



SIMON COMMUNITY (GALWAY)

(A company not having a share capital and limited by guarantee)

Annual Report

Financial year ended 31st December 2018

Prepared by:

Candor
Chartered Accountants and Registered Auditors
Harris House
IDA Business Park
Tuam Road
Galway

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

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SIMON COMMUNITY (GALWAY)
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DIRECTORS AND OTHER INFORMATION

Directors – Non-executive

Maureen Lynch (Chairperson)
Henry Cleary
Jolene Gacquin
Edelle Lawson
Stephen Mackey
Gregory Mc Lucas
Sile Nic Niocaill
Ann Walsh

Company secretary

Jolene Gacquin

Treasurer

Noreen Glennon

Chief Executive

Karen Golden

Registered office

Unit 18
Tuam Road Centre
Tuam Road
Galway

Charity number

20018962

Company number

144699

Revenue charity number

CHY 8007

Auditors

Candor Chartered Accountants
Harris House
IDA Business Park
Tuam Road
Galway

Bankers

Allied Irish Bank, Lynch's Castle, Galway
Permanent TSB, Eyre Square, Galway
Bank of Ireland, Mainguard Street, Galway
Bank of Ireland, Eyre Square, Galway
KBC Bank Ireland, Sandwith Street, Dublin 2

Solicitors

O'Carroll & Co.
19a Merchants Road
Galway

SIMON COMMUNITY (GALWAY)
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DIRECTORS' REPORT - continued
For the year ended 31st December 2018

The directors present their report and the audited financial statements of Simon Community (Galway) for the year ended 31st December 2018.

Vision

Our vision is a community where everyone lives in a place they call home.

Mission

Our mission is to:

- Help people who are homeless, or at risk of being homeless, access housing and support, appropriate to their needs.
- Work towards eliminating homelessness through advocacy, education and campaigning.
- Combat homelessness by collaborating with statutory and voluntary agencies, friends, supporters and the wider community.

Values

Responsiveness

Equality

Support

Partnership

Empowerment

Community

Transparency

Legal status and organisational structure

Simon Community (Galway) began providing services in the city in 1979 and in the intervening years has provided a wide range of care, accommodation and advocacy services to people who are homeless or at risk of becoming homeless.

The organisation is a registered charity, a company limited by guarantee without a share capital and was incorporated on 12th January 1989. The charity trades under the name Galway Simon Community. The objectives of the company are charitable in nature with established charitable status. The charity has been granted charitable tax status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No CHY 8007 and is registered with the Charities Regulatory Authority.

The charity was established under a constitution which established the objects and powers of the charitable company and is governed under its constitution and managed by a board of directors. All income is applied solely towards the promotion of the charitable objectives of the company.

The financial statements have been prepared in accordance with the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council as modified by the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015, which has replaced previous general accounting practice ('GAAP') used in Ireland and the UK. Charities SORP (FRS 102) is not currently obligatory under the Charities Act, 2009. The Charity Commission for England and Wales is recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK, and the Charities SORP (FRS 102) has therefore been recognised as best practice for financial reporting by charities in Ireland.

Karen Golden was appointed Chief Executive in December 2017. The day to day management of the charity for the year ended 31 December 2018 was directed by the following key management personnel:

Noreen Glennon, Financial Controller

Emma Dolan, Head of Client Services

Sinead Molloy, Human Resource Manager

Deirdre Treacy, Fundraising Manager

Details of the external advisors engaged by the charity are listed on page 3.

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DIRECTORS' REPORT - continued
For the year ended 31st December 2018

The charity has a total of 8 non-executive directors drawn from diverse backgrounds who bring to board deliberations their significant life experience, business and decision-making skills achieved in their respective fields.

The board of directors meet on a bi-monthly basis and are responsible for the strategic direction of the charity. There is clear division of responsibility with the board retaining control of major decisions under a formal schedule of matters reserved to the board for decision. The Services, Quality and Safety Subcommittee; Finance and Governance Subcommittee; and the Fundraising and Marketing Communications Subcommittee held meetings in line with their Terms of Reference during the year. The Chief Executive is responsible for the efficient running of services and for devising strategy and policy within the authorities delegated to the role by the board.

Objectives and Activities

The housing and homelessness crisis continued to deepen throughout 2018 in Galway and across the West of Ireland. With 3,547 households on the social housing waiting lists in Galway City and County, only 100 new social homes were built. In spite of Galway City being a Rent Pressure Zone with rent increases capped at 4% per annum, rent increased by 13% in the city and by 15% in the county year on year to the end of 2018. Reports showed that there is virtually no accommodation available in Galway within the Housing Assistance Payment (HAP) limits and the numbers in Emergency Accommodation in the West of Ireland (Galway, Mayo and Roscommon) almost doubled again on the previous year to 505 in December 2018.

In 2018, Simon Community (Galway) dealt with a total of 676 cases throughout our services which included 550 unique households who were provided with a housing and/or homelessness prevention service.

140 people were accommodated in Simon Community (Galway) housing services. Additionally, 410 unique households were actively supported in the community to prevent them from becoming homeless. The breakdown of these services include:

- **Supported Housing**
Our Supported Housing is for people who have multiple needs, have a history of regular contact with homeless services or require long term support. This service is made up of 3 houses which cater for single men and each house is staffed on a 24-hour basis. Issues of addiction and mental and physical health are dealt with by our staff and specialist services. In 2018, this service supported 20 men.
- **Temporary Emergency Service**
In 2018, Galway Simon Community provided 11 beds as part of the city's Cold Weather Response over the Winter months and as an emergency service from April to October. The Cold Weather Response aims to ensure that rough sleepers have a warm bed and a hot meal available to them each night between the particularly tough months of November to the beginning of April. In addition, this service also actively engages with clients to find move-on accommodation. Throughout 2018, 33 men were supported by this service.
- **Women & Family Service**
Our Women & Family Service provides a dual service of residential housing as well as a Community Support Service working with women and families who are homeless or at risk of homelessness. The women who are accommodated within the residential service have a history of long-term homelessness and multiple needs. In the residential service, our staff team focus on supporting and empowering our clients to manage the issues that caused them to become homeless and to work towards moving on to living independently. This service restructured in early 2018 to expand from the residential Women's Service to also work with women and families in the Community. The residential service is staffed on a 24-hour basis and supported 8 women in 2018 while the Community Support Team supported 59 unique households, including 39 families with 78 children.
- **Youth Service**
Our Youth Service works with young adults, aged 18-25, to prevent them from falling into the cycle of homelessness. We work with the young adult to develop their skills so that they can live independently. In addition to providing outreach supports, the service also has 4 transitional apartments which provide a home to 8 young adults who have access to regular staff support. In 2018, the team supported 29 young adults (including 2 families with 2 children), 16 of whom accessed our transitional accommodation.

