Corporate and Staffing events*, have been cancelled or postponed due to the Government restrictions. We have engaged in new fundraising initiatives.

We have also considered various measures we could take to avail of new income and to control costs and conserve cash within the organisation. We have reduced budgeted overheads including travel and maintenance work. We have implemented the Government temporary wages subsidy scheme. We are hopeful that new grant income will cover incremental COVID-19 related costs associated with continuing to provide our services during the pandemic.

## DIRECTORS' REPORT - continued

### Events since the end of the year - continued

The company has a solid capital structure in place, with uncommitted cash. The company has modelled various scenarios to assess the potential impacts of COVID-19 on the company's activities, and has considered the reductions in income from its budget levels.

The most significant variable in assessing future income and expense remains the length of time the pandemic continues and its long term damage to the Irish economy. Notwithstanding that the Community provides essential social services, the Board has also considered the potential mitigating actions that the community could take to reduce its cost base and services if income levels were to fall significantly, to manage the long-lasting impact on the liquidity of the company.

The Board is satisfied based on the modelling it has completed that it has adequate liquidity to enable it to continue in operational existence for the foreseeable future, including a minimum period of twelve months from the date of approval of these accounts.

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

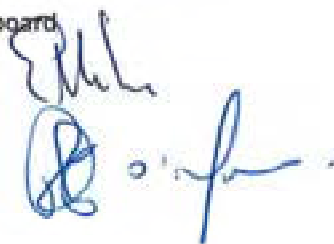
### Statutory auditors

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,

Eoin MacCuirc

Peter O'Meara



## ***Independent auditors' report to the members of Cork Simon Community***

### **Report on the audit of the financial statements**

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#### **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 2019 and of its net income 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 2019;
  - 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.

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#### **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.

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## 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 2019 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.

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## 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 12, 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-a98202d40c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202d40c3a/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.

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## Other required reporting

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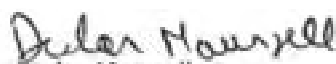
### *Companies Act 2014 opinions on other matters*

- 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  
28 August 2020

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
For the financial year ended 31 December 2019

	Notes	Restricted funds €	Unrestricted funds €	Designated Building fund €	Restricted Building fund €	Total 2019 €	Total 2018 €
<b>Income from:</b>							
Donations		225,131	3,900,073	-	255,804	4,381,008	4,106,299
Legacies		-	206,574	-	-	206,574	224,702
Other fundraising activities		-	207,268	-	-	207,268	216,446
Charitable activities		4,339,066	584,677	-	320,000	5,243,743	4,592,516
Interest and investment income		-	2,376	-	-	2,376	2,331
Other income		-	2,356	-	-	2,356	420
Income from South East Simon		98,539	-	-	-	98,539	176,383
<b>Total income</b>	15	<b>4,662,736</b>	<b>4,903,324</b>	<b>-</b>	<b>575,804</b>	<b>10,141,864</b>	<b>9,319,097</b>
<b>Expenditure on:</b>							
Expenditure for South East Simon		291,970	-	-	-	291,970	176,383
Charitable activities		6,052,316	2,603,492	-	-	8,655,808	8,187,584
Raising funds		-	1,248,798	-	-	1,248,798	1,250,030
<b>Total expenditure</b>	5/15	<b>6,344,286</b>	<b>3,852,290</b>	<b>-</b>	<b>-</b>	<b>10,196,576</b>	<b>9,613,997</b>
Net gain/(loss) on investments		-	96,460	-	-	96,460	(11,052)
Capital Assistance Scheme repayments relieved		-	275,328	-	-	275,328	240,070
<b>Net income/(expense)</b>	7	<b>(1,681,550)</b>	<b>1,422,822</b>	<b>-</b>	<b>575,804</b>	<b>317,076</b>	<b>(65,882)</b>
Transfer from restricted building fund	15	-	54,506	-	(54,506)	-	-
Transfer from unrestricted fund	15	1,720,495	(1,720,495)	-	-	-	-
<b>Net movement in funds</b>		<b>38,945</b>	<b>(243,167)</b>	<b>-</b>	<b>521,298</b>	<b>317,076</b>	<b>(65,882)</b>
<b>Reconciliation of funds</b>							
<b>Total funds brought forward</b>		<b>112,654</b>	<b>2,495,192</b>	<b>2,430,000</b>	<b>568,112</b>	<b>5,605,958</b>	<b>5,671,840</b>
<b>Total funds carried forward</b>		<b>151,599</b>	<b>2,252,025</b>	<b>2,430,000</b>	<b>1,089,410</b>	<b>5,923,034</b>	<b>5,605,958</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. There are no other items to be included in a statement of comprehensive income. Income and net income/(expense) arose solely from continuing activities. Movements in funds are set out in note 15 on page 32. Please refer to note 6 on page 27 where the detailed comparative Statement of Financial Activities for the financial year ended 31 December 2018 is disclosed.

