

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

**Consolidated Annual Report**  
**Financial Year Ended 31 December 2021**

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## **REFERENCE AND ADMINISTRATION DETAILS**

### **Board of Directors as at 27 June 2022**

Ann FitzGerald  
Katherine Harford  
James Leonard  
Eoin MacCuirc  
Christine Moloney  
Anthony O'Donovan (Chair)  
Peter O'Meara  
Sean Ormonde  
Deirdre O'Shaughnessy  
James O'Shaughnessy  
Brendan Ryan  
Mary Ryan  
Leslie Warren

### **Solicitors**

Murphy Lynam & Co  
Courthouse Chambers  
Washington Street  
Cork

Nolan Farrell and Goff  
Newtown  
Waterford

### **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

Allied Irish Banks plc  
The Quay  
Waterford

**Charitable Status No:** CHY 9155

**Charity Regulatory Authority No:** 20022914

**Registered No:** 42511

### **Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Albert Quay  
Cork

## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements of Cork Simon Community ("the Company", "the Community" or "Cork Simon") for the year ended 31 December 2021 and its subsidiary, Simon Community ( South East ) Company Limited by Guarantee ("South East Simon") (together "the Group").

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the Group's and company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Group for the financial year. The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) and Irish statute comprising Companies Act 2014 as applied in accordance with the Statement of Recommended Practice (SORP) (FRS 102) 'Accounting Reporting by Charities' as jointly published by the Charity Commission for England and Wales and the office of the Scottish Charity Regulator, who are recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with the SORP is considered best practice for charities in Ireland. The directors consider the adoption of the SORP requirements is the most appropriate practice and presentation to properly reflect and disclose the activities of the Group and Company. The corresponding figures included in the comparative financial statements are prepared on the same basis.

### **Overview of Group**

On 19 November 2020, Cork Simon acquired control of South East Simon (see note 22). This has been accounted for as using merger accounting in the Group financial statements. South East Simon is a company limited by guarantee in the Republic of Ireland and its registered office is 10A Waterside, Waterford.

### **Objectives and activities**

The parent undertaking, Cork Simon Community, was founded in 1971 for the charitable purpose of alleviating homelessness and the problems associated with homelessness. South East Simon Community was established in 2003 with a similar purpose. Both entities work 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. Both entities 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 both entities' services are experiencing the following or a combination of the following: suffering from the impacts of poverty, childhood trauma, social deprivation, low income, weak social and familial supports and networks, social exclusion, sleeping rough, physical health problems, a range of mental health issues (including chronic), addiction, substance misuse, behavioural concerns, surviving abuse, learning difficulties and self-harming.

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

Both entities offer 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. Both entities are each an Approved Housing Body and social landlords. We work to a Housing Led approach to addressing homelessness.

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

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

## DIRECTORS' REPORT - continued

### Objectives and activities - continued

In 2021, Cork Simon provided the following services:

- **Outreach team:** Working on the street and from our Day Service, the team supports people sleeping rough, surviving in squats or people who have no other option but to stay with friends – people on the very edge of homelessness. Often the first point of contact for people falling into homelessness, the team works to make sure the most appropriate supports are available to address each person's individual needs. These supports include access to accommodation and housing and harm reduction supports relevant to problem drug and alcohol use. The Outreach Team continued to operate throughout the COVID-19 pandemic.
- **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. During the course of the pandemic, and in line with public health guidelines the Soup Run operated as a takeaway service.
- **Emergency shelter:** Open around the clock, the shelter provides care, accommodation, and one-to-one support for people each night. The shelter team works with each resident, assessing their needs and working with them on a clear pathway out of homelessness as quickly as possible. During the course of the pandemic the Shelter ended use of double rooms in line with public health guidelines. Staff worked closely with Cork City Council to ensure alternative emergency accommodation was available.
- **Night Light:** Additional emergency accommodation in response to a growing need, consisting of up to 16 spaces per night. Night Light beds are medium threshold and are available during night-time hours. These extra emergency spaces were first put in place as part of Cork City's Winter initiative in November 2017. The need has been such that we have continued to provide these places throughout the year. The capacity of the main dormitory area had to be reduced from 16 to 5 in order to function in line with public health guidelines.
- **Day service:** A hub of activity housing a specialist team of doctors, nurses, counsellors and other health professionals who provide the most appropriate healthcare for people who are sleeping rough or staying in our Emergency Shelter. Our Rough Sleeper Service also operates from the centre, providing rough sleepers with shower and laundry facilities, breakfast and an opportunity to explore housing options. The centre is also used for a variety of training courses. During the course of the COVID-19 pandemic the numbers allowed into the centre at any one time was reduced in line with public health guidelines.
- **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. This service continued as normal during the pandemic
- **Housing support services:** Cork Simon provides a rapid resettlement service and intensive support services in line with our Housing-Led approach to tackling homelessness. This means supporting people to move out of homelessness as quickly as possible and into permanent housing with a tailored visiting support package for as long as each person needs. As social landlord we provide some permanent housing directly, we make housing available in the private rented sector through our Social Rentals initiative and we work closely with other social housing providers so as to make sure the most appropriate housing is available to suit people's individual needs. In order to reduce pandemic related risks some housing support was delivered over the phone and via video calls during the pandemic.

## DIRECTORS' REPORT - continued

### Objectives and Activities – continued

- **Cork Region Housing First Service:** Cork Simon is the lead agency for the Cork Region Housing First Service. The service is delivered in partnership with Focus Ireland and with the Health Service Executive (HSE). The service was established in April 2020 and provides housing linked to intensive case management, clinical nursing, addiction counselling and related support for people who are long term homeless with very complex support needs. We reached the target for the service to have 40 tenancies in place by 2022. Half of the units are to be delivered by Cork Simon / Focus Ireland and the remainder by Cork City Council. The service has been extended for two years to 2024.
- **High support housing:** We also provide intensive levels of round-the-clock care every day for men and women whose health and other personal support needs are such that they are unable to live independently. Residents have their own room and share kitchen and other common areas. Experienced care workers and trained volunteers staff all five high-support houses. One of these houses, Gateway, operates as a recovery-oriented pre-stabilisation service for people with addiction issues. Another, Mill House, provides support to people with severe problem-alcohol use and allows for controlled drinking on the premises in line with harm reduction principles.
- **Specialist services:** A range of services which include a drug and alcohol programme, an addiction aftercare support and housing service (providing 7 aftercare beds in two houses), the provision of counselling and addiction counselling services, that coordinate with the Youth Homelessness and Drug Prevention programme, the Employment & Training Service initiatives, the activities programme 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 is 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. This service was heavily impacted during the pandemic with classes being suspended for a period and staff redeployed, In person teaching was replaced with online options and supports and with the return to in-person education and training social distancing rules mean that reduced class sizes have been the norm.
- **Community engagement and activities programme:** Working across all Cork Simon services, the programme creates opportunities for people to build social support networks, build self-confidence, and interact positively with the wider community. This helps to tackle loneliness, boredom and isolation. Participation in activities can often be a doorway to further education and training. This service was heavily impacted during the pandemic with activities being suspended for a period and staff redeployed.
- **Campaigning programme:** We communicate information and policy advocacy messages to stakeholders, the general public, to politicians, policy makers and influencers, among other. We work closely with the Simon Communities of Ireland in its national policy advocacy work.
- **Volunteering programme:** We provide full time and part time volunteers, and student placement opportunities across our services.

In 2021, South East Simon provided a similar range of services. These are outlined in detail in the separate financial statements on that company.