DIRECTORS' REPORT - continued
For the year ended 31st December 2018

- **Community Housing & Resettlement**

This service has several houses located throughout Galway City which give people the opportunity to work towards living independently in the future. The service provides shared housing as well as individual apartments with access to staff support, based on the needs of those accessing this service. In 2018, this service supported 48 men and women to maintain a lifestyle of greater independence.

- **Independent Living**

We have several apartments and houses which give people the opportunity to live independently within the community. They are provided to people who require very little to no support to live on their own. These properties are located throughout Galway City and County, and provided a home to 15 people throughout 2018.

- **Community Support Service**

Our Community Support Service works with men, women and families to prevent them from becoming homeless. The Community Support Team helps people to remain in their own home or to find a new home, and to continue to live as part of their local community. We work closely with people to provide advice, support and practical assistance. This service also provides ongoing support to those who have successfully moved into their own accommodation in order to prevent them from re-entering homelessness. In 2018, our Community Support Team provided a service to 190 unique households which included 43 families with a total of 86 children. In addition, this service also supported 13 unique households living in our Independent Living Service.

- **Bridge Resource Centre, Ballinasloe**

Our Resource Centre in Ballinasloe plays a vital role in preventing homelessness in the local community. The centre operates a drop-in service that offers people advice and practical support with a variety of issues including personal challenges, addiction and health issues. The service is available to anyone over the age of 18 who is homeless or is at risk of homelessness. In 2018, the centre supported 118 unique households including 32 families with 92 children. This service expanded to include an Outreach Worker in 2017 and began to deliver an outreach service to those who are at risk of homelessness in East Galway. Clients who received an outreach service in the county comprised of 30 unique households in 2018 including 16 families with 34 children.

- **Health and Well-being Team**

Our Health and Well-being Team provides specialist support to people in areas including physical and mental health, addiction, life skills and access to training, education and employment. The team which comprises of a Registered General Nurse, Community Mental Health Nurse (a post which is currently vacant), Substance Misuse Counsellor and a Relapse Prevention Counsellor, provides services to people in all homeless services in Galway. Additionally, we also provide an Occupational Therapy service to our clients.

- **Dental Services**

We provide Dental Services to people in all homeless services in Galway city. 150 individual treatments were given to clients in homeless services during 2018.

- **Chiropody Services**

We provide Chiropody Services to people in all homeless services in Galway City and in our Resource Centre in Ballinasloe. 324 individual treatments were provided for clients during 2018.

- **Advocacy**

We continued to advocate for our clients at a local level with Local Authorities and nationally through the Simon Communities of Ireland. Simon Community (Galway) is concerned with advancing the rights of people who are homeless and assisting them in an advocacy role. We believe that campaigning for changes in social attitudes and social policy is a necessary and complementary part of our work.

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DIRECTORS' REPORT - continued
For the year ended 31st December 2018

Directors and company secretary

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

| | |
|--|---|
| Maureen Lynch (Chairperson) | Stephen Mackey (appointed 26 th Nov 2018) |
| Henry Cleary | Seamus Kilbane (resigned 19 th Feb 2018) |
| Jolene Gacquin | Michelle Ruane (resigned 9 th Jan 2018) |
| Ann Walsh | Michael Mackey (resigned 28 th May 2018) |
| Sile Nic Niocaill | Pat Dolan (appointed 26 th March 2018– resigned 26 th Nov 2018) |
| Gregory Mc Lucas | Patrick O' Donnell (resigned 7 th Feb 2018) |
| Edelle Lawson (appointed 30 th July 2018) | |

The secretary who served during the year was:

Jolene Gacquin

There were no contracts in relation to the business of Simon Community (Galway) in which the directors had any interest, as defined in the Companies Act, 2014.

Achievements and performance

Simon Community (Galway) has ensured that our funding was used for the benefit of our clients. With the aid of sound financial management and the hard work of both our staff and volunteers we worked with a total of 676 cases in 2018.

Highlights for the year included:

- Continuing to develop and enhance our services in line with our Strategic Plan;
- Provision of a Cold Weather Response Shelter & Emergency Service to facilitate an increase in required capacity for Emergency Services in Galway City;
- Operated two Community Outreach pilot projects in Tuam and Loughrea;
- Successfully tendered for the delivery of a Housing First Service in 2019;
- Secured funding for the provision of a Community Detox Service in 2019;
- Appointed a Property Manager and commenced the acquisition of additional housing units in order to expand the provision of housing services to clients;
- Published independent research conducted into our Community Support Service by Dr Pádraig Mac Neela of NUI Galway;
- Shortlisted in the Large Charity Category for the National Charity Impact Awards;
- Provided continued support to North West Simon Community.

Financial review

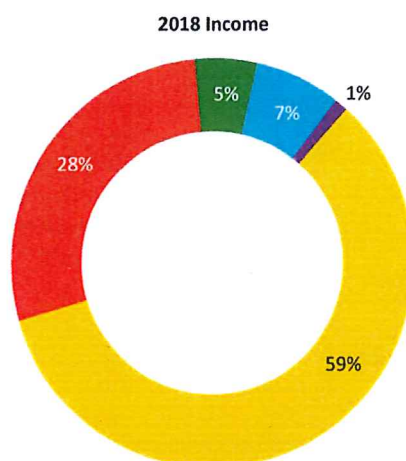
The directors report the following significant financial events during the year:

| Overview of Statement of Financial Activities | 2018 | 2017 |
|---|-----------|-----------|
| | € | € |
| Income | 5,472,750 | 5,218,880 |
| Expenditure | 5,282,393 | 4,690,569 |
| Operating surplus/(deficit) before Capital Assistance Scheme loan repayments relieved | 190,357 | 528,311 |

The operating surplus of €190,357 for 2018 includes €297,617 (2017 €546,830) of one-off bequests and €127,349 (2017 €240,474) in restricted funds received during the year which will be utilised in 2019 for specific purposes (Refer to Note 19). The financial results for the year ended 31st December 2018 are shown in the Statement of Financial Activities on page 17.

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DIRECTORS' REPORT - continued
For the year ended 31st December 2018



Sources of income

| | |
|---------------------------------------|---|
| ■ | Statutory and grant income |
| ■ | Fundraising, shop and investment income |
| ■ | Community Employment Scheme |
| ■ | Service charges |
| ■ | Other income |

| 2018 | 2017 |
|-------------|-------------|
| % | % |
| 59 | 55 |
| 28 | 32 |
| 5 | 5 |
| 7 | 7 |
| 1 | 1 |

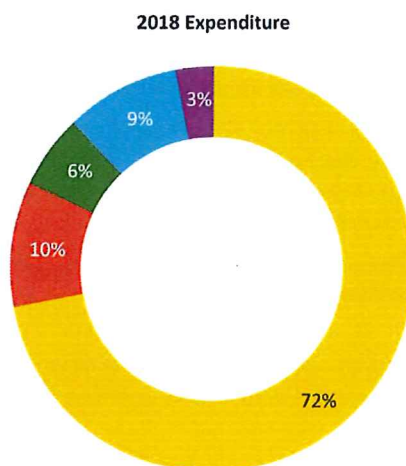
| | | |
|--------------|------------|------------|
| Total | 100 | 100 |
|--------------|------------|------------|

Statutory and grant income which includes funds from the Health Services Executive (HSE), Galway City and County Councils, TúsIa and other funding bodies represents 59% of total income in 2018 (55% of total income in 2017). In 2018, income from statutory sources and grants increased by 12% primarily due to the receipt of HSE funding to pay an increased sleepover premium to staff in residential services, in line with the relevant Labour Court recommendation; and additional HSE funding of €135,000 received in December 2018 to fund expanded GP and nursing clinics, a community detox pilot and supports for housing-led initiatives and rough sleepers.