On behalf of the board  
Eoin MacCuirc

Peter O'Meara

**BALANCE SHEET**  
**As at 31 December 2019**

	Notes	2019 €	2018 €
<b>Fixed assets</b>			
Tangible assets	9	7,518,577	6,252,627
Investments	10	<u>1,255,008</u>	<u>1,158,548</u>
		<u>8,773,585</u>	<u>7,411,175</u>
<b>Current assets</b>			
Stock	11	6,436	11,256
Debtors	12	540,686	222,582
Cash at bank		<u>3,164,060</u>	<u>3,800,468</u>
		<u>3,711,182</u>	<u>4,034,306</u>
<b>Creditors - Amounts falling due within one year</b>	13	<u>(1,319,068)</u>	<u>(1,155,938)</u>
<b>Net current assets</b>		<u>2,392,114</u>	<u>2,878,368</u>
<b>Total assets less current liabilities</b>		<u>11,165,699</u>	<u>10,289,543</u>
<b>Creditors - Amounts falling due after more than one year</b>	14	<u>(5,242,665)</u>	<u>(4,683,585)</u>
		<u>5,923,034</u>	<u>5,605,958</u>
<b>Total funds of the charity</b>			
Unrestricted funds	15	2,252,025	2,495,192
Restricted funds	15	151,599	112,654
Designated building fund	15	2,430,000	2,430,000
Restricted building funds	15	<u>1,089,410</u>	<u>568,112</u>
<b>Total charity funds</b>	15	<u>5,923,034</u>	<u>5,605,958</u>

The notes on pages 21 to 36 form an integral part of these financial statements.

The financial statements on pages 18 to 36 were authorised for issue by the board of directors on \_\_\_\_\_ and signed on its behalf:

On behalf of the board

Eoin MacCuirc

Peter O'Meara

**CASH FLOW STATEMENT**

For the financial year ended 31 December 2019

	Notes	2019 €	2018 €
<b>Net cash provided by charitable activities</b>	17	<u>313,583</u>	<u>661,413</u>
<b>Cash flows from investing activities</b>			
- investment income		2,376	2,331
- payments to acquire tangible assets		<u>(1,815,548)</u>	<u>(1,137,616)</u>
<b>Net cash used in investing activities</b>		<u>(1,813,172)</u>	<u>(1,135,285)</u>
<b>Cash flows from financing activities</b>			
- proceeds from capital assistance scheme		<u>863,181</u>	<u>1,016,955</u>
<b>Net cash generated from financing activities</b>		<u>863,181</u>	<u>1,016,955</u>
<b>Change in cash and cash equivalents in the year</b>	17	<u>(636,408)</u>	<u>543,083</u>
Cash and cash equivalents at the beginning of year		3,800,468	3,257,385
Change in cash and cash equivalents		<u>(636,408)</u>	<u>543,083</u>
<b>Cash and cash equivalents at the end of year</b>		<u>3,164,060</u>	<u>3,800,468</u>

On behalf of the board

Eoin MacGuirc

Peter O'Meara




## **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 2019 and ending 31 December 2019.

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 in line with some but not all provisions of 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

Cork Simon meets its day-to-day working capital requirements through its cash reserves, grant income, fund-raising income, rental income and return on investments. The current economic conditions caused by COVID-19 continue to create uncertainty over: the ability of the Community to maintain the same level of fund-raised income we have achieved in previous years; risks to grant income streams in the future, which are presently unknown; and how the economic impact of the crisis might impact on future demands for our services. The directors have considered the impact of measures to prevent the spread of the pandemic being implemented by the Irish government and the Community itself.

