

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

Annual Report
Financial Year Ended 31 December 2016

CONTENTS

| | Page |
|-----------------------------------|-------------|
| DIRECTORS AND OTHER INFORMATION | 2 |
| DIRECTORS' REPORT | 3 to 10 |
| INDEPENDENT AUDITORS' REPORT | 11 and 12 |
| STATEMENT OF FINANCIAL ACTIVITIES | 13 |
| BALANCE SHEET | 14 |
| CASH FLOW STATEMENT | 15 |
| NOTES TO THE FINANCIAL STATEMENTS | 16 to 30 |

DIRECTORS' REPORT

REFERENCE AND ADMINISTRATION DETAILS

Board of Directors as at 15 May 2017

Eoin MacCuirc (Chair)
Ernest Cantillon
Ann FitzGerald
Tim McCarthy
Angela McDonald
Bernadette McGonigle
John J. Murphy
Tomás O'Callaghan
Anthony O'Donovan
James O'Shaughnessy
Peter O'Meara
Brendan Ryan

Solicitors

John Murphy & 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 - continued

The Directors present their report and the audited financial statements of Cork Simon Community ("the Community" and "Cork Simon") for the year ended 31 December 2016.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Ireland' ('FRS 102') with reference to the recommendations of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charity SORP (FRS 102)) which has replaced previous general accounting practice ('GAAP') used in Ireland and the UK. Charity SORP (FRS 102) is not currently obligatory under Charities Act, 2009.

Objectives and Activities

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

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

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

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

Cork Simon offers a range of services in response to these needs including low threshold emergency accommodation, key working and case management, and a range of housing and accommodation with appropriate levels of care and support. Cork Simon is an Approved Housing Body and a social landlord. We work to a Housing First 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 homeless people show themselves to the '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, choice, respect, person centred, client led, empowerment, diversity, inclusiveness, community engagement, activism, engagement, acceptance, understanding, dynamism, openness to new ideas, collaboration, supportiveness.

In 2016, Cork Simon provided the following services:

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

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.

DIRECTORS' REPORT - continued

Emergency Shelter: Open around the clock the shelter provides care, accommodation and one-to-one support for 47 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.

Day Centre: 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.

High-Support Housing: Our five High-Support Houses throughout Cork provide intensive levels of round-the-clock care every day for 53 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.

Housing First: Our Housing Support Team works to a Housing-Led approach in tackling homelessness. It means supporting people to move out of homelessness as quickly as possible and into permanent housing with a tailored visiting support package for as long as each person needs. 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.

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

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

Activities Team: 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.

Review of activities in 2016

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

- 871 (2015: 802) different people used a Cork Simon service throughout 2016, excluding the Soup Run. Including the soup run, 1190 (2015: 1,298) different people used a Cork Simon service throughout 2016.
- The Outreach Team recorded 327 people who were sleeping rough for at least one night during 2016.
- The Soup Run provided a hot meal and one-to-one supports to on average 28 (2015: 27) people per night, with over 10,300 hot meals being provided during the year.

DIRECTORS' REPORT - continued

Review of activities in 2016 - continued

- The Emergency Shelter on Anderson's Quay, in the heart of Cork's city centre, provides round-the-clock temporary accommodation, care and one-to one supports for 47 people every day. It is fully occupied every night. Most nights throughout 2016 the shelter accommodated up to 53 people, more on occasion. 362 (2015: 398) people stayed at the Emergency Shelter throughout 2016. The occupancy rate was 113%. Of those that stayed 22% were women. In 2016, 159 people presented for the first time seeking Emergency Shelter and support services.
- 737 (2015: 666) people presented to the Day Service during 2016. On average 36 people presented each day the majority would be people who are rough sleeping or in a range of temporary housing.
- 231 received a range of health care from the adult homeless multi-disciplinary team based in the shelter.
- Housing Support Services supported 142 people in their rented housing in 2016. 28 people were newly housed. The team supports by arrangement residents of Galtan Limited, a Cork based social housing association and other formerly homeless people in social, public and private rented sector accommodation as well as in Cork Simon Community's own housing including Cork Simon social rentals.
- 78 people lived in the five high-support houses in which Cork Simon provides communal accommodation and on-site round-the-clock supports.
- Women accounted for 18% of all people supported across Cork Simon's services in 2016. This is up from 14% in 2015.
- 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. Over 800 volunteers work 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 with people, 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.
- Following consultation, we commenced the implementation of the strategic Community Plan 2016-2020. This has included a review of our theory of practice and the implementation of the Housing first approach to addressing homelessness.
- We enhanced the addiction treatment aftercare service with the addition of a rented house for up to three women.
- We secured ongoing HSE funding to continue the Addiction Counsellor service.
- Our Campaigning programme framed the narrative of the housing and homeless crisis at national and local level. Simon Week with a theme 'Cut the Red Tape' formed part of our advocacy work locally and nationally to raise awareness and recruit the wider public to help communicate the severity of the housing and homeless crisis, to politicians, policy makers and influencers, among others.
- Our Fundraising team of staff and volunteers raised €3.7m gross in voluntary donations and bequests.
- Cork Simon actively promotes 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.