Total fundraising and charity shop income excluding legacies and bequests increased by 9% to €1,215,739 which reflects excellent performance by our staff and volunteer teams and much appreciated local support by Galway, Mayo and Roscommon supporters, donors and customers. Our annual Sleep Out for Simon extended to five centres in 2018 and received enormous support from the community – both financially and in terms of people coming out in solidarity with those currently experiencing the distress of homelessness. A new initiative, the Dip at Dawn on the longest day of the year in June, also provided participants with an opportunity to show their support for those experiencing homelessness. In addition to the vital funds raised through these and many other fundraising events throughout the year, the organisation continued to receive invaluable financial support from committed donors. Income from donor legacies by its very nature varies from year to year and reduced by 46% to €297,617 in 2018 from €546,830 in 2017.

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DIRECTORS' REPORT - continued
For the year ended 31st December 2018



Expenditure breakdown

| | |
|---------------------------------------|-----------------------------|
| ■ | Service provision |
| ■ | Fundraising and shop |
| ■ | Community Employment Scheme |
| ■ | Administration and support |
| ■ | Volunteering and training |

| 2018 | 2017 |
|--------------|------------|
| % | % |
| 72 | 70 |
| 10 | 10 |
| 6 | 6 |
| 9 | 11 |
| 3 | 3 |
| Total | 100 |

Total expenditure for 2018 was €5,282,393 which is a 12% increase compared to the previous year. This increase is primarily due to increased wage costs arising from development of services and full year effect of new appointments in 2017.

Reserves and investment strategy

Simon Community (Galway) has total reserves of €6,005,634 as at 31st December 2018. These reserves are comprised of:

- **Unrestricted reserves**

The directors believe that the company should hold financial reserves as:

- i) the company has no endowment funding and is entirely dependent on grants and donor funding which are inevitably subject to fluctuations;
- ii) the company requires protection against, and the ability to continue operating despite, catastrophic or lesser but damaging events.

Unrestricted reserves totalling €1,749,703 are available for working capital and continuity of services as at 31st December 2018. This represents 3.7 months of operational costs.

- **Accumulated CAS loan payments waived**

€2,988,981 represents the total of CAS annual mortgage payments waived up to 31 December 2018 (see Note 16).

- **Designated property maintenance reserve**

€647,308 is designated towards future property maintenance and development costs.

- **Designated strategic development reserve**

€251,819 is in funds designated by the board to enable changes in service delivery models as set out in the Simon Community Galway Strategic Plan.

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Simon Community (Galway) has a responsibility to ensure that it uses the funds and resources it receives for its charitable purpose of ending homelessness. There are uncertainties around most sources of funding and Simon Community (Galway) must plan its use of these funds and resources to ensure the continuity and sustainability of the services it offers. To this end, Simon Community (Galway) has a reserves policy in place and will work towards the target of holding four months of operating costs in reserve.

As is usual for Approved Housing Bodies (AHBs), Simon Community (Galway) holds a designated property maintenance reserve, often referred to as the 'Sinking Fund'. The directors have designated unrestricted funds for the future maintenance and development of the charity's properties. The annual transfer from the unrestricted revenue reserve is calculated at a rate of 20% of the annual rental income received. At the year end, this designated fund amounts to €647,308.

Simon Community (Galway) 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.

Future developments

Simon Community (Galway) will continue to advocate and provide services for people who are homeless or at risk of becoming homeless. The directors plan to build on the solid foundations laid to date by continuing to develop services to meet identified needs, utilising our unique location and expertise.

The continuing aims of Simon Community (Galway) are to:

- Increase the amount of preventative work with families and individuals thus minimising their need for emergency accommodation;
- Increase activity in Tuam and Loughrea from our current Resource Centre in Ballinasloe;
- Increase our housing stock;
- Improve the quality of services in line with recognised standards;
- Improve transparency and thereby accountability to our clients, supporters and funders;
- Further define our collaborative working arrangements with North West Simon Community to whom we have been providing HR, Finance and Services support for four years.

Our volunteers

Simon Community (Galway) believes in and has a continuing commitment to voluntarism because of the added value which volunteers bring to the charity through their dedication and work. As has been the practice over many years, full time volunteers work for periods of between 6 and 12 months alongside professional staff in our housing services. Part time volunteers contribute greatly to the success of the Simon shops and charity events, which are an integral part of our fundraising activity. In addition, we have part time volunteers who visit and befriend clients, assist with social integration, capacity building and tenancy sustainment. In 2018, 270 individuals volunteered their time to the benefit of our clients.

It is impossible to quantify the thousands of hours generously given by the public in response to food appeals and other fundraising efforts. Without the help from our volunteers we would not be able to offer our current levels of support during a period of ever increasing demand.

All members of the Board of Directors volunteer their experience, expertise and time to the benefit of Simon Community (Galway) and its continued development.

We expressed our heartfelt thanks to all who support us with their time at our annual Volunteer Appreciation Event.

Relationships with charities and other bodies

Simon Community (Galway) is one of eight Simon Communities operating in the Republic of Ireland, the others being in Cork, Dundalk, Dublin, Mid-West, Midlands, North West and South East. All the communities, together with the Simon National Office, comprise the national body, The Simon Communities of Ireland (SCI). Through SCI we are actively involved in advocacy work at a national level, including the Simon Week Campaign, the Locked Out of the Market series of studies and the Right to Housing Campaign.

Simon Community (Galway) actively promotes partnership working with statutory bodies and other charitable organisations in the provision of services and the pursuit of its advocacy goals. Examples of this work include participation in the Galway City Homeless Forum, the Homeless Forum Steering Group, Galway City Community Network and Voluntary Homeless Services. Nationally, we are members of the European Anti-Poverty Network (Ireland) and the Irish Council for Social Housing. In 2018, we engaged in partnerships with Cluid Housing, Túsla, St.

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DIRECTORS' REPORT - continued
For the year ended 31st December 2018

Vincent De Paul and COPE Galway in relation to different aspects of service development. We were one of a number of local organisations who collaborated to organise a Homelessness in Galway Conference in Spring 2018.

Health and safety

The organisation has a policy to ensure the health and welfare of its employees and clients by maintaining a safe place and systems in which to work. This policy is based on the requirements of the Safety, Health and Welfare at Work Act 2005. A revised Health & Safety Policy was adopted in 2018. A Safety Committee is in place and regular safety in the workplace audits were completed in 2018.