The Board have assessed the impact of the outbreak on its financial and operating outlook, and considered this on its cash flows, along with appropriate mitigations. The directors expect that the Community will be in a position to meet its obligations as they fall due for the foreseeable future. The directors have considered the Community's forecasts and projections for the next 12 months, which have been revised in light of the possible impacts of COVID-19 pandemic, and possible sensitivities. In arriving at its conclusion, the board has taken account of the level of cash resources which the company maintains to enable it to meet its working capital requirements. It holds no external bank debt. The Capital Assistance Scheme mortgages on properties are set in such a way that Cork Simon is relieved of repayments, as set out in note 14.

In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information up to 31 August 2021, being at least 12 months following the approval of these financial statements. The Community'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 arrangements. After making all necessary enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore these 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.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### **(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.

#### **(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.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### **(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.

#### *(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.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### **(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 charity's 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.

#### **(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 2019 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 2019

Homeless services	Staff costs €	Direct costs €	Depreciation €	Support costs €	Total 2019 €
Campaigns and research	5,206,644	1,403,801	499,811	801,407	7,911,663
Charitable activities	230,259	489,973	-	23,913	744,145
	5,436,903	1,893,774	499,811	825,320	8,655,808
Raising funds	419,832	817,010	-	11,956	1,248,798
Costs incurred on behalf of South East Simon	271,104	20,866	-	-	291,970
Training, volunteering and other support	564,539	222,951	49,786	(837,276)	-
<b>Total 2019</b>	<b>6,692,378</b>	<b>2,954,601</b>	<b>549,597</b>	<b>-</b>	<b>10,196,576</b>

For the year ended 31 December 2018

Homeless services	Staff costs €	Direct costs €	Depreciation €	Support costs €	Total 2018 €
Campaigns and research	5,053,365	1,199,142	458,253	821,933	7,532,693
Charitable activities	237,655	394,608	-	22,628	654,891
	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)	-
<b>Total 2018</b>	<b>6,216,423</b>	<b>2,896,320</b>	<b>501,254</b>	<b>-</b>	<b>9,613,997</b>

Direct costs are costs, excluding staff costs, which are incurred directly for the specific areas of activity. These include costs such as 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. This expenditure amounting to €291,970 (2018: €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 2018

	Restricted funds	Unrestricted funds	Restricted building fund	Total 2018
	€	€	€	€
<b>Income from:</b>				
Donations	212,614	3,870,965	22,720	4,106,299
Legacies	-	224,702	-	224,702
Other fundraising activities	-	216,446	-	216,446
Charitable activities	4,109,644	482,872	-	4,592,516
Interest and other income	-	2,751	-	2,751
Income from South East Simon	176,383	-	-	176,383
<b>Total income</b>	<b>4,498,641</b>	<b>4,797,736</b>	<b>22,720</b>	<b>9,319,097</b>
<b>Expenditure on:</b>				
Charitable activities	5,730,991	2,456,593	-	8,187,584
Raising funds	-	1,250,030	-	1,250,030
Expenditure for South East Simon	176,383	-	-	176,383
<b>Total expenditure</b>	<b>5,907,374</b>	<b>3,706,623</b>	<b>-</b>	<b>9,613,997</b>
<b>Net loss on investments</b>	<b>-</b>	<b>(11,052)</b>	<b>-</b>	<b>(11,052)</b>
<b>Capital Assistance Scheme repayments relieved</b>	<b>-</b>	<b>240,070</b>	<b>-</b>	<b>240,070</b>
<b>Net (expenditure)/income</b>	<b>(1,408,733)</b>	<b>1,320,131</b>	<b>22,720</b>	<b>(65,882)</b>
Transfer from restricted building fund	-	36,722	(36,722)	-
Transfer from unrestricted fund	1,413,535	(1,413,535)	-	-
<b>Net movement in funds</b>	<b>4,802</b>	<b>(56,682)</b>	<b>(14,002)</b>	<b>(65,882)</b>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>7 Net incoming/(outgoing) resources</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Net incoming/(outgoing) resources is stated after charging/(crediting):		
Staff costs (note 8)	6,692,378	6,216,423
Depreciation (note 9)	549,598	501,254
Capital Assistance Scheme financing repayments relieved (note 14)	(275,328)	(240,070)
Directors' remuneration	-	-
Directors' expenses	1,152	-
Auditors' remuneration (including expenses)		
- Audit of the entity financial statements	4,920	4,000
Other assurance services	861	630
Bank interest and similar charges	12,243	13,625
Other income	(2,356)	(420)
Interest income	(2,376)	(2,331)