DIRECTORS' REPORT - continued

Achievements and performance - continued

- We continued to provide operational support to South East Simon Community. We carried out a due diligence exercise to explore options for further collaboration between Cork Simon and South East Simon Community.
- We established a Finance and Audit Committee, and a Quality and Safety Committee, as sub-committees of the Board.
- We secured additional funding for enhanced weekend Day Service for people who are rough sleeping or are in temporary accommodation.
- 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.

Financial review

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

- The financial results for the year ended 31 December 2016 are shown in the Statement of Financial Activities on page 13.
- Income from allocations and grants from other agencies accounted for 47% of income for 2016 (2015: 47%). Fundraising and other income account for 53% of income in 2016 (2015: 53%).
- Total income amounted to €8,160,062 (2015: €8,060,463). Total expenditure was €8,225,184 (2015: €8,102,498). The net movement in funds is reported as an increase of €188,366. This includes €18,000 received in 2016 as capital donations and restricted to be spent on properties.
- The end of year reserves are reported as €5,458,053. These reserves are comprised of:

| | |
|--------------------------------|---|
| € 2,286,499 unrestricted funds | Of these €175,579 were previously spent on fixed assets and are not available for other purposes, and €2,110,920 is available for working capital and the continuity of services. This represents 3 months of total costs and is less than our targeted reserve of 4 months of total operating costs. |
| € 159,218 restricted funds | Represent restricted donations received in 2016 for specific projects and carried over to 2017. |
| € 2,430,000 designated funds | Funds designated towards future property maintenance and development costs. |
| € 582,336 restricted funds | Capital funds received for and spent on fixed assets and not available for other purposes. |
| <u>€ 5,458,053</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.

DIRECTORS' REPORT - continued

Plans for future periods

Cork Simon's main priorities are:

- Implement the first stages of our strategic Community Plan 2016-2020.
- Align all Cork Simon services with a Housing First approach.
- Facilitate faster onward progression for people out of homelessness.
- Elaborate a model of key working and case management in line with new standards for homeless services, to better support people on their journey out of homelessness.
- Offer an expanded range of housing options to people with high-support needs. This includes the development of 8 self-contained units on the St Joachim and Anne site on Anglesea Street for which we were granted planning permission in 2016.
- Provide housing options by accessing housing through the Rent to Lease programme.
- Identify and access an increased number of housing units suitable for the needs of people we support and through various sources.
- 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.
- Embed and enhance specialist services including services for young people, women, people with drug and alcohol addictions and people with mental health issues.
- Improve the situation of people who are currently homeless through Cork Simon acting as a leading advocate for the right to housing and supports for all at a national and local level.
- Continue to maintain and develop Cork Simon's broad support base, and promote a general understanding of the causes of and solutions to homelessness.
- Carry out an independent review of Cork Simon governance structures to support the Community Plan implementation.
- Continue to implement in full the National Quality Standards Framework across all 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, 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.
- 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 CESCA.
- Cork Simon Community has forged connections and networks with the Cork business community.

DIRECTORS' REPORT - continued

Relationships with other bodies - continued

- Cork Simon is a founding member of the Cork Homeless Network which brings together all the voluntary agencies in Cork providing services for people who are homeless.
- Cork Simon Community partners with Focus Ireland, Threshold and St Vincent de Paul on a Cork Rentals and Housing Support Partnership to facilitate people to move out of emergency accommodation to a home of their own.

Structure, governance and management

Cork Simon Community is a company limited by guarantee, not having a share capital. Cork Simon Community has a Memorandum and Articles of Association. A Board of Directors is elected from among the membership of the company. The directors are volunteers. The membership is open to any person who has recently participated in the Community, as a service user or a volunteer, and who subscribes to the values of Cork Simon.

Cork Simon complies with the Governance Code for community, voluntary and charitable organisations in Ireland. The board of directors confirm that a review of our organisation's compliance with the principles in the Code was conducted on March 20th 2017. This review was based on an assessment of our organisational practice against the recommended actions for each principle. The review sets out actions and completion dates for any issues that the assessment identifies need to be addressed.

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.

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

The Board of Directors is responsible for governance, and 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.

Principal risks and uncertainties

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

Financial risk

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

Operational risk

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.

DIRECTORS' REPORT - continued

Principal risks and uncertainties - continued

Compliance risk

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

Reputational risk

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

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

Directors

The names of the persons who are currently or were directors at any time during the year ended 31 December 2016 are set out below. Unless indicated otherwise, they served as directors for the entire year.

| | |
|---|----------------------------------|
| Ernest Cantillon | John J. Murphy |
| Ann FitzGerald | Tomás O'Callaghan |
| Eoin MacCuirc | Anthony O'Donovan |
| Tim McCarthy | Peter O'Meara |
| Angela McDonald | James O'Shaughnessy |
| Bernadette McGonigle | Brendan Ryan (company secretary) |
| Emmanuelle Schon-Quinlivan (retired 9 September 2016) | |

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 2016.