Pay policy for senior staff

The pay of senior staff within the organisation is either linked with a relevant grade within the HSE/Local Authority salary scales or benchmarked against pay levels in similar organisations working within this sector. We recognise previous experience at an equivalent level when placing staff on a relevant salary scale. We review the overall financial position of the company annually and when in a position to do so, award increments to staff members who are on a salary scale and fulfil the appropriate criteria for eligibility. Where recruitment for a particular role has proved difficult, we reserve the right to offer a market adjusted rate of salary, as appropriate, to attract experienced candidates.

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 organisation. The directors review the risks on an ongoing basis and 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, reputational and external risks.

The charity mitigates these risks as follows:

- The charity continually monitors the level of activity against its budgeted targets and projections. The charity has a policy of maintaining adequate cash reserves and it has also developed a strategic plan which will allow for the diversification of funding and activities;
- The charity closely monitors emerging changes to regulations and legislation on an on-going basis. It is compliant with the following standards:
 - The Governance Code, a code of practice for good governance of charities in Ireland
 - Financial Reporting Standard (FRS102) and the Charities Statement of Recommended Practice (Charities SORP FRS102)
 - The Statement of Guiding Principles for Fundraising
 - The Charities Institute Triple Lock
- We participate in and report on compliance with the Voluntary Regulation Code for Approved Housing Bodies in Ireland.

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 grants from statutory agencies and on fundraised income. Measures to reduce this risk include an investment in a fundraising strategy which includes a mix of income streams; positive negotiation with key stakeholders, funders and donors; and the management and control of budgets. Financial information is subject to detailed review at board level allowing for continuous monitoring of the charity's operations and financial status.

Operational risk

Simon Community (Galway) services are aimed at people who are vulnerable and socially isolated. Simon Community (Galway) 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

Simon Community (Galway) complies with a range of legislation and regulation. Non-compliance could incur penalties and result in reputational damage. Simon Community (Galway) has signed up to the various governance codes relating to the voluntary sector and the approved housing bodies. The policies, 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 charity's resources.

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DIRECTORS' REPORT - continued
For the year ended 31st December 2018

Reputational and external risks

Simon Community (Galway) delivers services on behalf of the wider community and relies on the support of that wider community. Damage to Simon Community (Galway)'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 Simon Community (Galway) to access more move-on accommodation / housing options for people, or a change in government policy or de-prioritisation of homelessness can all impact on the services Simon Community (Galway) can offer. Simon Community (Galway) campaigns and consults with key stakeholders to influence and mitigate the impact of these risks.

Commitment to Innovation and Quality

Simon Community (Galway) is working towards compliance with the draft National Quality Standards Framework (NQSf). The organisation is also working towards "Investing in Volunteers" accreditation. We continuously invest in training and upskilling of staff. We commissioned an independent review of our Emergency Service in 2018, and recommendations from the review have been implemented.

Events after the Balance Sheet date

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

Statement on relevant audit information

In accordance with Section 330 of the Companies Act 2014, so far as each person who was a director at the date of approval of this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all steps they are able to take as director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

Political donations

The Electoral (Amendment) (Political Funding) Act 2012 requires companies to disclose all political donations to any individual party over €200 in value. The directors confirm no such donations have been made.

Auditors

The auditors, Candor, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

Accounting records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with the appropriate expertise and the provision of adequate resources to the financial function. The accounting records are maintained at the company's office at Unit 18, Tuam Road Centre, Tuam Road, Galway.

On behalf of the board

Henry Cleary

Maureen Lynch

30th April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the year ended 31st December 2018

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council as modified by the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

On behalf of the board

Henry Cleary

Maureen Lynch

30th April 2019

INDEPENDENT AUDITORS' REPORT
For the year ended 31st December 2018



Opinion

We have audited the financial statements of Simon Community (Galway) for the year ended 31st December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council as modified by the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31st December 2018 and of its surplus for the year then ended; and
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' as modified by the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard as issued by the Irish Auditing and Accounting Service Authority ("IAASA") Ethical Standard, and the provisions available for small entities, in the circumstances set out in Note 25 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs 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 charity's ability to continue to adopt the going concern basis for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
For the year ended 31st December 2018

candor

Opinions on other matters prescribed by the Companies Act 2014

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

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- the accounting records of the charity were sufficient to permit the financial statements to be readily and properly audited;
- the financial statements are in agreement with the accounting records;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

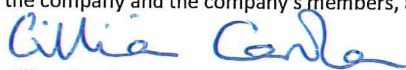
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 contained in the appendix to this report, located on page 16, which is to be read as an integral part of our report.

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

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Gillian Carolan

for and on behalf of

CANDOR

Chartered Accountants and Registered Auditors

Harris House

IDA Business Park

Tuam Road

Galway

Date:

30th April 2019

APPENDIX TO THE INDEPENDENT AUDITORS' REPORT



Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

| | Notes | Unrestricted funds € | Restricted funds € | Designated funds € | Total 2018 € | Total 2017 € |
|---|-----------|----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | | |
| Donations | | 453,189 | 17,841 | - | 471,030 | 437,573 |
| Legacies | | 297,617 | - | - | 297,617 | 546,830 |
| Other Fundraising Activities | 6 | 640,086 | 104,623 | - | 744,709 | 674,453 |
| Charitable activities | 4 - 5 | 375,558 | 3,543,590 | - | 3,919,148 | 3,513,264 |
| Interest | | 7,667 | - | - | 7,667 | 10,209 |
| Other income | 7 | 32,579 | - | - | 32,579 | 36,551 |
| Total income | | 1,806,696 | 3,666,054 | - | 5,472,750 | 5,218,880 |
| Expenditure on: | | | | | | |
| Raising funds | | 557,881 | - | - | 557,881 | 543,013 |
| Provision of homeless services | | - | 4,367,100 | - | 4,367,100 | 3,840,521 |
| Community Employment scheme | | - | 357,412 | - | 357,412 | 307,035 |
| Total expenditure | 8 | 557,881 | 4,724,512 | - | 5,282,393 | 4,690,569 |
| Capital Assistance Scheme loan repayments relieved | | 247,942 | - | - | 247,942 | 247,942 |
| Net income/(expenditure) before transfers | | 1,496,757 | (1,058,458) | - | 438,299 | 776,253 |
| Transfers between funds | | | | | | |
| Transfer to/(from) restricted fund deficit | | (1,185,807) | 1,185,807 | - | - | - |
| Transfer to/(from) designated funds | | (225,811) | - | 225,811 | - | - |
| Net movement in funds | | 85,139 | 127,349 | 225,811 | 438,299 | 776,253 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward on 1st January 2018 | | 4,653,545 | 240,474 | 673,316 | 5,567,335 | 4,791,082 |
| Total funds carried forward | 19 | 4,738,684 | 367,823 | 899,127 | 6,005,634 | 5,567,335 |

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 19 on page 33.