None of the directors have been paid any remuneration or received any other financial benefit from Cork Simon. A total of €1,152 of out-of-pocket expenses were reimbursed to directors in 2019.

**8 Employee information and benefits**

<b>(a) The average number of whole time equivalent staff employed by the Community during the year is analysed below:</b>	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Homeless services	107	104
Campaigning and research	3	3
Raising funds	9	9
Community employment scheme	11	11
South East Simon Community	7	-
	<b>137</b>	<b>127</b>

<b>(b) The company's employment costs for all employees comprise:</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Wages and salaries	5,925,923	5,516,152
Social insurance costs	606,040	557,227
Other retirement benefit costs	160,415	143,044
	<b>6,692,378</b>	<b>6,216,423</b>

**(c) Cork Simon employs professional staff with diverse skills and expertise to support the work we do. At the end of 2019, the number of whole time equivalent staff with pay, excluding employer retirement benefit costs, falling within the following bands was:**

	<b>2019</b>	<b>2018</b>
Up to €29,999	46	59
Between €30,000 and €39,999	40	22
Between €40,000 and €49,999	30	25
Between €50,000 and €59,999	14	15
Between €60,000 and €69,999	2	-
Between €70,000 and €79,999	1	2
Between €80,000 and €89,999	3	3
Between €90,000 and €99,999	1	1

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Employee information and benefits – continued

- (d) In 2019 the staff working in South East Simon Community were employees of Cork Simon Community. This is part of the ongoing integration of the Communities.
- (e) At the end of 2019, 180 individual people were employed. Of these 73 people were employed full time, 59 were part time, 21 were on CES and 27 were on the staff relief panel.
- (f) Other retirement benefit costs related to a defined contribution pension scheme operated by Cork Simon. The total charge for the year amounted to €160,416 (2018: €143,044). Contributions of €Nil (2018: €Nil) are outstanding at balance sheet date.
- (g) Included in wages and salaries is €29,772 which is the cost of ex gratia termination payments made to staff during 2019.
- (h) 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 €92,154 (2018: €91,620), employers' PRSI of €9,959 (2018: €9,676) and employer pension contribution of €4,581 (2018: €4,535). The directors' remuneration is €Nil (2018: €Nil).

9 Tangible assets	Freehold property	Fixtures, fittings and equipment	Motor vehicles	Construction in progress	Total
	€	€	€	€	€
<b>Cost</b>					
At 1 January 2019	13,018,558	362,585	11,700	142,080	13,534,923
Additions	1,197,475	15,918	-	602,155	1,815,548
Disposals	-	(35,284)	-	-	(35,284)
At 31 December 2019	14,216,033	343,219	11,700	744,235	15,315,187
<b>Accumulated depreciation</b>					
At 1 January 2019	6,990,715	289,101	2,480	-	7,282,296
Charge for the year	525,603	21,655	2,340	-	549,598
Disposals	-	(35,284)	-	-	(35,284)
At 31 December 2019	7,516,318	275,472	4,820	-	7,496,610
<b>Net book value</b>					
At 1 January 2018	5,548,388	35,086	1,467	31,324	5,616,265
At 31 December 2018	6,027,843	73,484	9,220	142,080	6,252,627
At 31 December 2019	6,699,715	67,747	6,880	744,235	7,518,577

**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>10 Financial assets – investments</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Investments held		
Managed funds	1,254,882	1,158,422
Prize bonds	126	126
	<u>1,255,008</u>	<u>1,158,548</u>
		Managed funds
		<b>€</b>

Market value at 1 January 2019	1,158,422
Unrealised gain in investments	96,460
Market value at 31 December 2019	<u>1,254,882</u>
Historic cost at 31 December 2019	<u>1,028,496</u>

All listed investments are held on recognised stock exchanges.