Going concern

The directors, after making enquiries and having considered the Community's financial position and expected future cash flows, conclude there are no material uncertainties about the Community's ability to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

Accounting records

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

Events since the end of the year

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

Disclosure of information to auditors

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

- As far as he/she is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

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 net movement in funds of the company for the financial year. Under that law the directors have prepared the financial statements 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 promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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.

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

Brendan Ryan

15 May 2017



Independent auditors' report to the members of Cork Simon Community

Report on the financial statements

Our opinion

In our opinion, Cork Simon Community's financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2016 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; and
 - have been properly prepared in accordance with the requirements of the Companies Act 2014.
-

What we have audited

The financial statements comprise:

- the balance sheet as at 31 December 2016;
- the statement of financial activities for the year then ended;
- the cash flow statement for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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

Matter on which we are required to report by exception

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.



Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Jeremiah L Keohane
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Cork
18 May 2017

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2016

| | Notes | Restricted funds | Unrestricted funds | Designated building fund | Restricted building fund | Total 2016 | Total 2015 |
|--|-------|------------------|--------------------|--------------------------|--------------------------|------------------|------------------|
| | | € | € | € | € | € | € |
| Income from: | | | | | | | |
| Donations | | 381,304 | 3,014,982 | - | 18,000 | 3,414,286 | 3,100,142 |
| Legacies | | 20,000 | 136,100 | - | - | 156,100 | 426,482 |
| Other fundraising activities | | - | 161,517 | - | - | 161,517 | 179,440 |
| Charitable activities | | 3,879,133 | 531,709 | - | - | 4,410,842 | 4,299,124 |
| Interest and investment income | | - | 11,326 | - | - | 11,326 | 35,507 |
| Other income | | 938 | 5,053 | - | - | 5,991 | 19,768 |
| Total income | | 4,281,375 | 3,860,687 | - | 18,000 | 8,160,062 | 8,060,463 |
| Expenditure on: | | | | | | | |
| Charitable activities | | 5,228,960 | 1,936,689 | - | - | 7,165,649 | 7,016,250 |
| Raising funds | | - | 1,059,535 | - | - | 1,059,535 | 1,086,248 |
| Total expenditure | 5 | 5,228,960 | 2,996,224 | - | - | 8,225,184 | 8,102,498 |
| Net gain on investments | | - | 13,418 | - | - | 13,418 | 26,996 |
| Capital Assistance Scheme repayments relieved | | - | 240,070 | - | - | 240,070 | 354,484 |
| Net income/(expenditure) | 7 | (947,585) | 1,117,951 | - | 18,000 | 188,366 | 339,445 |
| Transfer from restricted building fund | | - | 36,722 | - | (36,722) | - | - |
| Transfer from unrestricted fund | 15 | 888,862 | (888,862) | - | - | - | - |
| Net movement in funds | | (58,723) | 265,811 | - | (18,722) | 188,366 | 339,445 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 217,941 | 2,020,688 | 2,430,000 | 601,058 | 5,269,687 | 4,930,242 |
| Total funds carried forward | | 159,218 | 2,286,499 | 2,430,000 | 582,336 | 5,458,053 | 5,269,687 |

The statement of financial activities includes all gains and losses recognised in the year. There are no other items to be included in the statement of comprehensive income. Income and net income/(expenditure) arose solely from continuing activities. Movements in funds are set out in note 15 on page 28. Please refer to note 6 on page 22 where the detailed comparative statement of financial activities for the financial year ended 31 December 2016 is disclosed.

On behalf of the board

Eoin MacCuirc

Brendan Ryan

BALANCE SHEET
As at 31 December 2016

| | Notes | 2016 € | 2015 € |
|---|-------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 5,160,016 | 5,592,743 |
| Investments | 11 | 1,103,387 | 589,969 |
| | | <u>6,263,403</u> | <u>6,182,712</u> |
| Current assets | | | |
| Debtors | 12 | 156,628 | 119,375 |
| Cash at bank | | 4,108,440 | 4,116,968 |
| | | <u>4,265,068</u> | <u>4,236,343</u> |
| Creditors - Amounts falling due within one year | 13 | <u>(908,387)</u> | <u>(747,267)</u> |
| Net current assets | | <u>3,356,681</u> | <u>3,489,076</u> |
| Total assets less current liabilities | | 9,620,084 | 9,671,788 |
| Creditors - Amounts falling due after more than one year | 14 | <u>(4,162,031)</u> | <u>(4,402,101)</u> |
| | | <u>5,458,053</u> | <u>5,269,687</u> |
| Total funds of the charity | | | |
| Unrestricted funds | 15 | 2,286,499 | 2,020,688 |
| Restricted funds | 15 | 159,218 | 217,941 |
| Designated building fund | 15 | 2,430,000 | 2,430,000 |
| Restricted building funds | 15 | 582,336 | 601,058 |
| | | <u>5,458,053</u> | <u>5,269,687</u> |
| Total charity funds | 15 | <u>5,458,053</u> | <u>5,269,687</u> |

The notes on pages 16 to 30 form an integral part of these financial statements.