On behalf of the board

Henry Cleary

Maureen Lynch

30th April 2019

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

BALANCE SHEET
As at 31st December 2018

| | Notes | 2018 € | 2017 € |
|--|-------|-------------|-------------|
| Fixed assets | | | |
| Tangible assets | 13 | 6,893,464 | 6,965,809 |
| Current assets | | | |
| Debtors | 14 | 273,256 | 305,341 |
| Cash at bank and in hand | | 3,584,100 | 3,093,976 |
| Total current assets | | 3,857,356 | 3,399,317 |
| Creditors – Amounts falling due within one year | 15 | (986,554) | (791,217) |
| Net current assets | | 2,870,802 | 2,608,100 |
| Total assets less current liabilities | | 9,764,266 | 9,573,909 |
| Creditors – Amounts falling due after more than one year | 16 | (3,758,632) | (4,006,574) |
| Net assets | | 6,005,634 | 5,567,335 |
| Total funds of the charity | | | |
| Unrestricted funds | | 1,749,703 | 1,912,506 |
| Restricted funds | | 367,823 | 240,474 |
| Designated property maintenance reserve funds | | 647,308 | 572,196 |
| Designated strategic development reserve funds | | 251,819 | 101,120 |
| CAS loan payments relieved fund | | 2,988,981 | 2,741,039 |
| Total charity funds | 19 | 6,005,634 | 5,567,335 |

The notes on pages 20 to 35 form an integral part of these financial statements.

The financial statements on pages 17 to 35 were authorised for issue by the board of directors on the 30th April 2019 and signed on its behalf:

On behalf of the board

Henry Cleary

Maureen Lynch

30th April 2019

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

STATEMENT OF CASHFLOWS
For the year ended 31st December 2018

| | Notes | 2018 € | 2017 € |
|---|-------|-----------|-----------|
| Net cash provided by charitable activities | 21 | 543,874 | 577,394 |
| Cash flows from investing activities | | | |
| Payments to acquire tangible fixed assets | | (61,417) | (99,761) |
| Proceeds from sale of tangible fixed assets | | - | 1,144 |
| Interest received | | 7,667 | 10,209 |
| Net cash (used in)/provided by investing activities | | (53,750) | (88,408) |
| Change in cash and cash equivalents in the year | | 490,124 | 488,986 |
| Cash and cash equivalents at beginning of year | | 3,093,976 | 2,604,990 |
| Cash and cash equivalents at end of year | 22 | 3,584,100 | 3,093,976 |

On behalf of the board

Henry Cleary

Maureen Lynch

30th April 2019

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

Notes to the financial statements

1 General information

Simon Community (Galway) is a charitable organisation established to provide a wide range of care, accommodation and advocacy services to people who are homeless or at risk of becoming homeless.

Simon Community (Galway) is a company limited by guarantee in the Republic of Ireland and is a public benefit entity, (as defined by Section 3.40 of Charities SORP (GT1) (GT2)). The company is precluded by its constitution from paying a dividend either as part of normal operations or on distribution of the company's assets in the event of it being wound up. All income must be applied solely towards the charitable objectives of the company. The address of its registered office and principal place of business is Unit 18, Tuam Road Centre, Tuam Road, Galway.

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

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

2 Summary of significant accounting policies

The significant accounting policies used and consistently applied in the preparation of the entity's financial statements are set out below.

(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.

Simon Community (Galway) 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 relating to uncertainty at the end of the financial year. 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 3.

(b) Income

All income sources are included in the Statement of Financial Activities when the charity is entitled to the income, when the amount can be quantified with reasonable accuracy and when it is probable the income will be received. The following specific policies are applied to particular categories of income:

(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 organised by individuals or parties outside the control of the company. Accordingly, donations are recognised when the company has entitlement to the income and certainty of receipt and when 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 received into the company's bank accounts. Fund-raising income is shown gross before deduction of any overhead costs involved in raising such funds.

Notes to the financial statements - continued

(ii) Legacies

Income is recognised from legacies once the bequest has entered the company's bank accounts or title deeds of the related properties have transferred to the company.

(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

The directors have approved a change in accounting policy from 2015 onwards to record capital grants in restricted funds on receipt of the grant in order to comply with Charities SORP (FRS 102). On an annual basis, a transfer is made from the restricted reserve fund into the unrestricted reserve fund on the same basis as the related tangible fixed assets are depreciated.

(v) Income from charitable trading activities

Income from charitable trading activities is accounted for when earned, which is usually when the risk and rewards of ownership transfers and the sale can be reliably measured.

(c) Deferred income

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

(d) Capital Assistance Scheme Loans

Loans under Capital Assistance Schemes, receivable from local authorities for the purpose of acquiring and developing specified housing properties and advanced to the company 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 company is relieved of monthly capital and interest repayments by the relevant local authority, provided the company is in compliance with certain specified conditions. The repayments so relieved are recognised in the Statement of Financial Activities as they are waived or relieved.

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 and classified as amounts repayable within one year and amounts repayable after more than one year.

(e) Restricted and unrestricted funds

Simon Community (Galway) operates the following funds:

(i) Restricted funds

Restricted funds are donations and other income sources received for charitable purposes which are to be spent within a reasonable period from their receipt for specific purposes.

(ii) Unrestricted funds

Unrestricted income funds are donations and other income sources received or generated for charitable purposes which can be used at the discretion of Simon Community (Galway) in furtherance of the objects of the charity.

(iii) Designated funds

Simon Community (Galway) aims to maintain its housing properties in good condition and repair. The designated property maintenance fund represents unrestricted funds allocated for the future maintenance and development of the company's housing properties. The designated development reserve represents funds approved by the board to be used to fund developments and operational costs that could not be funded from annual reserve funding.

Notes to the financial statements - continued

(f) Expenditure

Expenditure is accounted for when it is incurred and includes amounts due but not paid at the end of the year. Expenditure includes Value Added Tax which cannot be recovered. Expenditures 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 on staff and volunteer numbers and utilisation.

Expenditure on raising funds includes the staff time spent directly 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. The costs are expensed when they are incurred although the benefit in terms of funds raised may occur in a future period.

(g) 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.

The company's property, plant and equipment are deemed to be held for its utilisation in services. Where there are indicators that the assets are not delivering on their anticipated service potential, consideration is given as to whether the asset is impaired or not. Accordingly, an impairment of fixed assets will only arise where the asset suffers impairment in a physical sense resulting in physical damage, or the assets are not delivering on their anticipated service utilisation.

Tangible fixed assets purchased for less than €3,000 are expensed in the Statement of Financial Activities in the year of purchase.

(i) Depreciation and residual values

Depreciation is calculated using the straight line method, so as to write off their cost less residual amounts over their estimated useful economic lives; some older assets may be depreciated using the reducing balance method over their estimated useful lives, as follows:

| | |
|-----------------------------------|--|
| Furniture, fixtures and equipment | 10% straight line or 10% reducing balance |
| Premises | 2% straight line (excluding site element estimated at 40%) |
| Motor vehicles | 25% straight line or 25% reducing balance |
| Shop fittings and fixtures | 10% straight line |
| Computer/IT equipment | 33% straight line |

The assets' residual values and estimated useful economic lives are reviewed at the end of each financial year and the depreciation charge adjusted, where appropriate, in order to reflect any revisions required.