These funds includes amounts subject to a six month notice period of €496,703 and other investments which can be converted to cash on demand of €758,305. These investments have been shown as long term investments because the directors intend to hold these investments as part of its on-going investment activities for more than one year at the balance sheet date.

<b>11 Stock</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Stock	<u>6,436</u>	<u>11,256</u>

<b>12 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
<b>Amounts falling due within one year:</b>		
Prepayments and sundry debtors	72,223	68,593
Amounts due from South East Simon	47,524	104,476
Grants receivable	<u>420,939</u>	<u>49,513</u>
	<u>540,686</u>	<u>222,582</u>

<b>13 Creditors - Amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Trade creditors	65,784	99,153
Value Added Tax	58,636	-
PAYE and pay related social insurance	195,695	125,259
Deferred income	445,005	456,510
Accruals	250,564	200,405
Capital Assistance Scheme loans (note 14)	<u>303,384</u>	<u>274,611</u>
	<u>1,319,068</u>	<u>1,155,938</u>

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

**13 Creditors - Amounts falling due within one year – continued**

Deferred income includes certain grant income related to future periods. The year-end balance primarily relates to: 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; €58,000 from the HSE towards specialist staff as part of the Cork Region Housing First team; €77,000 from the HSE drugs and alcohol service towards addiction counsellor and dialectical behaviour therapy in Cork; €59,000 from the HSE drugs and alcohol service towards needle exchange service and safer injecting training; and €27,348 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 €43,657 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.

<b>14 Creditors - Amounts falling due after more than one year</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Loans under the Capital Assistance Scheme	5,242,665	4,683,585
These loans are repayable in the following years after 31 December		
Within one year (note 13)	303,384	274,611
Between one and two years	303,384	274,611
Between two and five years	881,308	807,351
After five years	4,057,973	3,601,623
	<u>5,242,665</u>	<u>4,683,585</u>
	<u>5,546,049</u>	<u>4,958,196</u>

Loans under Capital Assistance Schemes are received by the Community from the local authority, Cork City Council and Cork County 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. During the year, €275,328 (2018: €240,070) was recognised in the Statement of Financial Activities in respect of this matter.

Under the terms of the Capital Assistance Schemes the amounts repayable to the local authority as at the balance sheet date of €5,546,049 (2018: €4,958,196) represent the aggregate finance received to date amounting to €11,389,792 (2018: €10,526,611) as reduced by the cumulative repayments relieved to date of €5,843,743 (2018: €5,568,415).

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Reconciliation of movements in accumulated funds