## **DIRECTORS' REPORT - continued**

### **Review of activities in 2021**

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

- 1,027 people turned to Cork Simon Services and 98 people turned to South East Simon for care and a range of supports in 2021.
- 55 people were newly housed in 2021, moving to secure and affordable, independent and supported housing or high-support housing.
- Our Housing and Support Services supported 234 people throughout 2021. Working to a Housing First philosophy, the Housing and Support service supports people to move from homelessness to secure and appropriate housing and through tailored supports, helps people maintain their homes and work towards fulfilling their goals.
- Between the Emergency Shelter and the Nightlight, an average of 39 people per night relied on Cork Simon for emergency accommodation.
- Our Outreach service recorded 274 people sleeping rough for at least one night during 2021.
- 416 people depended on our emergency shelter and night light for care and supports in the heart of Cork city.
- The Soup Run served 5,915 hot meals and provided one-to-one supports to on average 16 people per night.
- 522 people presented to the Day Service during 2021. The majority were people who were rough sleeping or in a range of temporary housing.
- Addiction Treatment & Aftercare service supported 73 people. 95 people availed of our needle exchange service. Our Youth Homeless Drug Prevention service supported 21 young people.
- 46 people lived in our four high-support houses in which Cork Simon provides communal accommodation and on-site round-the-clock supports.
- 101 people engaged with the Education, Training and Employment Project in 2021. 85 were male (84%), 16 were female (16%).
- More than 16,000 kind hearted and committed donors donated €6 million in support of our work.
- Volunteers remain at the heart of everything we do. We are thankful for the volunteers who continue to help improve the quality and effectiveness of all our services for people who are homeless in Cork. 178 part-time volunteers and 26 full-time volunteers from 6 different countries gave generously of their time and skills during 2021. They worked alongside our highly trained and experienced staff in reaching out to and supporting people using our services. Volunteers are involved in every aspect of Cork Simon's work: in our emergency shelter; visiting people; getting involved in sports, arts and other activities; helping people develop life skills like cooking and literacy; and doing office and administration. Volunteers join with the Outreach team in providing the Soup Run. Volunteers organise and participate in a variety of events including flag days and collections, and community-based events to help raise funds. The Board of directors are all volunteers.

In 2021, South East Simon conducted a similar range of activities. These are outlined in detail in the separate financial statements on that company.

## **DIRECTORS' REPORT - continued**

### **Achievements and performance**

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

- We had a major focus on keeping Cork's vulnerable homeless population safe from COVID-19.
- We progressed work on our Community Plan (strategy) for the years to 2025. This includes the further elaboration of our Housing Led and Trauma Informed approach to addressing homelessness and incorporates planning for South East Simon.
- We actively promoted the Housing First / Housing Led approach which is aimed at making sure people experiencing homelessness are assisted to live their lives in their own ways through a model that offers choices in both housing and support services to facilitate personal empowerment and recovery.
- We continued to take a Trauma Informed Care approach to service delivery across all Cork Simon services. This involves implementing learning from the research and audit of services from a trauma informed perspective and training for staff in the principles of trauma informed practice.
- We increased our housing stock by acquisition and leasing arrangements, as well as completion of the St Joachim and Anne property.
- We completed renovation work, in line with planning permission, at St Joachim and Anne building at Anglesea Street, Cork, to sensitively convert this listed building into eight independent living apartments for people who are long term homeless.
- As part of the Cold Weather Initiative for Cork City, we again agreed with the Cork City Council to keep the Night Light service open throughout the year. While this is a basic service, it provides respite from the street and a warm place for people.
- With funding through the Cork City Council, we continued the Cork Regional Housing First service, in partnership with Focus Ireland. The service benefits greatly from the support of the HSE, clinical support specialists who work side by side with the Case Management Team in delivering intensive supports to clients of the service.
- Our Campaigning programme continued to conduct the 'Locked out of the Market' studies throughout 2021. These reports highlighted the ongoing gap between Rent Supplement/Housing Assistance Payment and raising rents in Cork and nationally, reflecting the challenges people using our services face when trying to find an affordable home. Through our ongoing programme we raise awareness and recruit the wider public to help communicate the severity of the housing and homeless crisis, to politicians, policy makers and influencers, among others.
- We marked the 50<sup>th</sup> anniversary of Cork Simon with the '50 Faces' series, and we continued to grow and develop our engagement with social media audiences.
- With the generosity of our donors, our fundraising team of staff and volunteers raised almost €5.7 million gross in voluntary donations and bequests in 2021 a hugely impressive achievement at a time of pandemic. This support is required to deliver and sustain each of our services.
- We continued the integration with South East Simon Community in the areas of Housing First, homeless services, fundraising, accounting, staffing and management supports. All staff providing South East Simon Community services are employees of Cork Simon Community and we have worked to implement that same policies across the wider team.
- We are implementing the National Quality Standards Framework standards of service delivery and document how this can be evidenced.
- Our GDPR working group continued to review and improve processes and policies across the organisation.



## **DIRECTORS' REPORT - continued**

### **Achievements and performance - continued**

- Our Women in Services and a Women in the Workplace working groups continue their work during 2021 with some disruption as a consequence of the COVID-19 crisis.
- 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.

The achievements and performance of South East Simon is outlined in detail in the separate financial statements on that company.

### **Financial review**

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

- The financial results for the year ended 31 December 2021 are shown in the Consolidated Statement of Financial Activities on page 19. This includes the results of Cork Simon and of South East Simon for the year.
- Income from allocations and grants from other agencies accounted for 40% of income for 2021 (2020: 40%). Fundraising and other income account for 60% of income in 2021 (2020: 60%).
- Total income amounted to €11,425,687 (2020: €11,865,016). This includes €36,000 received in 2021 as capital donations and restricted to housing capital. Total expenditure was €11,407,945 (2020: €10,297,735). The net movement in funds is reported as an increase of €701,254.

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The end of year consolidated reserves are reported as €8,630,885. These reserves are comprised of:

Unrestricted funds	3,675,183
Restricted funds	249,090
Designated funds	2,730,000
Restricted building funds	1,976,612
Total reserves as reported at year end	<u>8,630,885</u>

Restricted funds include €98,945 of grants restricted for South East Simon.

### **COVID-19**

During the year, the COVID-19 coronavirus pandemic continued to cause significant financial market, economic and social disturbance globally and in Ireland, including significant disruption to business and economic activity. As the provider of essential services during the COVID-19 pandemic, we continued to provide housing and support services to people who rely on our services. We worked closely with the HSE, local authorities and other agencies to manage the operational risks of COVID-19. Notwithstanding the challenges created by the pandemic, the Group's and Company's income generation proved to be resilient since the start of the crisis in March 2020 and in 2021, as set out in the 'Financial Review' section of this report. In spite of this, the high demand for the Group's and Company's services persists and the directors continue to monitor risks and uncertainties to their income sources.

### **Reserves and investment strategy**

Cork Simon and South East Simon have 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 and South East 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 and South East Simon have 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 and South East Simon hold 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 €2,730,000 in the Group financial statements and €2,430,000 in the Company financial statements.

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**

### **Vision**

Our strategic vision for Cork Simon and South East Simon can be stated in one line: *“Achieving Functional Zero Homelessness by 2030 in the communities we serve”*

Functional Zero homelessness is achieved when there are enough services, housing and shelter beds for everyone who needs it. When Functional Zero is achieved, nobody becomes or remains long term homeless.

Our mission is to play a leading role in providing housing and services aimed at preventing and ending homelessness in the South West and South East Regions via:

- Initiatives aimed at the prevention of homelessness and diversion from enmeshment in homeless services
- Provision of sufficient short term housing-orientated shelter and supports
- Provision of sufficient housing and support in housing to prevent and end long term homelessness.

Our focus between 2022 and 2025 will be on ensuring that all our services are housing orientated, trauma informed, focused on harm reduction and on promoting recovery and greater personal independence. In line with this we will expand our shelter provision where necessary and will be moving away from dormitory style provision and shared rooms and towards single room occupancy in such services.

We will be increasing our housing delivery substantially with a particular focus on one bed apartments in line with participant needs. We will build our capacity to manage our growing housing stock effectively and efficiently. We will evaluate and enhance services provided in High Support Housing.