The financial statements on pages 13 to 30 were authorised for issue by the board of directors on 2017 and signed on its behalf:

On behalf of the board

Eoin MacCuirc

Brendan Ryan

CASH FLOW STATEMENT
31 December 2016

| | Notes | 2016 € | 2015 € |
|--|-------|------------------|--------------------|
| Net cash provided by charitable activities | 17 | <u>513,917</u> | <u>512,183</u> |
| Cash flows from investing activities | | | |
| - investment income | | 11,326 | 35,507 |
| - payments to acquire tangible assets | | (33,771) | (273,972) |
| - payments to acquire financial assets - investments | | (500,000) | (197,560) |
| - proceeds from sale of financial assets - investments | | - | 197,560 |
| Net cash (used in)/provided by investing activities | | <u>(522,445)</u> | <u>(238,465)</u> |
| Cash flows from financing activities | | <u>-</u> | <u>-</u> |
| Change in cash and cash equivalents in the year | 17 | <u>(8,528)</u> | <u>273,718</u> |
| Reconciliation of net cash inflow to movement in net debt | | | |
| (Decrease)/Increase in cash in year | | (8,528) | 273,718 |
| Decrease/increase in net debt resulting from cash flows | | (8,528) | 273,718 |
| Capital assistance scheme loan repayments relieved | | 240,070 | 354,484 |
| Movement in net debt in the year | | 231,542 | 628,202 |
| Net debt at start of year | | <u>(525,203)</u> | <u>(1,153,405)</u> |
| Net debt at end of year | | <u>(293,661)</u> | <u>(525,203)</u> |

On behalf of the board

Eoin MacCuirc

Brendan Ryan

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Cork Simon Community is a charitable organisation established to alleviate homelessness and the problems associated with homelessness.

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 2016 and ending 31 December 2016.

The company's functional and presentation currency is the euro, denominated by the symbol "€"

2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with 'The Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2014. The financial statements have been prepared with reference to the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (Charity SORP (FRS 102)). Charity SORP (FRS 102) is not currently obligatory under Charities Act, 2009.

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. The company has adopted FRS 102 for the first time in these entity financial statements. Details of the transition to FRS 102 are disclosed in note 19.

(a) Basis of preparation

The financial statements have been prepared with reference to the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act, 2014.

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.

In preparing the accounts, the directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required.

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

3 Summary of significant accounting policies

(b) Going concern

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

(c) Revenue

(i) Donations and other fundraising activities

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

(ii) Legacies

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

(iii) Revenue grants

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

(iv) Capital grants and donations

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

(d) Other revenue

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

(e) Deferred income

Grants relating to expenditure to be incurred in a future accounting period received in advance are deferred and recognised in the period to which they relate.

(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 ranging from 20 to 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.

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies - continued

(g) Restricted and unrestricted funds

Cork Simon operate the following funds:

(i) Restricted funds

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

(ii) Restricted Homeless Foundation funds

Homeless Foundation fund was a restricted endowment fund created from corporate sector donations and entrusted to the Cork Simon Homeless Foundation. Income from this fund was available to Cork Simon Community as a contribution to its operating activities, and the principal was also available in line with the trust rules.

(iii) 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.

(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.

(h) Expenditure

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

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

(i) Tangible fixed assets

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

(i) Depreciation and residual values

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(i) Tangible fixed assets - continued

(ii) Repairs and maintenance

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

(iii) De-recognition

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

(j) Financial instruments

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

(i) Financial assets

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

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

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

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

(ii) Financial liabilities

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

(k) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 5.

(l) Employee benefits

(i) Defined contribution plan

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

(ii) Short term benefits

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

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

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

Goods and services donated to Cork Simon Community and passed on to people using Cork Simon services are not recognised as income and expenditure. It is not practical to measure reliably the value of these donated goods. Goods and services donated for which the value can be measured reliably are included in income and related expenditure.

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 2016 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.

(i) Critical accounting estimates and assumptions

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.

Going concern

A change in government policy with regards the grant funding provided to the Community could have a negative impact on the services the Community is able to provide and the ability for Cork Simon to continue to operate as a going concern. The directors, after making enquiries and having considered the Community's financial position and expected future cash flows, conclude there are no material uncertainties about the Community's ability to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