<b>Funds description</b>	<b>Balance at start of year</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Investment gains</b>	<b>Loan repayments relieved</b>	<b>Transfers</b>	<b>Balance at end of year</b>
<b>Restricted funds</b>	€	€	€	€	€	€	€
HSE Section 39 care staff costs	(a)	2,461,727	(3,107,631)	-	-	645,904	-
HSE LDATF outreach service	(b)	95,499	(102,746)	-	-	7,247	-
HSE Housing First supports	(c)	23,600	(6,550)	-	-	-	17,050
HSE Drugs and alcohol service	(d)	40,000	(4,431)	-	-	-	35,569
CCC section 10 bednights	(e)	665,935	(1,342,270)	-	-	676,335	-
CCC settlement grant	(e)	150,100	(330,493)	-	-	180,393	-
CCC extended housing first	(f)	100,000	(102,874)	-	-	2,874	100,000
CCC Night Light	(g)	197,322	(197,322)	-	-	-	-
CCC Cork Region Housing First	(h)	95,553	(95,553)	-	-	-	-
DEASP CE scheme	(i)	344,981	(349,995)	-	-	5,014	-
European Volunteer Service	(j)	85,732	(85,732)	-	-	-	-
DCYA YPFSF Cork ETB	(k)	49,843	(65,576)	-	-	15,733	-
Cork ETB	(l)	27,395	(17,395)	-	-	-	10,000
Erasmus - street support project	(m)	-	(8,341)	-	-	-	(11,021)
South East Simon	(n)	98,539	(291,970)	-	-	193,431	-
Cork City Partnership	(o)	1,980	(1,980)	-	-	-	-
Goods in kind		28,150	(32,970)	-	-	(6,436)	-
Restricted fundraising income		195,002	(199,079)	-	-	-	-
Other restricted grants		1,378	(1,378)	-	-	-	-
		4,662,736	(6,344,286)	-	-	1,720,495	151,599
		575,804	-	-	-	(54,506)	1,089,410
Restricted building fund							
Total restricted funds		5,238,540	(6,344,286)	-	-	1,665,989	1,241,009
Unrestricted funds		4,903,324	(3,852,290)	96,460	275,328	(1,665,989)	2,252,025
Designated building fund		-	-	-	-	-	2,430,000
<b>Accumulated funds</b>		<b>10,141,864</b>	<b>(10,196,576)</b>	<b>96,460</b>	<b>275,328</b>	<b>-</b>	<b>5,923,034</b>

## 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 2019. Total includes one off grant amounts for 2019.
- (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 2019.
- (c) Health Service Executive, social inclusion, one off grant towards housing first team supports.
- (d) Health Service Executive, Area 4, social inclusion, local drugs and alcohol task force, Section 39, grant towards the costs of addiction counsellor service.
- (e) Cork City Council, Section 10 annual bed-night and settlement grant towards the provision of homeless services accommodation and tenancy sustainment supports in 2019 through the rapid rehousing and settlement team.
- (f) Cork City Council, Section 10 homeless services grant towards the staff costs of the Cork Simon extended Housing First service in 2019 through the intensive settlement support team.
- (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 2019.
- (h) Cork City Council grant toward Cork Regional Housing First service.
- (i) 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 2019.
- (j) European Commission, Léargas, European Volunteer Service funding towards volunteer support costs. The grant covers 24 months from September 2018 to August 2020. The 2019 portion is included in income in 2019. The balance of the grant is included in deferred income (included in note 13).
- (k) 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.
- (l) Cork Education and Training Board, community education grant, under the Great to Train programme, towards the cost of training courses and back to training and employment, as part of the Cork Simon Employment and Training programme.
- (m) Erasmus+, Street Support Project. Grant towards staff and project costs of the Safer Saturday Programme. A final grant of €11,021 is due in 2020.
- (n) 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. Cork Simon has provided for the possibility that portion of the balance owing from South East Simon at year end is not recoverable.
- (o) Cork City Partnership grant towards training courses as part of the 2019 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 2019
	€	€	€	€	€
Tangible assets	6,652,587	-	-	865,990	7,518,577
Investments	1,255,008	-	-	-	1,255,008
Current assets	906,163	2,430,000	151,599	223,420	3,711,182
Creditors falling due within one year	(1,319,068)	-	-	-	(1,319,068)
Creditors due after more than one year	(5,242,665)	-	-	-	(5,242,665)
Total funds at 31 December 2019	<u>2,252,025</u>	<u>2,430,000</u>	<u>151,599</u>	<u>1,089,410</u>	<u>5,923,034</u>

### 17 Reconciliation of net incoming resources to net cash flow from charitable activities

	2019 €	2018 €
Income/(expense) for the reporting year (as per Statement of Financial Activities) - Net income/(expense)	317,076	(65,882)
Depreciation charges	549,598	501,254
Interest income	(2,376)	(2,331)
Decrease/(increase) in stock	4,820	(11,256)
(Increase)/decrease in debtors	(318,104)	152,611
(Decrease)/increase in deferred income	(11,505)	312,066
Increase in creditors	145,862	3,969
(Gains)/losses on investments	(96,460)	11,052
Capital Assistance Scheme loan repayments relieved	(275,328)	(240,070)
<b>Net cash provided by charitable activities</b>	<u>313,583</u>	<u>661,413</u>