Fully depreciated property, plant and equipment are retained in the asset register until they are removed from service.

(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.

Notes to the financial statements - continued

(h) 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 the transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. There are currently no financial asset arrangements that constitute 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 present value of the future payments, discounted at a market rate of interest for a similar debt instrument.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short term highly liquid investments with original maturities of three months or less.

(j) Contingencies

Contingent liabilities arising as a result of past events, are not recognised when;

- i) It is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or
- ii) When the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(k) Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Provisions are measured at present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost within the expenditure on charitable activities.

(l) Allocation of support costs

Support costs are derived from those functions that assist the work of the company but do not directly relate to charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charitable programmes and activities. These costs have been allocated on the basis of staff and volunteer numbers and utilisation as appropriate.

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

Notes to the financial statements - continued

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

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 section in the Directors' Report, for more information about the volunteers' contribution to the charity.

(n) 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. The assets are held separately from those of the company in an independently administered fund.

(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.

3 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the company's 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.

Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the company's 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.

(i) 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 13 for the carrying amounts of the tangible fixed assets and Note 2(g) for the useful economic lives for each class of tangible fixed assets.

(ii) Recognition of bequests

When the charity 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.

(iii) Going concern

A change in government policy regarding the grant funding provided to the company could have a negative impact on the services the company is able to provide and the ability of Simon Community (Galway) to continue as a going concern. The directors, after making enquiries and having considered the company's financial position and expected future cash flows, conclude there are no material uncertainties about the company'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.

4 Income from charitable activities

| | 2018 | 2017 |
|-----------------------------|------------------|------------------|
| | € | € |
| Government and other grants | 3,543,590 | 3,149,248 |
| Rental income | 375,558 | 364,016 |
| | 3,919,148 | 3,513,264 |

Notes to the financial statements - continued

Income from charitable activities – government grants

All grants detailed below are service type grants not of a capital nature, are for restricted use and the term of the grant is for the calendar year 2018 unless otherwise indicated.

25 | Page

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

Notes to the financial statements - continued

| Name and performance conditions\restrictions of grant | Total grant awarded over term | Grants due at 1 Jan 2018 | Grant amount received in the year | Grant taken to income in the year | Grants due at 31 Dec 2018 | Grant carried forward in restricted funds at 31 Dec 2018 | Grant expended in period |
|---|-------------------------------|--------------------------|-----------------------------------|-----------------------------------|---------------------------|--|--------------------------|
| | € | € | € | € | € | € | € |
| ESB Corporate Responsibility Fund | | | | | | | |
| Its purpose is to fund client health and wellbeing activities | 9,752 | - | 9,752 | 9,752 | - | 6,608 | 3,144 |
| Galway City Council Capital Expenditure Programme | | | | | | | |
| Its purpose is to fund two motor vehicles for Community Outreach Services | 23,000 | - | - | 23,000 | 23,000 | - | 23,000 |
| Irish Quaker Faith in Action | | | | | | | |
| Its purpose is to fund dental and chiropody treatment for clients | 7,000 | - | 7,000 | 7,000 | - | - | 7,000 |
| Galway City Council Social Inclusion grant | | | | | | | |
| Its purpose is to fund client social inclusion | 800 | - | 800 | 800 | - | - | 800 |
| HSE National Lottery Funds | | | | | | | |
| Its purpose is to fund purchase of defibrillators | 1,000 | - | 1,000 | 1,000 | - | - | 1,000 |
| Cara Nua Funding | | | | | | | |
| Its purpose is to fund specific client related activities | 2,381 | - | 2,381 | 2,381 | - | - | 2,381 |
| Total restricted income from grants | 3,543,590 | 194,371 | 3,560,113 | 3,543,590 | 177,848 | 194,417 | 3,349,173 |

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

Notes to the financial statements - continued

| | | |
|--|-----------------|-----------------|
| 6 Other Fundraising Activities | 2018 | 2017 |
| | € | € |
| Retail income from charity shops | 503,100 | 475,085 |
| Other Fundraising activities | 241,609 | 199,368 |
| | <hr/> | <hr/> |
| | 744,709 | 674,453 |
| 7 Other income | 2018 | 2017 |
| | € | € |
| Recharge to North West Simon Community for services provided | 31,649 | 31,649 |
| Miscellaneous items | 930 | 4,902 |
| | <hr/> | <hr/> |
| | 32,579 | 36,551 |

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

Notes to the financial statements - continued

8 Resources expended

Expenditure on charitable activities has been classified to comply with Charities SORP (FRS 102). Such costs include the direct costs of providing homeless services together with those support costs (training, volunteering, finance and administration costs) incurred that enable these activities to be undertaken. These have been allocated across the activities based on staff and volunteer numbers and utilisation.

Total support costs for 2018 of €523,222 were 10% of the total expenditure (2017: €493,755: 10.5%) and include headcount costs of €370,342 and administration costs of €146,403. These costs are reflected in the Statement of Financial Activities and a breakdown is included in the table below:

| | Staff costs | Direct costs | Depreciation costs | Training and volunteering costs | Support costs | Total |
|---|------------------|------------------|--------------------|---------------------------------|----------------|------------------|
| | € | € | € | € | € | € |
| For the year ended 31st December 2018 | | | | | | |
| Homeless services | 2,881,797 | 753,234 | 123,976 | 138,485 | 433,731 | 4,331,223 |
| Advocacy & Campaigning | 31,184 | - | - | - | 4,693 | 35,877 |
| Total Charitable activities | 2,912,981 | 753,234 | 123,976 | 138,485 | 438,424 | 4,367,100 |
| Community Employment Scheme | 298,481 | 14,007 | - | - | 44,924 | 357,412 |
| Raising funds | 264,928 | 243,487 | 6,451 | 3,141 | 39,874 | 557,881 |
| Training and volunteering | - | 142,091 | 2,677 | (144,768) | - | - |
| Support costs | 370,342 | 146,403 | 3,335 | 3,142 | (523,222) | - |
| Total 2018 | 3,846,732 | 1,299,222 | 136,439 | - | - | 5,282,393 |
| | | | | | | |
| | Staff costs | Direct costs | Depreciation costs | Training and volunteering costs | Support costs | Total |
| | € | € | € | € | € | € |
| For the year ended 31st December 2017 | | | | | | |
| Homeless services | 2,522,407 | 668,116 | 113,087 | 130,325 | 406,586 | 3,840,521 |
| Community Employment Scheme | 254,861 | 11,094 | - | - | 41,080 | 307,035 |
| Raising funds | 285,940 | 201,673 | 5,900 | 3,411 | 46,089 | 543,013 |
| Training and volunteering | - | 133,417 | 2,677 | (136,094) | - | - |
| Support costs | 356,329 | 132,560 | 2,508 | 2,358 | (493,755) | - |
| Total 2017 | 3,419,537 | 1,146,860 | 124,172 | - | - | 4,690,569 |

Support costs include internal finance, maintenance, I.T., human resources, administration and general management functions. Training costs relate to the cost of running 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.