We will continue to develop our Housing First and Housing Led support services for people leaving homelessness, as well as our range of specialist support services relating to addiction, social integration and education, training and employment.

We will proactively engage in partnerships, networks and campaigns aimed at maximizing our influence and impact on ending homelessness in our regional areas. We will also work to ensure that our organisational structure, infrastructure, culture and communications are enhanced to support organisational growth and effectiveness and to build resilience in challenging times.

### **Plans for future periods**

Cork Simon's main priorities in 2022 are:

- Complete our Community Plan for the period 2022-2025.
- Continue to align all Cork Simon services with a Trauma Informed Care approach.
- Facilitate faster onward progression for people out of homelessness, in line with Housing Led principles.
- Move towards ending our reliance on large scale institutional emergency accommodation. Increase the number of scatter site flats and inclusive housing projects.
- Secure additional housing units through a range of sources, including properties owned by Cork Simon, as housing options for people in emergency and temporary accommodation or sleeping rough in Cork and Kerry.
- Continue to deliver housing and intense support services to people who are long term homeless under the Cork city, Cork County and Kerry County Housing First services.
- Plan for the development of the property at Railway Street, for which planning was granted in May 2022.
- Continue to support people who are sleeping rough to reduce harms associated with life on the streets.
- Secure funding for several services which Cork Simon has successfully piloted and which have been financed by fundraised income, including our coordinated education, training and employment service, our activities programme and our aftercare service.
- Enhance specialist services including services for young people, women, people with drug & alcohol addictions and people with mental health issues.

## **DIRECTORS' REPORT - continued**

### **Plans for future periods – continued**

- Improve the situation of people who are currently homeless through Cork Simon acting as a leading advocate for the right to housing and supports for all at a national and local level.
- Continue to maintain and develop Cork Simon's broad support base and promote a general understanding of the causes of and solutions to homelessness.
- Continue to implement the proposed actions from the independent review of Cork Simon management, board and governance structures.
- Continue to implement the 8 themes of the National Quality Standards Framework across all services.
- Complete the process of operational integration with South East Simon Community.
- Demonstrate how we comply with the new Charities Regulator Governance Code.
- Demonstrate how we comply with the Governance and Performance Standards issued by the Approved Housing Bodies Regulatory Authority.

South East Simon Community's main priorities in 2022 are:

- Complete a strategic plan for the period 2022-2025 jointly with Cork Simon Community.
- Align all South East Simon Community services with a Housing Led approach.
- Facilitate faster onward progression for people out of homelessness.
- Carry out a review of South East Simon Community governance and management structures and arrangements.
- 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.
- Identify and access an increased number of housing units suitable for the needs of people we support and through various sources.
- Secure sustainable funding to support ongoing services.
- Improve the situation of people who are currently homeless through South East Simon Community 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 South East Simon Community support base and promote a general understanding of the causes of and solutions to homelessness.
- Implement the National Quality Standards Framework across our services.
- To continue the integration with Cork Simon Community in the areas of housing and homeless services, fundraising, accounting, staffing and management supports.
- Complete the transfer to South East Simon of six properties in Clonmel which are currently owned by Simon Communities of Ireland. South East Simon is providing housing and support services at these properties.

## **DIRECTORS' REPORT - continued**

### **Relationships with other bodies**

Cork Simon and South East Simon recognise that the range of needs of people who are homeless are too complex for one organisation to solve. Both entities foster relationships and working arrangements with a variety of other agencies and providers of related services.

- Cork Simon Community and South East Simon are part of a network of eight independent Simon Communities operating in the Republic of Ireland, the others being in Dundalk, Dublin, Midlands, 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 and South East Simon are each 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. Similarly, South East Simon Community has close links with other agencies in providing services for people who are homeless. We are members of the Waterford Homeless Service Providers Network and of the South East Regional Homeless Forum.
- Cork Simon is the lead agency for the Cork Region Housing First service and has a close partnership with Focus Ireland, the HSE and Cork City Council in the delivery of this service.
- The Southwest Joint Regional Homelessness Consultative Forum is a key policy link between the delivery of homeless services in the South West and national policy. The Forum is responsible for the Cork & Kerry region.
- Cork Simon Community has good working relationships with the Health Service Executive, Cork City and County Councils, Kerry County Council, Department of Social Protection, Cork Local Drugs Task Force, Cork Education and Training Board and the Community Gardaí. We work with private landlords, voluntary housing bodies and a range of Community groups including Cork City Partnership and Cork Equal and Sustainable Communities Alliance (CESCA). Similarly, South East Simon Community has good working relationships with the Health Service Executive, Waterford City and County Council, Tipperary County Council, Department of Employment Affairs and Social Protection, and the Community Gardaí. We work with private landlords, voluntary housing bodies and a range of Community groups.
- Cork Simon Community and South East Simon have forged connections and networks with the Cork and South East business communities respectively.
- Cork Simon is a founding member of the Cork Homeless Network which brings together all the voluntary agencies in Cork providing services for people who are homeless.
- Cork Simon provides operational and management supports to South East Simon Community.

### **Structure, governance and management**

Cork Simon Community is a company limited by guarantee (CLG). Cork Simon Community has a Constitution. 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.

On 19 November 2020, Cork Simon acquired control of South East Simon Community when the constitution was amended to include that Cork Simon is entitled to appoint the majority of board members to South East Simon. South East Simon Community is a charitable company limited by guarantee (CLG). South East Simon Community has a Constitution. The members of the board of directors are the members of the company. The directors are volunteers. South East Simon has the same objects as Cork Simon. It provides services in Waterford, South Tipperary and Kilkenny. The Board members of South East Simon are currently all board members of Cork Simon.

## **DIRECTORS' REPORT - continued**

### **Structure, governance and management – continued**

Cork Simon and South East Simon comply with the Charities Governance Code and regularly carry out reviews, including externally facilitated reviews of the Board and governance structures and management structures. In 2020 the Board, along with Cork Simon Community, carried out an externally facilitated review of the Board and governance structures and management structures of South East Simon.

As Approved Housing Bodies, both entities are registered with the Approved Housing Bodies Regulatory Authority (AHBRA). Previously both communities signed up to the Voluntary Regulation Code for Approved Housing Bodies. Cork Simon and South East Simon adhere to the Statement of Guiding Principles for Fundraising. In service delivery both entities apply the National Quality Standards Framework, the Quality Standards in Alcohol and Drugs Services, and the Putting People First Code. Cork Simon has confirmed it has achieved the 'triple lock' standard as set out by the Charities Institute of Ireland.

Cork Simon Community and South East Simon are 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 for developing and approving policies and strategies of the Community. The day-to-day management of the Community is delegated to the Director, Dermot Kavanagh, who is not a member of the Board of Directors. Dermot is supported by a management team. The management team are responsible for the implementation of the 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 and Simon South East values. No remuneration or employee benefits are paid by Cork Simon or South East Simon to the members of the Board of Directors.

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

### **Principal risks and uncertainties**

The directors have ultimate responsibility for managing risk and are aware of the risks associated with the operating activities of Cork Simon and Simon South East. The directors carry out regular risk audits and review the risks on a quarterly basis. The directors are satisfied that adequate systems of governance, supervision, procedures and internal controls are in place to mitigate the exposure to the major risks and that these controls provide reasonable assurance against such risks. The major risks include risks arising from the COVID-19 pandemic, financial risks, operational & safety risks, compliance risks and reputational risks.

#### *COVID-19 pandemic risk*

The COVID-19 coronavirus pandemic disrupted Cork Simon's and Simon South East's fund-raising, operations, employees & volunteers and on our service participants. While there has been no significant impact of COVID-19 on the company's financial position or the results of its operations since the start of the pandemic, the risks related to the pandemic remain in the event that further variants of the virus emerge.