| 5 Resources expended | Staff costs € | Direct costs € | Depreciation € | Support costs € | Total 2016 € |
|--|---------------------|----------------------|-------------------|-----------------------|--------------------|
| For the year ended 31 December 2016 | | | | | |
| Homeless services | 4,608,219 | 1,066,073 | 421,084 | 534,973 | 6,630,349 |
| Campaigns and research | 197,959 | 319,764 | - | 17,577 | 535,300 |
| Charitable activities | 4,806,178 | 1,385,837 | 421,084 | 552,550 | 7,165,649 |
| Raising funds | 364,911 | 686,939 | - | 7,685 | 1,059,535 |
| Training, volunteering and other support | 322,248 | 192,573 | 45,414 | (560,235) | - |
| Total 2016 | 5,493,337 | 2,265,349 | 466,498 | - | 8,225,184 |
| For the year ended 31 December 2015 | | | | | |
| Homeless services | 4,486,314 | 1,064,141 | 415,168 | 566,869 | 6,532,492 |
| Campaigns and research | 205,608 | 271,055 | - | 7,095 | 483,758 |
| Charitable activities | 4,691,922 | 1,335,196 | 415,168 | 573,964 | 7,016,250 |
| Raising funds | 348,473 | 716,493 | - | 21,282 | 1,086,248 |
| Training, volunteering and other support | 369,609 | 183,522 | 42,115 | (595,246) | - |
| Total 2015 | 5,410,004 | 2,235,211 | 457,283 | - | 8,102,498 |

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, 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 accommodating and providing for 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Comparative statement of financial activities for the financial year ended 31 December 2015

| | Restricted funds | Restricted Homeless Foundation funds | Unrestricted funds | Restricted building fund | Total 2015 |
|--|---------------------|---|-----------------------|--------------------------------|------------------|
| | € | € | € | € | € |
| Income from: | | | | | |
| Donations | 270,558 | - | 2,564,584 | 265,000 | 3,100,142 |
| Legacies | 1,500 | - | 424,982 | - | 426,482 |
| Other fundraising activities | - | - | 179,440 | - | 179,440 |
| Charitable activities | 3,831,662 | - | 467,462 | - | 4,299,124 |
| Interest and other income | - | - | 55,275 | - | 55,275 |
| Total income | <u>4,103,720</u> | <u>-</u> | <u>3,691,743</u> | <u>265,000</u> | <u>8,060,463</u> |
| Expenditure on: | | | | | |
| Charitable activities | 5,220,397 | - | 1,795,853 | - | 7,016,250 |
| Raising funds | 43,605 | - | 1,042,643 | - | 1,086,248 |
| Total expenditure | <u>5,264,002</u> | <u>-</u> | <u>2,838,496</u> | <u>-</u> | <u>8,102,498</u> |
| Net gain on investments | - | 26,996 | - | - | 26,996 |
| Capital Assistance Scheme repayments relieved | <u>-</u> | <u>-</u> | <u>354,484</u> | <u>-</u> | <u>354,484</u> |
| Net income/(expenditure) | (1,160,282) | 26,996 | 1,207,731 | 265,000 | 339,445 |
| Transfer from restricted building fund | - | - | 30,055 | (30,055) | - |
| Transfer from unrestricted fund | 1,229,585 | - | (1,229,585) | - | - |
| Transfer from restricted homeless foundation fund | - | (589,843) | 589,843 | - | - |
| Net movement in funds | <u>69,303</u> | <u>(562,847)</u> | <u>598,044</u> | <u>234,945</u> | <u>339,445</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

| 7 Net income/(outgoing) resources | 2016 | 2015 |
|---|------------------|------------------|
| | € | € |
| Net incoming/(outgoing) resources is stated after charging/(crediting): | | |
| Staff costs (note 8) | 5,493,337 | 5,410,004 |
| Depreciation | 466,498 | 457,283 |
| Capital Assistance Scheme financing repayments relieved | (240,070) | (354,484) |
| Directors' remuneration | - | - |
| Directors' expenses | - | - |
| Auditors' remuneration (including expenses) | | |
| Audit of the entity financial statements | 4,059 | 3,300 |
| Other assurance services | 984 | 630 |
| Bank interest and similar charges | 15,171 | 10,297 |
| Other Income | (17,317) | (19,768) |
| Interest income | (11,326) | (35,507) |
| | <u>5,493,337</u> | <u>5,410,004</u> |

None of the directors have been paid any remuneration or received any other financial benefit from Cork Simon. No expenses were reimbursed to directors in the year.

8 Employee information and benefits

| (a) The average number of whole time equivalent staff employed by the community during the year is analysed below: | 2016 | 2015 |
|--|------------|------------|
| | Number | Number |
| Homeless services | 91 | 88 |
| Campaigning and research | 3 | 3 |
| Raising funds | 8 | 7 |
| Community employment scheme | 11 | 13 |
| | <u>113</u> | <u>111</u> |

| (b) The company's employment costs for all employees comprise: | 2016 | 2015 |
|--|------------------|------------------|
| | € | € |
| Wages and salaries | 4,879,787 | 4,796,370 |
| Social insurance costs | 481,642 | 481,890 |
| Other retirement benefit costs | 131,908 | 131,744 |
| | <u>5,493,337</u> | <u>5,410,004</u> |

(c) At the end of 2016, 147 individual people were employed. Of these 55 people were employed full time, 53 were part time, 21 were on CES and 18 were on the staff relief panel.