### Analysis of net funds

	At 1 January 2019 €	Cash flow €	Other non-cash charges €	At 31 December 2019 €
Cash at bank and in hand	3,800,468	(636,408)	-	3,164,060
Loans under capital assistance scheme (note 14)	(4,958,196)	(863,181)	275,328	(5,546,049)
<b>Net debt</b>	<u>(1,157,728)</u>	<u>(1,499,589)</u>	<u>275,328</u>	<u>(2,381,989)</u>

### 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 Simon Communities of Ireland dispersed €81,965 of fundraising income to Cork Simon Community.

See note 7 for disclosure of the directors' remuneration and note 8 for key management compensation.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 20 Events after the balance sheet date

Subsequent to the year-end, the COVID-19 coronavirus pandemic has spread across the globe. It is causing significant financial market, economic and social disturbance globally and in Ireland, including significant disruption to business and economic activity. The not-for-profit sector has been severely impacted. This is a non-adjusting post balance sheet event for Cork Simon. Given the nature of the event, the ultimate extent of the effect on the Community of the measures taken in Ireland and globally to contain the spread of COVID-19 cannot be determined or quantified at present. However, the directors have determined that Cork Simon will be able to continue operating in this environment, albeit the scale of its operations could be impacted by these external factors. The directors will continue to monitor any significant adverse changes to cash flows, any adverse indicators in respect of the carrying value of assets and additional liabilities as a result of this pandemic, and take appropriate measures to address these matters, as required.

As the provider of essential services during the COVID-19 pandemic, we have continued to provide housing and support services to people who rely on our services. We have worked closely with the HSE, Cork City Council and other agencies to manage the operational risks of COVID-19. We have considered the financial impact of COVID-19 and performed various scenario analyses.

The COVID-19 lockdown, the subsequent social distancing restrictions and pessimistic economic outlook, are expected to have a negative impact on our income generation for the remainder of 2020 and beyond that time-frame, depending on the length of the pandemic. Based on our assessment, we note:

- Grants income: We have been working with our state funders and keeping them updated on any changes to the services they fund. We expect our grant income to remain steady during this period and this is reflected in our cash forecasts.
- Fundraising income: Cork Simon relies on fundraising for raise c. 50% of the funds required to provide the range of services we offer. At the start of this pandemic, we forecasted that our fundraising income would fall by up to 31% against previous year income. Many of our planned campaigns, and in particular Community, Corporate and Staffing events, have been cancelled or postponed due to the Government restrictions. We have engaged in new fundraising initiatives.

We have also considered various measures we could take to avail of new income and to control costs and conserve cash within the organisation. We have reduced budgeted overheads including travel and maintenance work. We have implemented the Government temporary wages subsidy scheme. We are hopeful that new grant income will cover incremental COVID-19 related costs associated with continuing to provide our services during the pandemic.

The company has a solid capital structure in place, with uncommitted cash. The company has modelled various scenarios to assess the potential impacts of COVID-19 on the company's activities, and has considered the reductions in income from its budget levels.

The most significant variable in assessing future income and expense remains the length of time the pandemic continues and its long term damage to the Irish economy. Notwithstanding that the Community provides essential social services, the Board has also considered the potential mitigating actions that the community could take to reduce its cost base and services if income levels were to fall significantly, to manage the long-lasting impact on the liquidity of the company.

The Board is satisfied based on the modelling it has completed that it has adequate liquidity to enable it to continue in operational existence for the foreseeable future, including a minimum period of twelve months from the date of approval of these accounts.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>21 Capital commitments</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Authorised by directors but not contracted	562,906	2,231,000
Contracted not provided	1,643,809	-
	<u>2,206,715</u>	<u>2,231,000</u>

Capital commitments relate to the proposed development of 8 self-contained residential units in Cork city and the purchase of two apartments. Capital Assistance Scheme funding has been allocated by the Department of Environment, Community and Local Government, but is not yet 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 17 August 2020 and were signed on its behalf on that date.