#### *Ukraine war risk*

The war in the Ukraine which arose after the balance sheet date, is impacting the global and Irish economies. For Cork Simon and South East Simon and our service participants, there is a risk of inflation of energy and other costs. In time, there may be a risk to energy supplies. The arrival of refugees in Ireland from Ukraine is putting further pressure on the housing and accommodation. The directors will monitor the impact on service participants and see how we can assist, while also monitoring the likely impact on the Communities.

#### *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 both Community's operations and financial status.

## **DIRECTORS' REPORT - continued**

### **Principal risks and uncertainties - continued**

#### *Operational and safety risks*

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

#### *Compliance risk*

Cork Simon and Simon South East have to comply with a range of legislation and regulation. Non-compliance could incur penalty and result in reputational damage. Both entities 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 both Community's resources.

#### *Reputational risk*

Cork Simon and Simon South East are delivering services on behalf of the wider community and relies on the support of that wider community. Damage to their reputation would impact on that support.

#### *Demand for services*

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

#### *Information security*

Cyber security is an increasing risk and phishing attempts continue to increase. There is a risk of reputational damage and/or fines from the Data Protection Commissioner in the event of data breaches. We are investing in our IT systems to minimise the threat from cyber-attacks.

### **Directors**

The names of the persons who are currently or were directors at any time during the year ended 31 December 2021 are set out below. Unless indicated otherwise, they served as directors for the entire year.

Ernest Cantillon (resigned 21 March 2022)	Katherine Harford
Ann FitzGerald	Deirdre O'Shaughnessy (appointed 15 February 2021)
James Leonard (appointed 15 November 2021)	Sean Ormonde
Eoin MacCuirc	Anthony O'Donovan (chair)
Peter O'Meara	James O'Shaughnessy
Brendan Ryan	Mary Ryan
Leslie Warren	Christine Moloney (appointed 16 May 2022)
Jim Costello (appointed 25 April 2022, resigned 23 May 2022)	
John Murphy (resigned 17 May 2021)	

Brendan Ryan was company secretary during 2021 and continues to serve as company secretary.

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 2021.

### **Directors' and secretary's interests**

No board member holds a beneficial interest in the charity.

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

### **Going concern**

The directors' assessment of the Group's and company's going concern position is set out in note 3(d).

## **DIRECTORS' REPORT - continued**

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

Events since the end of the year are set out in note 19.

### **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.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the group and company 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 Group's and company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Group for the financial year. The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) and Irish statute comprising Companies Act 2014 as applied in accordance with the Statement of Recommended Practice (SORP) (FRS 102) 'Accounting Reporting by Charities' as jointly published by the Charity Commission for England and Wales and the office of the Scottish Charity Regulator, who are recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with the SORP is considered best practice for charities in Ireland. As noted above, the directors consider the adoption of the SORP requirements is the most appropriate practice and presentation to properly reflect and disclose the activities of the Group and Company.

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 Group and Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Group and 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 Group and 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 Group and Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Group and 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 Group and Company, 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 company 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 by the Company.

**DIRECTORS' REPORT - continued**

**Disclosure of information to auditors**

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

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

**Events since the end of the year**

Events since the end of the year are set out in note 20.

**Statutory auditors**

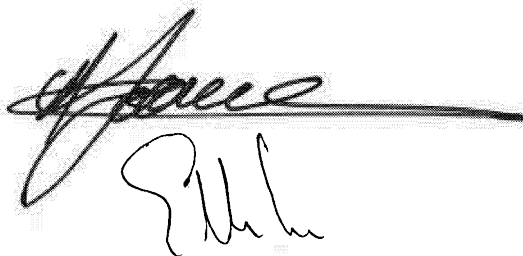
The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

**By order of the board**

Anthony O'Donovan

Eoin MacCuirc

27 June 2022

The image shows two handwritten signatures. The first signature, for Anthony O'Donovan, is a stylized, cursive script that spans across the line 'By order of the board' and the name 'Anthony O'Donovan'. The second signature, for Eoin MacCuirc, is also in cursive and is positioned below the first signature, to the right of the name 'Eoin MacCuirc'.





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

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

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#### **Opinion**

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

- give a true and fair view of the group's and the company's assets, liabilities and financial position as at 31 December 2021 and of the group's net income and the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (Irish GAAP) (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

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

- the consolidated and company balance sheets as at 31 December 2021;
- the consolidated statement of financial activities for the year then ended;
- the consolidated and company cash flow statements for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

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

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#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the group and company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## Responsibilities for the financial statements and the audit

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 14, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

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

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

### *Auditors' responsibilities for the audit of the financial statements*

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.



### *Use of this report*

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

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## **Other required reporting**

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

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

### **Other exception reporting**

#### *Directors' remuneration and transactions*

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

*Declan Maunsell*

Declan Maunsell  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Cork  
28 June 2022

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
For the financial year ended 31 December 2021

	Notes	Restricted funds €	Unrestricted funds €	Designated building fund €	Restricted fund building fund €	Total 2021 €	Total 2020 €
<b>Income from:</b>							
Donations		170,971	5,281,897	-	36,000	5,488,868	6,106,212
Legacies		-	501,501	-	-	501,501	291,601
Other fundraising activities		-	19,979	-	-	19,979	28,560
Charitable activities		4,575,705	835,150	-	-	5,410,855	5,209,325
Interest and investment income		-	149	-	-	149	358
Other income		-	4,335	-	-	4,335	-
Income from South East Simon		-	-	-	-	-	228,960
<b>Total income</b>	15	4,746,676	6,643,011	-	36,000	11,425,687	11,865,016
<b>Expenditure on:</b>							
Charitable activities		(6,408,469)	(3,515,645)	-	-	(9,924,114)	(8,983,673)
Raising funds		-	(1,483,831)	-	-	(1,483,831)	(1,085,102)
Expenditure for South East Simon		-	-	-	-	-	(228,960)
<b>Total expenditure</b>	5	(6,408,469)	(4,999,476)	-	-	(11,407,945)	(10,297,735)
Net gain/(loss) on investments		-	143,271	-	-	143,271	(49,573)
Capital Assistance Scheme repayments relieved	14	-	540,241	-	-	540,241	361,432
<b>Net income</b>	7	(1,661,793)	2,327,047	-	36,000	701,254	1,879,140
Merger of Simon South East	22	-	-	-	-	-	127,457
Transfer from restricted building fund	15	-	59,893	-	(59,893)	-	-
Transfer from unrestricted fund	15	1,636,850	(1,636,850)	-	-	-	-
<b>Net movement in funds</b>		(24,943)	750,090	-	(23,893)	701,254	2,006,597
<b>Reconciliation of funds</b>							
<b>Total funds brought forward</b>		274,033	2,925,093	2,730,000	2,000,505	7,929,631	5,923,034
<b>Total funds carried forward</b>		249,090	3,675,183	2,730,000	1,976,612	8,630,885	7,929,631

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. There are no other items to be included in a statement of comprehensive income. Income and net income arose solely from continuing activities. Movements in funds are set out in note 15 on page 38. Please refer to note 6 on page 31 where the detailed comparative Consolidated Statement of Financial Activities for the financial year ended 31 December 2020 is disclosed.

**CONSOLIDATED BALANCE SHEET**  
As at 31 December 2021

	Notes	2021 €	2020 €
<b>Fixed assets</b>			
Tangible assets	9	12,065,368	12,132,042
Investments	10	1,348,706	1,205,435
		<u>13,414,074</u>	<u>13,337,477</u>
<b>Current assets</b>			
Stock	11	-	4,936
Debtors	12	537,103	366,576
Cash at bank		7,246,073	6,179,663
		<u>7,783,176</u>	<u>6,551,175</u>
<b>Creditors - Amounts falling due within one year</b>	13	<u>(2,871,754)</u>	<u>(2,089,321)</u>
<b>Net current assets</b>		<u>4,911,422</u>	<u>4,461,854</u>
<b>Total assets less current liabilities</b>		18,325,496	17,799,331
<b>Creditors - Amounts falling due after more than one year</b>	14	<u>(9,694,611)</u>	<u>(9,869,700)</u>
		<u>8,630,885</u>	<u>7,929,631</u>
<b>Total funds of the charity</b>			
Unrestricted funds	15	3,675,183	2,925,093
Restricted funds	15	249,090	274,033
Designated building fund	15	2,730,000	2,730,000
Restricted building funds	15	1,976,612	2,000,505
<b>Total charity funds</b>	15	<u>8,630,885</u>	<u>7,929,631</u>

The notes on pages 24 to 45 form an integral part of these financial statements.