(d) Cork Simon employs professional staff with diverse skills and expertise to support the work we do. At the end of 2016, the number of whole time equivalent staff with pay, excluding employer retirement benefit costs falling within the following bands was:

| | 2016 | 2015 |
|-----------------------------|------------|------------|
| Up to €29,999 | 48 | 49 |
| Between €30,000 and €39,999 | 17 | 14 |
| Between €40,000 and €49,999 | 27 | 28 |
| Between €50,000 and €59,999 | 13 | 11 |
| Between €60,000 and €69,999 | 4 | 5 |
| Between €70,000 and €79,999 | 2 | 2 |
| Between €80,000 and €89,999 | 2 | 2 |
| | <u>123</u> | <u>121</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Employee information and benefits - continued

- (e) Other retirement benefit costs related to a defined contribution pension scheme operated by Cork Simon. The total charge for the year amounted to € 131,908 (2015: €131,744). Contributions of €Nil (2015: €Nil) are outstanding at balance sheet date.
- (f) 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 €89,800 (2015: €89,800) and employer pension contribution of €4,490 (2015: €4,490).

9 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.

| 10 Tangible assets | Freehold property | Fixtures, fittings and equipment | Motor vehicles | Construction in progress | Total |
|---------------------------------|-------------------|----------------------------------|----------------|--------------------------|-------------------|
| | € | € | € | € | € |
| Cost | | | | | |
| At 1 January 2015 | 10,909,226 | 253,606 | 29,510 | 2,337 | 11,194,679 |
| Additions | 250,990 | 19,784 | - | 3,198 | 273,972 |
| At 31 December 2015 | <u>11,160,216</u> | <u>273,390</u> | <u>29,510</u> | <u>5,535</u> | <u>11,468,651</u> |
| At 1 January 2016 | 11,160,216 | 273,390 | 29,510 | 5,535 | 11,468,651 |
| Additions | - | 9,766 | - | 24,005 | 33,771 |
| At 31 December 2016 | <u>11,160,216</u> | <u>283,156</u> | <u>29,510</u> | <u>29,540</u> | <u>11,502,422</u> |
| Accumulated depreciation | | | | | |
| At 1 January 2015 | 5,169,775 | 224,327 | 24,523 | - | 5,418,625 |
| Charge for year | 442,309 | 13,614 | 1,360 | - | 457,283 |
| At 31 December 2015 | <u>5,612,084</u> | <u>237,941</u> | <u>25,883</u> | <u>-</u> | <u>5,875,908</u> |
| At 1 January 2016 | 5,612,084 | 237,941 | 25,883 | - | 5,875,908 |
| Charge for year | 449,003 | 16,135 | 1,360 | - | 466,498 |
| At 31 December 2016 | <u>6,061,087</u> | <u>254,076</u> | <u>27,243</u> | <u>-</u> | <u>6,342,406</u> |
| Net book value | | | | | |
| At 31 December 2014 | | | | | |
| - cost | 10,909,226 | 253,606 | 29,510 | 2,337 | 11,194,679 |
| - accumulated depreciation | (5,169,775) | (224,327) | (24,523) | - | (5,418,625) |
| | <u>5,739,451</u> | <u>29,279</u> | <u>4,987</u> | <u>2,337</u> | <u>5,776,054</u> |
| At 31 December 2015 | | | | | |
| - cost | 11,160,216 | 273,390 | 29,510 | 5,535 | 11,468,651 |
| - accumulated depreciation | (5,612,084) | (237,941) | (25,883) | - | (5,875,908) |
| | <u>5,548,132</u> | <u>35,449</u> | <u>3,627</u> | <u>5,535</u> | <u>5,592,743</u> |
| At 31 December 2016 | | | | | |
| - cost | 11,160,216 | 283,156 | 29,510 | 29,540 | 11,502,422 |
| - accumulated depreciation | 6,061,087 | 254,076 | 27,243 | - | 6,342,406 |
| | <u>5,099,129</u> | <u>29,080</u> | <u>2,267</u> | <u>29,540</u> | <u>5,160,016</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

| 11 Financial assets - investments | 2016 | 2015 | |
|--|------------------|----------------|------------------|
| | € | € | |
| Investments held | | | |
| Managed funds | 1,103,261 | 589,843 | |
| Prize bonds | 126 | 126 | |
| | <u>1,103,387</u> | <u>589,969</u> | |
| | Managed funds | Bonds | |
| | Total | Total | |
| | € | € | |
| | € | € | |
| Market value at 1 January 2015 | 361,862 | 200,985 | 562,847 |
| Additions at cost | 197,560 | - | 197,560 |
| Disposals | - | (197,560) | (197,560) |
| Unrealised gains/(losses) in investments | 30,421 | (3,425) | 26,996 |
| Market value at 31 December 2015 | <u>589,843</u> | <u>-</u> | <u>589,843</u> |
| Historic cost at 31 December 2015 | <u>528,496</u> | <u>-</u> | <u>528,496</u> |
| Market value at 1 January 2016 | 589,843 | - | 589,843 |
| Additions at cost | 500,000 | - | 500,000 |
| Unrealised gains in investments | 13,418 | - | 13,418 |
| Market value at 31 December 2016 | <u>1,103,261</u> | <u>-</u> | <u>1,103,261</u> |
| Historic cost at 31 December 2016 | <u>1,028,496</u> | <u>-</u> | <u>1,028,496</u> |