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

Notes to the financial statements - continued

| | | |
|---|-------------|-------------|
| 9 Operating surplus is stated after charging/(crediting) | 2018 | 2017 |
| | € | € |
| Operating surplus is stated after charging/(crediting): | | |
| Staff costs (Note 10) | 3,846,732 | 3,419,537 |
| Depreciation | 133,762 | 121,496 |
| Profit on disposal of fixed assets | - | (1,144) |
| Auditors' remuneration | | |
| Audit of charity's financial statements | 4,920 | 4,920 |
| Audit of Community Employment Scheme | 984 | 984 |
| <hr/> | | |
| 10 Employee information and benefits | | |
| (a) The average number of employees (as calculated using the methodology required by Companies Act 2014) during the year is analysed below: | 2018 | 2017 |
| | No. | No. |
| Chief Executive Officer | 1 | 1 |
| Head of Client Services | 1 | 1 |
| HR Manager (part-time) | 1 | 1 |
| Financial Controller (part-time) | 1 | 1 |
| Fundraising team | 5 | 6 |
| Team leaders | 4 | 4 |
| Housing Support Care staff | 42 | 35 |
| Property Development and Housing Officer | 1 | - |
| Quality and Best Practice Co-Ordinator | 1 | 1 |
| Communications (including student placement) | 2 | 2 |
| Relief Care Staff | 38 | 32 |
| Multi-Disciplinary Team | 6 | 4 |
| Office Manager/Administrator | 1 | 1 |
| Accounts Department | 2 | 2 |
| CE Supervisor and Training Co-ordinator | 1 | 1 |
| Shop Staff | 2 | 2 |
| Van Driver (part-time) | 1 | 1 |
| CE Scheme Participants | 19.5 | 20 |
| | 129.5 | 115 |
| <hr/> | | |
| (b) The company's employment costs for all employees comprise: | 2018 | 2017 |
| | € | € |
| Wages and salaries | 3,434,104 | 3,038,937 |
| Social insurance costs | 334,345 | 299,710 |
| Pension costs | 78,283 | 80,890 |
| | 3,846,732 | 3,419,537 |
| <hr/> | | |

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

Notes to the financial statements - continued

| (c) The number of employees receiving remuneration over €60,000 in the year was as follows: | 2018 | 2017 |
|---|-------------|-------------|
| | No. | No. |
| Salary | | |
| €60,001 to €70,000 | 1 | 1 |
| €70,001 to €80,000 | 1 | - |
| €80,001 to €90,000 | - | 1 |
| | 2 | 2 |

Pension costs for these higher paid employees amount to €6,779 in 2018 (2017: €7,206). The company's Chief Executive Officer, Karen Golden, received a gross salary of €75,208 and an employer's pension contribution of €3,750.

Simon Community (Galway) employs staff as participants in government sponsored Community Employment Schemes. The company additionally engages full-time volunteers directly involved in providing services for homeless persons.

11 Directors' remuneration

No members of the management committee received any remuneration during the year or during the prior year.

12 Taxation

No provision for taxation has been made because the company, being a registered charitable organisation, is exempt from tax under Section 207 and 208 of the Taxes Consolidation Acts, 1997.

| 13 Tangible fixed assets | Residential properties | Computer equipment | Furniture and fittings | Office equipment | Motor vehicles | Total |
|-----------------------------------|-------------------------------|---------------------------|-------------------------------|-------------------------|-----------------------|------------------|
| | € | € | € | € | € | € |
| Cost | | | | | | |
| At 1 st January 2018 | 7,857,126 | 40,579 | 263,499 | 59,879 | 118,440 | 8,339,523 |
| Additions | 12,100 | 18,022 | - | - | 31,295 | 61,417 |
| Disposals | - | - | - | - | - | - |
| At 31 st December 2018 | 7,869,226 | 58,601 | 263,499 | 59,879 | 149,735 | 8,400,940 |
| Accumulated depreciation | | | | | | |
| At 1 st January 2018 | 961,234 | 35,563 | 255,279 | 59,879 | 61,759 | 1,373,714 |
| Charge for the year | 95,961 | 8,019 | 1,098 | - | 28,684 | 133,762 |
| Charge on disposals | - | - | - | - | - | - |
| At 31 st December 2018 | 1,057,195 | 43,582 | 256,377 | 59,879 | 90,443 | 1,507,476 |
| Net book value | | | | | | |
| At 31 st December 2018 | 6,812,031 | 15,019 | 7,122 | - | 59,292 | 6,893,464 |
| At 1 st January 2018 | 6,895,892 | 5,016 | 8,220 | - | 56,681 | 6,965,809 |

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

Notes to the financial statements - continued

| 14 Debtors | 2018 | 2017 |
|---|----------------|----------------|
| | € | € |
| Amounts falling due within one year: | | |
| Galway City Council | 20,850 | 12,023 |
| Galway County Council | - | 33,500 |
| Galway City Council Capital Expenditure Programme | 23,000 | - |
| Community Employment grant | 12,616 | 14,574 |
| Health Service Executive core grant retention | 88,000 | 83,699 |
| Health Service Executive specific support plan | 17,056 | 31,344 |
| European Volunteer Scheme grant | 16,326 | 19,286 |
| North West Simon Community | 5,351 | 35,617 |
| Other debtors | 65,886 | 57,103 |
| Sundry debtors | 24,171 | 18,195 |
| | 273,256 | 305,341 |

| 15 Creditors – Amounts falling due within one year | 2018 | 2017 |
|---|----------------|----------------|
| | € | € |
| Trade creditors | 171,165 | 228,095 |
| Accruals | 203,858 | 140,315 |
| PAYE and pay related social insurance | 85,028 | 83,227 |
| Relevant Contracts Tax | 6,567 | 13,813 |
| Deferred income (Note 17) | 190,697 | 38,640 |
| Other creditors | 81,297 | 39,185 |
| Capital Assistance Scheme loans (Note 16) | 247,942 | 247,942 |
| | 986,554 | 791,217 |

Deferred income represents the funding received in advance relating to the Community Employment Scheme grant to be recognised as income in the year ended 31st December 2018.

| 16 Creditors – Amounts falling due after more than one year | 2018 | 2017 |
|--|------------------|------------------|
| | € | € |
| Capital Assistance Scheme loans | 3,758,632 | 4,006,574 |
| | 3,758,632 | 4,006,574 |

Loans under Capital Assistance Schemes are received by Simon Community (Galway) from Galway City Council, by way of mortgage, with repayable periods for each funding agreement ranging from 20 to 30 years. Galway City Council has a charge over Simon Community (Galway) properties as security for the finance provided. Under the terms of the mortgage, Simon Community (Galway) is relieved of monthly capital and interest payments so long as it is in compliance with 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 €3,758,632 (2017: €4,006,574) represent the aggregate finance received to date as reduced by the cumulative repayments relieved to date of €2,988,981 (2017: €2,741,039).