The financial statements on pages 19 to 45 were authorised for issue by the board of directors on 27 June 2022 and signed on its behalf:

On behalf of the board

Anthony O'Donovan

Eoin MacCuirc



**COMPANY BALANCE SHEET**  
As at 31 December 2021

	Notes	2021 €	2020 €
<b>Fixed assets</b>			
Tangible assets	9	9,022,135	9,034,680
Investments	10	1,348,706	1,205,435
Investment in South East Simon	10	300,000	300,000
		<u>10,670,841</u>	<u>10,540,115</u>
<b>Current assets</b>			
Stock	11	-	4,936
Debtors	12	443,846	741,832
Cash at bank		6,803,904	5,486,784
		<u>7,247,750</u>	<u>6,233,552</u>
<b>Creditors - Amounts falling due within one year</b>	13	<u>(2,670,847)</u>	<u>(1,903,124)</u>
<b>Net current assets</b>		<u>4,576,903</u>	<u>4,330,428</u>
<b>Total assets less current liabilities</b>		15,247,744	14,870,543
<b>Creditors - Amounts falling due after more than one year</b>	14	<u>(6,927,734)</u>	<u>(7,129,500)</u>
		<u>8,320,010</u>	<u>7,741,043</u>
<b>Total funds of the charity</b>			
Unrestricted funds	15	3,783,503	3,172,103
Restricted funds	15	150,145	160,035
Designated building fund	15	2,430,000	2,430,000
Restricted building funds	15	1,956,362	1,978,905
<b>Total charity funds</b>	15	<u>8,320,010</u>	<u>7,741,043</u>

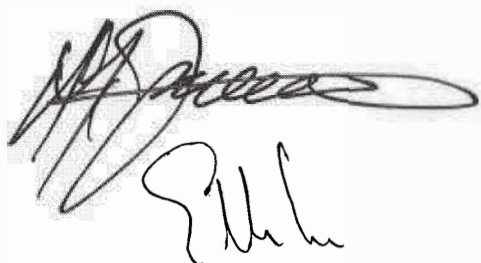
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The financial statements on pages 19 to 45 were authorised for issue by the board of directors on 27 June 2022 and signed on its behalf:

On behalf of the board

Anthony O'Donovan

Eoin MacCuirc



**CONSOLIDATED CASH FLOW STATEMENT**  
**For the financial year ended 31 December 2021**

	Notes	2021 €	2020 €
<b>Net cash provided by charitable activities</b>	17	<u>1,492,540</u>	<u>2,459,807</u>
<b>Cash flows from investing activities</b>			
- investment income		149	358
- payments to acquire tangible assets		<u>(675,570)</u>	<u>(2,112,012)</u>
<b>Net cash used in investing activities</b>		<u>(675,421)</u>	<u>(2,111,654)</u>
<b>Acquisitions</b>			
- Cash acquired	22	<u>-</u>	<u>358,784</u>
<b>Cash flows from financing activities</b>			
- proceeds from capital assistance scheme		<u>249,342</u>	<u>2,307,571</u>
<b>Net cash generated from financing activities</b>		<u>249,342</u>	<u>2,307,571</u>
<b>Change in cash and cash equivalents in the year</b>	17	<u>1,066,461</u>	<u>3,014,508</u>
Cash and cash equivalents at the beginning of year		6,178,568	3,164,060
Change in cash and cash equivalents		<u>1,066,461</u>	<u>3,014,508</u>
<b>Cash and cash equivalents at the end of year</b>	17	<u>7,245,029</u>	<u>6,178,568</u>

**COMPANY CASH FLOW STATEMENT**  
**For the financial year ended 31 December 2021**

	Notes	2021 €	2020 €
<b>Net cash provided by charitable activities</b>	17	<u>1,686,358</u>	<u>2,426,506</u>
<b>Cash flows from investing activities</b>			
- capital contribution given	10	-	(300,000)
- investment income		144	358
- payments to acquire tangible assets		<u>(556,256)</u>	<u>(2,111,709)</u>
<b>Net cash used in investing activities</b>		<u>(556,112)</u>	<u>(2,411,351)</u>
<b>Cash flows from financing activities</b>			
- proceeds from capital assistance scheme		<u>186,874</u>	<u>2,307,569</u>
<b>Net cash generated from financing activities</b>		<u>186,874</u>	<u>2,307,569</u>
<b>Change in cash and cash equivalents in the year</b>	17	<u>1,317,120</u>	<u>2,322,724</u>
Cash and cash equivalents at the beginning of year		5,486,784	3,164,060
Change in cash and cash equivalents		<u>1,317,120</u>	<u>2,322,724</u>
<b>Cash and cash equivalents at the end of year</b>		<u>6,803,904</u>	<u>5,486,784</u>



## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 General information**

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

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

These financial statements are the company's financial statements for the financial year beginning 1 January 2021 and ending 31 December 2021.

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

These financial statements are consolidated accounts. On 19 November 2020, Cork Simon acquired control of South East Simon (see note 22). This has been accounted for as using merger accounting in the Group financial statements. South East Simon is a company limited by guarantee in the Republic of Ireland. The address of its registered office is 10A Waterside, Waterford. Its reporting date is 31 December 2021.

### **2 Statement of compliance**

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the Group's and company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Group for the financial year. The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) and Irish statute comprising Companies Act 2014 as applied in accordance with the Statement of Recommended Practice (SORP) (FRS 102) 'Accounting Reporting by Charities' as jointly published by the Charity Commission for England and Wales and the office of the Scottish Charity Regulator, who are recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with the SORP is considered best practice for charities in Ireland. As noted above, the directors consider the adoption of the SORP requirements is the most appropriate practice and presentation to properly reflect and disclose the activities of the Group and Company. The corresponding figures included in the comparative financial statements are prepared on the same basis.

### **3 Summary of significant accounting policies**

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

#### **(a) Basis of preparation**

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

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) and Irish statute comprising Companies Act 2014 as applied in accordance with the Statement of Recommended Practice (SORP) (FRS 102) 'Accounting Reporting by Charities' as jointly published by the Charity Commission for England and Wales and the office of the Scottish Charity Regulator, who are recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with the SORP is considered best practice for charities in Ireland. As noted above, the directors consider the adoption of the SORP requirements is the most appropriate practice and presentation to properly reflect and disclose the activities of the Group and Company. The corresponding figures included in the comparative financial statements are prepared on the same basis.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (a) Basis of preparation – continued

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.

Cork Simon Community and South East Simon both meet 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 consolidated financial statements comprise the financial statements of the holding company and its subsidiary undertaking. The attributable results of acquisitions are included in the financial statements from the date of acquisition. Similarly, the attributable results of disposals are included in the financial statements to the date of disposal.

#### (b) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

Where accounting policies followed by subsidiary undertakings differ significantly from those adopted for the Group's financial statements, appropriate adjustments are made to ensure a consistent basis of accounting.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

#### (c) Merger accounting method

The company has used the merger accounting method to account for the acquisition of South East Simon. The carrying amounts of the acquired entity's assets and liabilities are not adjusted to fair value, although appropriate adjustments are made to achieve uniformity of accounting policies in the combining entities. No new goodwill arises under merger accounting, and the acquired entity's assets and liabilities are brought in at the amounts at which the entity recorded them in its books before the combination (subject to adjustment for uniform accounting policies).