All listed investments are held on recognised stock exchanges.

| 12 Debtors | 2016 | 2015 |
|---|----------------|----------------|
| | € | € |
| Amounts falling due within one year: | | |
| Prepayments and sundry debtors | 93,540 | 92,459 |
| Grants receivable | 63,088 | 26,916 |
| | <u>156,628</u> | <u>119,375</u> |

| 13 Creditors - Amounts falling due within one year | 2016 | 2015 |
|---|----------------|----------------|
| | € | € |
| Trade creditors | 142,034 | 84,306 |
| PAYE and pay related social insurance | 133,763 | 131,741 |
| Deferred income | 238,559 | 51,004 |
| Accruals | 153,961 | 240,146 |
| Capital Assistance Scheme loans (note 14) | 240,070 | 240,070 |
| | <u>908,387</u> | <u>747,267</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Creditors - Amounts falling due within one year - continued

Deferred income represents the advance paid on the Community Employment Scheme grant. This is released as the grant advance is recovered by the scheme.

Trade and other creditors are payable at various dates in the three 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.

| 14 Creditors - Amounts falling due after more than one year | 2016 € | 2015 € |
|--|------------------|------------------|
| Loans under the Capital Assistance Scheme | <u>4,162,031</u> | <u>4,402,101</u> |
| These loans are repayable in the following periods after 31 December | | |
| Within one year (note 13) | 240,070 | 240,070 |
| Between one and two years | 240,070 | 240,070 |
| Between two and five years | 720,210 | 720,210 |
| After five years | <u>3,201,751</u> | <u>3,441,821</u> |
| | <u>4,402,101</u> | <u>4,642,171</u> |

Loans under Capital Assistance Schemes are received by the Community from the local authority, Cork City Council, by way of mortgage, and are repayable over the repayment periods for each funding agreement ranging from 20 to 30 years.

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

Under the terms of the Capital Assistance Schemes the amounts repayable to the local authority as at the balance sheet date of € 4,402,101 (2015: €4,642,171) represent the aggregate finance received to date amounting to € 9,490,376 (2015: €9,490,376) as reduced by the cumulative repayments relieved to date of €5,088,275 (2015: €4,848,205).

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Reconciliation of movements in accumulated funds

| Funds description | | Balance at start of year € | Incoming resources € | Resources expended € | Investment gains € | Loan repayments relieved € | Transfers € | Balance at end of year € |
|--|-----|-------------------------------------|----------------------------|----------------------------|--------------------------|-------------------------------------|-----------------|-----------------------------------|
| Restricted income | | | | | | | | |
| HSE Section 39 care staff costs | (a) | - | 2,300,782 | (2,734,935) | - | - | 434,153 | - |
| HSE LDATF outreach service | (b) | - | 105,499 | (105,499) | - | - | - | - |
| HSE other – addiction counsellor | (c) | 59,359 | 55,000 | (59,359) | - | - | - | 55,000 |
| HSE Drugs and alcohol service | (d) | 10,000 | 500 | (5,224) | - | - | - | 5,276 |
| CCC section 10 bednights | (e) | - | 665,936 | (936,229) | - | - | 270,293 | - |
| CCC settlement grant | (e) | - | 150,100 | (313,626) | - | - | 163,526 | - |
| CCC Housing First | (f) | 100,000 | 100,000 | (100,000) | - | - | - | 100,000 |
| CCC cold weather initiative | (g) | - | 29,091 | (29,091) | - | - | - | - |
| CCC Building improvement | (h) | - | 4,912 | (4,912) | - | - | - | - |
| DSP CE scheme | (i) | - | 354,891 | (358,389) | - | - | 3,498 | - |
| European Voluntary Service | (j) | - | 41,261 | (41,261) | - | - | - | - |
| DCYA YPFSF Cork ETB | (k) | - | 45,644 | (63,036) | - | - | 17,392 | - |
| CETB SureStart programme | (l) | 3,278 | - | (3,278) | - | - | - | - |
| Erasmus+ Street support project | (m) | - | - | (1,058) | - | - | - | (1,058) |
| Other restricted income (including fundraising) | | 45,304 | 427,759 | (473,063) | - | - | - | - |
| | | <u>217,941</u> | <u>4,281,375</u> | <u>(5,228,960)</u> | | | <u>888,862</u> | <u>159,218</u> |
| Restricted building fund | | <u>601,058</u> | <u>18,000</u> | <u>-</u> | | | <u>(36,722)</u> | |
| Total restricted funds | | <u>818,999</u> | <u>4,299,375</u> | <u>(5,228,960)</u> | | | <u>852,140</u> | <u>582,336</u> |
| Unrestricted | | 2,020,688 | 3,860,687 | (2,996,224) | 13,418 | 240,070 | (852,140) | 2,286,499 |
| Designated building fund | | 2,430,000 | - | - | - | - | - | 2,430,000 |
| Accumulated funds | | <u>5,269,687</u> | <u>8,160,062</u> | <u>(8,225,184)</u> | <u>13,418</u> | <u>240,070</u> | <u>-</u> | <u>5,458,053</u> |