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

Notes to the financial statements - continued

| | | |
|---|-------------|-------------|
| The loans are repayable in the following periods: | 2018 | 2017 |
| | € | € |
| Within one year | 247,942 | 247,942 |
| Between one and two years | 495,883 | 495,883 |
| Between two and five years | 743,825 | 743,825 |
| After five years | 2,518,924 | 2,766,866 |
| | 3,758,632 | 4,006,574 |
| 17 Deferred income | 2018 | 2017 |
| | € | € |
| At 1 st January | 38,640 | 36,286 |
| Community Employment grant advance utilised in current year | (38,640) | (36,286) |
| Community Employment grant advance for following year | 52,850 | 38,640 |
| Local Authority Funding received for following year | 53,713 | - |
| Leargas funding received for following year | 84,133 | - |
| At 31 st December | 190,696 | 38,640 |
| Split of deferred income: | | |
| Amounts falling due within one year | 190,696 | 38,640 |
| Amounts falling due after more than one year | - | - |
| | 190,696 | 38,640 |

18 Capital reserves

Capital reserves are represented by an amount of €9,368 being the excess of assets over liabilities transferred to the company by the directors of Simon Community (Galway) on commencement of operations on the 12th January 1989. In 2016, it was decided that capital reserves could be transferred to accumulated restricted reserve.

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

Notes to the financial statements - continued

19 Reconciliation of movements in accumulated funds

| Funds description | Balance at start of year | Incoming resources | Resources expended | CAS Loan repayments relieved | Transfers | Balance at end of year |
|--|-------------------------------------|-------------------------------|-------------------------------|---|------------------|-----------------------------------|
| | € | € | € | € | € | € |
| Restricted income | | | | | | |
| Health Services Executive | 130,000 | 2,053,419 | (2,009,813) | - | - | 173,606 |
| Galway City Council | - | 889,536 | (889,536) | - | - | - |
| Galway County Council | - | 66,996 | (66,996) | - | - | - |
| Health Services Executive – Drugs Task Force | - | 56,319 | (56,319) | - | - | - |
| Túsla | - | 20,000 | (20,000) | - | - | - |
| Donegal County Council | - | 28,576 | (28,576) | - | - | - |
| Léargas | - | 29,385 | (29,385) | - | - | - |
| Department of Social Protection – Community Employment | - | 311,060 | (311,060) | - | - | - |
| St. Vincent de Paul | - | 9,935 | (9,935) | - | - | - |
| Community Federation of Ireland | - | 25,000 | (16,847) | - | - | 8,153 |
| Loreto Foundation Grant | - | 5,681 | - | - | - | 5,681 |
| Youth Foundation | - | 3,750 | (3,381) | - | - | 369 |
| Electric Ireland | - | 9,752 | (3,144) | - | - | 6,608 |
| Galway City Council CEP grant | - | 23,000 | (23,000) | - | - | - |
| Cara Nua grant | - | 2,381 | (2,381) | - | - | - |
| Irish Quaker Faith in Action | - | 7,000 | (7,000) | - | - | - |
| Galway City Council Grant for Social Inclusion | - | 800 | (800) | - | - | - |
| HSE National Lottery Funding | - | 1,000 | (1,000) | - | - | - |
| Other restricted donations (including fundraising) | 38,926 | 122,464 | (64,387) | - | 8,000 | 105,003 |
| Capital grants received in prior years | 62,180 | - | (3,145) | - | - | 59,035 |
| Capital reserves | 9,368 | - | - | - | - | 9,368 |
| Total restricted funds | 240,474 | 3,666,054 | (3,546,705) | - | 8,000 | 367,823 |
| Unrestricted reserves | 1,912,506 | 1,806,696 | (1,735,688) | - | (233,811) | 1,749,703 |
| Designated property maintenance | 572,196 | - | - | - | 75,112 | 647,308 |
| Designated strategic development | 101,120 | - | - | - | 150,699 | 251,819 |
| Community Assistance Scheme loan payments waived | 2,741,039 | - | - | 247,942 | - | 2,988,981 |
| Accumulated funds | 5,567,335 | 5,472,750 | (5,282,393) | 247,942 | - | 6,005,634 |

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

Notes to the financial statements - continued

20 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Designated funds | CAS Loan payments relieved | Total funds 2018 |
|--|-----------------------|---------------------|---------------------|----------------------------------|------------------------|
| | € | € | € | € | € |
| Tangible assets | (102,091) | - | - | 6,995,555 | 6,893,464 |
| Current assets | 3,237,714 | 367,823 | 251,819 | - | 3,857,356 |
| Creditors falling due within one year | (738,612) | - | - | (247,942) | (986,554) |
| Creditors due after more than one year | - | - | - | (3,758,632) | (3,758,632) |
| Net assets at 31st December 2018 | 2,397,011 | 367,823 | 251,819 | 2,988,981 | 6,005,634 |

21 Reconciliation of net income to net cash flow from charitable activities

| | 2018 € | 2017 € |
|--|----------------|----------------|
| Income for the period (as per the Statement of Financial Activities) | | |
| Net income | 190,357 | 528,311 |
| Depreciation charges | 133,762 | 121,496 |
| Loss/(Profit) on disposal of tangible assets | - | (1,144) |
| Decrease/(increase) in debtors | 32,085 | (23,246) |
| Increase/(decrease) in deferred income | 152,057 | 2,354 |
| Increase/(decrease) in creditors | 43,280 | (40,168) |
| Bank Interest Received | (7,667) | (10,209) |
| Net cash provided by charitable activities | 543,874 | 577,394 |

22 Analysis of cash and cash equivalents

| | At 1 st January 2018 € | Cash flow € | At 31 st December 2018 € |
|--------------------------|--|-------------------|--|
| Cash at bank and in hand | 227,230 | 1,645,835 | 1,873,065 |
| Notice Deposits | 2,866,746 | (1,155,711) | 1,711,035 |
| Net funds/(debt) | 3,093,976 | 490,124 | 3,584,100 |

23 Capital commitments

The company did not have any capital commitments at the year end.

24 Contingent liabilities

The company did not have any contingent liabilities at the year end.

25 APB Ethical Standard – Provisions Available for Small Entities

In common with many other businesses of our size and nature, we use our auditors to assist with preparation of the financial statements.

26 Limited liability

The company is limited by guarantee and does not have a share capital. Each member's liability in the event of winding up will not exceed €2.

Notes to the financial statements - continued

27 Post Balance Sheet events

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

28 Related party transactions

There were no related party transactions during the year.

29 Tax clearance

Simon Community (Galway) has an up to date tax clearance certificate as at the date of approval of the financial statements.

30 Approval of financial statements

The accounts were approved by the board of directors on 30th April 2019.