#### (d) Going concern

The Group and Company meets their day-to-day working capital requirements through its cash reserves, grant income, fund-raising income, rental income and return on investments. There are ever-present risks about the ability of the Group and Company to maintain the same level of fund-raised income we have achieved in previous years including: risks to fundraising and grant income streams in the future, which are presently unknown; the risk of cost inflation; and how the economic impact of macroeconomic issues might impact on future demands for our services.

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **3 Summary of significant accounting policies - continued**

#### **(d) Going concern – continued**

The Board have assessed the impact of these challenges and risks on its financial and operating outlook, and considered this on its cash flows, along with appropriate mitigations. The directors expect that the Group and Company will be in a position to meet their obligations as they fall due for the foreseeable future. In arriving at its conclusion, the board has taken account of the level of cash resources which the company maintains to enable it to meet its working capital requirements. It holds no external bank debt. The Capital Assistance Scheme mortgages on properties are set in such a way that the Group/Company is relieved of repayments, as set out in note 14.

After making all necessary enquiries, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Therefore these financial statements have been prepared on a going concern basis.

#### **(e) 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 Group/Company 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 Group/Company's bank accounts or entered into the Group/Company's accounting records. Fund-raising income is shown gross without deduction of any overhead costs involved in raising such funds.

##### *(ii) Legacies*

Income arising from a legacy is recognised when there is a grant of probate, when the amount can be measured reliably and when conditions attached are within the control of Group/Company. Often this is when the bequest has entered the Group/Company's bank account or title deeds of the related properties have transferred to the Group/Company. Where material, legacies that are not recognised as income will be disclosed as contingent assets.

##### *(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 Consolidated 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.

#### **(f) Other revenue**

The Group/Company earn interest income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group/Company; this is normally upon notification of the interest paid or payable by the bank.

#### **(g) Deferred income**

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

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (h) Capital assistance scheme loans

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

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

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

#### (i) Restricted and unrestricted funds

The Group/Company operate the following funds:

##### (i) *Restricted funds*

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

##### (ii) *Unrestricted funds*

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

##### (iii) *Restricted building funds*

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

##### (iv) *Designated funds*

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

#### (j) 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.

#### (k) 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.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (k) Tangible fixed assets - continued

##### (i) Depreciation and residual values

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

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

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

##### (ii) Repairs and maintenance

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

##### (iii) De-recognition

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

#### (l) 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.

#### (m) Allocation of support costs

Support costs are those functions that assist the delivery of the charitable activities. Support costs include finance, human resources, volunteer coordination, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 5.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies – continued

#### **(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.

##### *(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.

#### **(o) Donated goods, facilities and services, including volunteers**

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

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

Please refer to the review of activities in 2021 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 financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future in the process of preparing the 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 9 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 the Group/Company 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.

#### *Performance related income*

When recognising income judgements are occasionally required to ascertain whether the grant or donation is performance or non-performance based. All judgements made are in relation to individual grants or donations.

#### *Recoverability of debtors*

When evaluating the recoverability of rent debtor balances, judgements are required to ascertain whether the receipt of specific amounts is reasonably assured and what level of provision is needed for amounts considered at risk.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Resources expended

For the year ended 31 December 2021

	Staff costs €	Direct costs €	Depreciation €	Support costs €	Total 2021 €
Homeless services	5,847,455	1,419,514	696,133	956,277	8,919,379
Campaigns and research	280,671	690,671	-	33,393	1,004,735
Charitable activities	6,128,126	2,110,185	696,133	989,670	9,924,114
Raising funds	560,909	911,112	-	11,810	1,483,831
Training, volunteering and other support	636,569	318,800	46,111	(1,001,480)	-
<b>Total 2021</b>	<b>7,325,604</b>	<b>3,340,097</b>	<b>742,244</b>	<b>-</b>	<b>11,407,945</b>

For the year ended 31 December 2020

Homeless services	5,736,046	1,197,729	561,092	857,032	8,351,899
Campaigns and research	204,097	511,063	-	30,547	745,707
Charitable activities	5,940,143	1,708,792	561,092	887,579	9,097,606
Raising funds	374,612	700,222	-	10,268	1,085,102
Costs incurred on behalf of South East Simon	223,071	5,889	-	-	228,960
Training, volunteering and other support	703,012	140,290	54,545	(897,847)	-
Temporary wage subsidy scheme	(113,933)	-	-	-	(113,933)
<b>Total 2020</b>	<b>7,126,905</b>	<b>2,555,193</b>	<b>615,637</b>	<b>-</b>	<b>10,297,735</b>

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

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

Costs incurred on behalf of South East Simon occurred due to assistance and support provided by Cork Simon Community to South East Simon. These were fully recharged to South East Simon with no margin being earned on the transactions. This expenditure amounting to €392,780 (2020: €262,419, of which €228,960 arose before South East Simon became part of the Group and €33,459 arose afterwards).

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Comparative Consolidated Statement of Financial Activities for the financial year ended 31 December 2020

	Restricted funds	Unrestricted funds	Restricted building fund	Total 2020
	€	€	€	€
<b>Income from:</b>				
Donations	311,052	4,851,160	944,000	<b>6,106,212</b>
Legacies	-	291,601	-	<b>291,601</b>
Other fundraising activities	-	28,560	-	<b>28,560</b>
Charitable activities	4,637,385	571,940	-	<b>5,209,325</b>
Interest and other income	-	358	-	<b>358</b>
Income from South East Simon	228,960	-	-	<b>228,960</b>
<b>Total income</b>	<b>5,177,397</b>	<b>5,743,619</b>	<b>944,000</b>	<b>11,865,016</b>
<b>Expenditure on:</b>				
Charitable activities	(6,530,755)	(2,452,918)	-	<b>(8,983,673)</b>
Raising funds	-	(1,085,102)	-	<b>(1,085,102)</b>
Expenditure for South East Simon	(228,960)	-	-	<b>(228,960)</b>
<b>Total expenditure</b>	<b>(6,759,715)</b>	<b>(3,538,020)</b>	<b>-</b>	<b>(10,297,735)</b>
<b>Net loss on investments</b>	<b>-</b>	<b>(49,573)</b>	<b>-</b>	<b>(49,573)</b>
<b>Capital Assistance Scheme repayments relieved</b>	<b>-</b>	<b>361,432</b>	<b>-</b>	<b>361,432</b>
<b>Net income</b>	<b>(1,582,318)</b>	<b>2,517,458</b>	<b>944,000</b>	<b>1,879,140</b>
Merger of South East Simon	79,240	26,458	21,759	<b>127,457</b>
Transfer from restricted building fund	-	54,664	(54,664)	-
Transfer from unrestricted fund	1,625,512	(1,625,512)	-	-
<b>Net movement in funds</b>	<b>122,434</b>	<b>973,068</b>	<b>911,095</b>	<b>2,006,597</b>



**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>7 Net income</b>	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Net income resources is stated after charging/(crediting):		
Staff costs (note 8)	7,325,604	7,126,905
Depreciation (note 9)	742,244	615,637
Capital Assistance Scheme financing repayments relieved (note 14)	(540,241)	(361,432)
Grant amortised	(1,350)	(1,350)
Directors' remuneration	-	-
Directors' expenses	-	448
Auditors' remuneration (including expenses)		
- Audit of the financial statements	9,471	9,471
- Other assurance services	861	861
Bank interest and similar charges	14,841	13,989
Other income	(193)	(2,720)
Interest income	(149)	(365)

None of the directors have been paid any remuneration or received any other financial benefit from Cork Simon. A total of €Nil of out-of-pocket expenses were reimbursed to directors in 2021.