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 2016 annual grant towards care staff costs.
- (b) Health Service Executive, Area 4, social inclusion, local drugs and alcohol task force, Section 39 2016 annual grant towards staff and administration costs of the Cork Simon street outreach service.
- (c) Health Service Executive, Area 4, social inclusion, local drugs and alcohol task force, Section 39 grant towards staff and support costs to provide an addiction counselling service.
- (d) Health Service Executive, Area 4, social inclusion, local drugs and alcohol task force, Section 39, once off grant towards the costs of overdose prevention.
- (e) Cork City Council, Section 10 2016 annual bed-night and settlement grant towards the provision of homeless services accommodation and tenancy sustainment supports.
- (f) Cork City Council, Section 10 homeless services grant towards the staff costs of the Cork Simon extended Housing First service.
- (g) Cork City Council, Section 10 grant towards the staff costs of an enhanced rough sleeper service as part of the Cork City winter strategy.
- (h) Cork City Council, Building improvement grant towards the cost of external painting of two properties in designated areas.
- (i) Department of Social Protection grant for the Community Employment Scheme staffing, materials and training costs.
- (j) European Commission, Léargas, European Voluntary Service funding towards volunteer support costs.
- (k) Department of Children and Youth Affairs, the Young Peoples Facilities and Services Fund and Cork Education & Training Board, annual 2016 grant towards the staff and administration costs of the Cork Simon youth homelessness and drugs prevention service.
- (l) Department of Education and Skills/Solas and Cork Education and Training Board, SureStart Programme grant towards back to education initiatives.
- (m) Erasmus+, Street Support Project. Grant towards staff and project costs. The first instalment of the grant was received in January 2017.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Analysis of net assets between funds

| | Unrestricted fund | Designated fund | Restricted fund | Restricted building fund | Total funds 2016 |
|---|----------------------|--------------------|--------------------|--------------------------------|------------------------|
| | € | € | € | € | € |
| Tangible assets | 4,577,680 | - | - | 582,336 | 5,160,016 |
| Investments | 1,103,387 | - | - | - | 1,103,387 |
| Current assets | 1,675,850 | 2,430,000 | 159,218 | - | 4,265,068 |
| Creditors falling due within one year | (908,387) | - | - | - | (908,387) |
| Creditors due after more than one year | (4,162,031) | - | - | - | (4,162,031) |
| Total funds at 31 December 2016 | <u>2,286,499</u> | <u>2,430,000</u> | <u>159,218</u> | <u>582,336</u> | <u>5,458,053</u> |

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

| | 2016 € | 2015 € |
|--|------------------|----------------|
| Income for the reporting period (as per statement of financial activities) | | |
| Net income | 188,366 | 339,445 |
| Depreciation charges | 466,498 | 457,283 |
| Investment income | (11,326) | (35,507) |
| (Increase)/decrease in debtors | (37,253) | 85,266 |
| Increase/(decrease) in deferred income | 187,555 | (535) |
| (Decrease)/increase in creditors | (26,435) | 47,711 |
| Gains on investments | (13,418) | (26,996) |
| Capital Assistance Scheme loan repayments relieved | (240,070) | (354,484) |
| Net cash provided by charitable activities | <u>(513,917)</u> | <u>512,183</u> |

Analysis of net funds

| | At 1 January 2016 € | Cash flow € | Other non-cash charges € | At 31 December 2016 € |
|---------------------------------------|------------------------------|-------------------|-----------------------------------|--------------------------------|
| Cash at bank and in hand | 4,116,968 | (8,528) | - | 4,108,440 |
| Loans under capital assistance scheme | (4,642,171) | - | 240,070 | (4,402,101) |
| Net debt | <u>(525,203)</u> | <u>(8,528)</u> | <u>240,070</u> | <u>(293,661)</u> |

18 Related party transactions

Cork Simon Community did not enter into any transactions with related parties during the year ended 31 December 2016 and the year ended 31 December 2015.

19 Events after the balance sheet date

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

NOTES TO THE FINANCIAL STATEMENTS - continued

| 20 Capital commitments | 2016 € | 2015 € |
|--|------------------|------------------|
| Authorised by directors but not contracted | 1,085,000 | 1,085,000 |
| Contracted not provided | - | - |
| | <u>1,085,000</u> | <u>1,085,000</u> |

Capital commitments relate to the proposed development of 8 self-contained residential units within Cork city for which Capital Assistance Scheme funding has been allocated by the Department of Environment, Community and Local Government. In 2016 Cork Simon has been granted planning permission for this development.

21 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 15 May 2017 and were signed on its behalf on that date.