**8 Employee information and benefits**

(a) The average number of whole time equivalent staff employed by the Community during the year is analysed below:	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Homeless services	109	110
Campaigning and research	3	3
Raising funds	11	10
Community employment scheme	9	9
South East Simon Community	7	8
	<b>139</b>	<b>140</b>
(b) The company's employment costs for all employees comprise:	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Wages and salaries	6,482,550	6,355,084
Temporary wage subsidy scheme	-	(113,933)
Social insurance costs	665,769	625,501
Other retirement benefit costs	177,285	260,253
	<b>7,325,604</b>	<b>7,126,905</b>
Employment cost included in consolidated accounts		6,903,834
Employment cost incurred for South East Simon prior to acquisition		223,071
		<b>7,126,905</b>

(c) From 2020 the staff working in South East Simon Community have been employees of Cork Simon Community.

(d) At the end of 2021, 179 individual people were employed. Of these 76 people were employed full time, 60 were part time, 18 were on CES and 25 were on the staff relief panel.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**8 Employee information and benefits – continued**

- (e) Cork Simon employs professional staff with diverse skills and expertise to support the work we do. At the end of 2021, the number of whole-time equivalent staff with pay, excluding employer retirement benefit costs, falling within the following bands was:

	2021 Number	2020 Number
Up to €29,999	27	38
Between €30,000 and €39,999	55	52
Between €40,000 and €49,999	31	30
Between €50,000 and €59,999	12	13
Between €60,000 and €69,999	9	2
Between €70,000 and €79,999	1	2
Between €80,000 and €89,999	3	2
Between €90,000 and €99,999	1	1
	<u>1</u>	<u>1</u>

- (f) Other retirement benefit costs related to a defined contribution pension scheme operated by Cork Simon. The total charge for the year amounted to €177,285 (2020: €260,253). Contributions of €Nil (2020: €Nil) are outstanding at balance sheet date.

- (g) Included in wages and salaries is €60,000 which is the cost of redundancy payments made to staff during 2021.

- (h) Key management personnel of the Community refers to the organisation's Director (not a member of the Board of Directors) who had a salary totalling €95,791 (2020: €93,223), employers' PRSI of €10,571 (2020: €10,167) and employer pension contribution of €4,739 (2020: €4,661). The directors' remuneration is €Nil (2020: €Nil).

<b>9 Tangible assets</b>	Freehold property	Fixtures, fittings and equipment	Motor vehicles	Construction in progress	Total
<b>Group</b>	€	€	€	€	€
<b>Cost</b>					
At 1 January 2021	19,112,592	512,555	11,700	2,033,102	21,669,949
Transfer	2,540,461	-	-	(2,540,461)	-
Additions	119,229	16,258	-	540,083	675,570
At 31 December 2021	<u>21,772,282</u>	<u>528,813</u>	<u>11,700</u>	<u>32,724</u>	<u>22,345,519</u>
<b>Accumulated depreciation</b>					
At 1 January 2021	(9,124,396)	(406,351)	(7,160)	-	(9,537,907)
Charge for the year	(697,011)	(42,893)	(2,340)	-	(742,244)
At 31 December 2021	<u>(9,821,407)</u>	<u>(449,244)</u>	<u>(9,500)</u>	<u>-</u>	<u>(10,280,151)</u>
<b>Net book value</b>					
At 1 January 2020	<u>6,699,715</u>	<u>67,747</u>	<u>6,880</u>	<u>744,235</u>	<u>7,518,577</u>
At 31 December 2020	<u>9,988,196</u>	<u>106,204</u>	<u>4,540</u>	<u>2,033,102</u>	<u>12,132,042</u>
At 31 December 2021	<u>11,950,875</u>	<u>79,569</u>	<u>2,200</u>	<u>32,724</u>	<u>12,065,368</u>

Of the net book value of tangible assets, €533,088 relates to property assets which are categorised as restricted. These assets were financed by donations where the terms of the donation require the Community to use the property on an ongoing basis for its charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**9 Tangible assets - continued**

<b>Company</b>	<b>Freehold property</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Construction in progress</b>	<b>Total</b>
	€	€	€	€	€
<b>Cost</b>					
At 1 January 2021	14,996,411	385,683	11,700	2,033,102	17,426,896
Additions	-	16,173	-	540,083	556,256
Transfer	2,540,461	-	-	(2,540,461)	-
At 31 December 2021	<u>17,536,872</u>	<u>401,856</u>	<u>11,700</u>	<u>32,724</u>	<u>17,983,152</u>
<b>Accumulated depreciation</b>					
At 1 January 2021	8,077,891	307,165	7,160	-	8,392,216
Charge for the year	534,750	31,711	2,340	-	568,801
At 31 December 2021	<u>8,612,641</u>	<u>338,876</u>	<u>9,500</u>	<u>-</u>	<u>8,961,017</u>
<b>Cost</b>					
<b>Net book value</b>					
At 1 January 2020	<u>6,699,715</u>	<u>67,747</u>	<u>6,880</u>	<u>744,235</u>	<u>7,518,577</u>
At 31 December 2020	<u>6,918,520</u>	<u>78,518</u>	<u>4,540</u>	<u>2,033,102</u>	<u>9,034,680</u>
At 31 December 2021	<u>8,924,231</u>	<u>62,980</u>	<u>2,200</u>	<u>32,724</u>	<u>9,022,135</u>

Of the net book value of tangible assets, €495,333 relates to property assets which are categorised as restricted. These assets were financed by donations where the terms of the donation require the Community to use the property on an ongoing basis for its charitable purposes.

**10 Financial assets – investments**

	<b>2021</b>	<b>2020</b>
	€	€
<b>Group and Company</b>		
Investments held		
Managed funds	1,348,580	1,205,309
Prize bonds	126	126
	<u>1,348,706</u>	<u>1,205,435</u>
		<b>Managed funds</b>
		€
Market value at 1 January 2021		1,205,309
Unrealised gain in investments		143,271
Market value at 31 December 2021		<u>1,348,580</u>
Historic cost at 31 December 2021		<u>1,028,496</u>

All listed investments are held on recognised stock exchanges.

These funds can be converted to cash on demand. These investments have been shown as long-term investments because the directors intend to hold these investments as part of its on-going investment activities for more than one year at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**10 Financial assets – investments - continued**

<b>Company</b>	€
<b>Investment in subsidiary undertaking</b>	
Cost at 1 January 2021 and 31 December 2021	<u>300,000</u>
Carrying value at 1 January 2021 and 31 December 2021	<u>300,000</u>

The company holds an investment in Simon Community ( South East ) CLG, incorporated in Ireland, with its registered office at 10A Waterside, Waterford. The subsidiary's principal activity is the charitable purpose of alleviating homelessness.

<b>11 Stock</b>	2021	2020
	€	€
<b>Group and Company</b>		
Stock	<u>-</u>	<u>4,936</u>
<b>12 Debtors</b>	2021	2020
	€	€
<b>Group</b>		
Prepayments and sundry debtors	136,434	79,742
Grants receivable	<u>400,669</u>	<u>286,834</u>
	<u>537,103</u>	<u>366,576</u>
<b>Company</b>		
Prepayments and sundry debtors	60,771	64,447
Amounts due from subsidiary undertaking	102,406	390,551
Grants receivable	<u>280,669</u>	<u>286,834</u>
	<u>443,846</u>	<u>741,832</u>

Amounts owing from subsidiary undertaking, South East Simon, are unsecured, non-interest bearing and repayable on demand.

<b>13 Creditors - Amounts falling due within one year</b>	2021	2020
	€	€
<b>Group</b>		
Bank overdraft (note 17)	1,044	1,095
Trade creditors	127,443	106,342
Value Added Tax	-	36,277
PAYE and pay related social insurance	187,676	181,851
Deferred income	1,600,671	721,051
Accruals	420,884	512,859
Capital Assistance Scheme loans (note 14)	<u>534,036</u>	<u>529,846</u>
	<u>2,871,754</u>	<u>2,089,321</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

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

	2021 €	2020 €
<b>Company</b>		
Trade creditors	108,753	86,024
Value Added Tax	-	36,277
PAYE and pay related social insurance	187,676	181,851
Deferred income	1,600,671	721,051
Accruals	391,336	497,618
Capital Assistance Scheme loans (note 14)	382,411	380,303
	<u>2,670,847</u>	<u>1,903,124</u>

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

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

Deferred income includes certain grant income related to future periods. The year-end balance relates to: an advance of €140,000 from the HSE towards the provision of future additional nursing service on the Adult Homeless Multi-Disciplinary Team; €341,907 from the HSE towards a stabilisation facility; €45,750 from the HSE towards specialist staff as part of the Cork Region Housing First team; €47,000 from the HSE drugs and alcohol service towards addiction counsellor and dialectical behaviour therapy in Cork; €42,741 from the HSE drugs and alcohol service towards needle exchange service and safer injecting training; €8,550 of event income for the Cork Simon ball carried over to the 2022 event; and €935,866 received in 2021 from the HSE towards recruitment of posts for the homeless integrated team, self-isolation and West Cork respite projects. We release these to income as the related activity is performed. Furthermore, deferred income includes an advance of €38,857 from the Department of Employment Affairs and Social Protection on the Community Employment Scheme grant is released to net income as the grant advance is recovered by the scheme.

**14 Creditors - Amounts falling due after more than one year**

	2021 €	2020 €
<b>Group</b>		
Loans under the Capital Assistance Scheme	<u>9,694,611</u>	<u>9,869,700</u>
These loans are repayable in the following years after 31 December		
Within one year (note 13)	<u>534,036</u>	<u>529,846</u>
Between one and two years	525,795	525,725
Between two and five years	1,577,389	1,552,453
After five years	7,591,427	7,791,522
	<u>9,694,611</u>	<u>9,869,700</u>
	<u>10,228,647</u>	<u>10,399,546</u>

Loans under Capital Assistance Schemes are received by the Group from the local authorities by way of mortgage, and are repayable over the repayment years for each funding agreement of 20 to 30 years.

The local authority has a charge over the Group's properties as security for the finance received. Under the terms of the mortgage, the Group is relieved of monthly capital and interest repayments so long as the Group is in compliance with the specific conditions set out in the relevant mortgage agreement, primarily with respect to the use and upkeep of the related properties. During the year, €540,241 (2020: €361,432) was recognised in the Consolidated Statement of Financial Activities in respect of this matter.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**14 Creditors - Amounts falling due after more than one year - continued**

Under the terms of the Capital Assistance Schemes the amounts repayable to the local authority as at the balance sheet date of €10,228,647 (2020: €10,399,546) represent the aggregate finance received to date amounting to €17,960,060 (2020: €17,590,718) as reduced by the cumulative repayments relieved to date of €7,731,413 (2020: €7,191,172). The movement for the year relates to new Capital Assistance Schemes funding received of €369,342, offset by repayments relieved (and credited to the Statement of Financial Activities) of €540,241 in 2021.

	2021 €	2020 €
<b>Company</b>		
Loans under the Capital Assistance Scheme	<u>6,927,734</u>	<u>7,129,500</u>
These loans are repayable in the following years after 31 December		
Within one year (note 13)	<u>382,411</u>	<u>380,303</u>
Between one and two years	374,170	376,182
Between two and five years	1,122,511	1,103,824
After five years	<u>5,431,053</u>	<u>5,649,494</u>
	<u>6,927,734</u>	<u>7,129,500</u>
	<u>7,310,145</u>	<u>7,509,803</u>

Loans under Capital Assistance Schemes are received by the Company from the local authorities by way of mortgage, and are repayable over the repayment years for each funding agreement of 30 years.

The local authority has a charge over the Company's properties as security for the finance received. Under the terms of the mortgage, the Company is relieved of monthly capital and interest repayments so long as the Company 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 €7,310,145 (2020: €7,509,803) represent the aggregate finance received to date amounting to €13,884,235 (2020: €13,697,361) as reduced by the cumulative repayments relieved to date of €6,574,090 (2020: €6,187,558). The movement for the year relates to new Capital Assistance Schemes funding received of €186,874, offset by repayments relieved (and credited to the Statement of Financial Activities) of €386,532 in 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Reconciliation of movements in accumulated funds

Group	Balance at start of year	Incoming resources	Resources expended	Investment	Loan repayments relieved	Transfers	Balance at end of year
	€	€	€	€	€	€	€
<b>Funds description</b>							
<b>Restricted funds</b>							
HSE Section 39 care staff costs (a)	-	2,553,384	(3,209,085)	-	-	655,701	-
HSE Drugs and alcohol service (b)	36,477	98,283	(165,464)	-	-	53,080	22,376
CCC housing provision (c)	-	665,938	(1,343,271)	-	-	677,333	-
CCC rapid rehousing (c)	-	150,100	(366,666)	-	-	216,566	-
CCC intensive support (d)	100,000	100,000	(109,959)	-	-	9,959	100,000
CCC Night Light (e)	-	195,260	(195,260)	-	-	-	-
CCC Cork Region Housing First (f)	12,121	246,812	(245,720)	-	-	1,427	14,640
DSP CE scheme (g)	-	246,187	(253,943)	-	-	7,756	-
European Solidarity Corps (h)	-	66,541	(66,541)	-	-	-	-
Cork ETB youth drugs service (i)	-	52,101	(60,432)	-	-	8,331	-
Cork ETB employment & training (j)	-	54,872	(47,598)	-	-	-	7,274
Goods in kind	-	3,267	(3,267)	-	-	-	-
Restricted fundraising income	-	167,704	(167,704)	-	-	-	-
Other restricted grants (l)	11,437	26,101	(31,683)	-	-	-	5,855
Restricted income for South East Simon (m)	113,998	120,126	(141,876)	-	-	6,697	98,945
Restricted building fund	274,033	4,746,676	(6,408,469)	-	-	1,636,850	249,090
	2,000,505	36,000	-	-	-	(59,893)	1,976,612
Total restricted funds	2,274,538	4,782,676	(6,408,469)	-	-	1,576,957	2,225,702
Unrestricted funds	2,925,093	6,643,011	(4,999,476)	143,271	540,241	(1,576,957)	3,675,183
Designated building fund	2,730,000	-	-	-	-	-	2,730,000
<b>Accumulated funds</b>	<b>7,929,631</b>	<b>11,425,687</b>	<b>(11,407,945)</b>	<b>143,271</b>	<b>540,241</b>	<b>-</b>	<b>8,630,885</b>

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Reconciliation of movements in accumulated funds - continued

Company	Balance at start of year €	Incoming resources €	Resources expended €	Investment €	Loan repayments relieved €	Transfers €	Balance at end of year €
<b>Funds description</b>							
<b>Restricted funds</b>							
HSE Section 39 care staff costs (a)	-	2,553,384	(3,209,085)	-	-	655,701	-
HSE Drugs and alcohol service (b)	36,477	98,283	(165,464)	-	-	53,080	22,376
CCC housing provision (c)	-	665,938	(1,343,271)	-	-	677,333	-
CCC rapid rehousing (c)	-	150,100	(366,666)	-	-	216,566	-
CCC intensive support (d)	100,000	100,000	(109,959)	-	-	9,959	100,000
CCC Night Light (e)	-	195,260	(195,260)	-	-	-	-
CCC Cork Region Housing First (f)	12,121	246,812	(245,720)	-	-	1,427	14,640
DSP CE scheme (g)	-	246,187	(253,943)	-	-	7,756	-
European Solidarity Corps (h)	-	66,541	(66,541)	-	-	-	-
Cork ETB youth drugs service (i)	-	52,101	(60,432)	-	-	8,331	-
Cork ETB employment & training (j)	-	54,872	(47,598)	-	-	-	7,274
South East Simon (k)	-	392,780	(392,780)	-	-	-	-
Goods in kind	-	3,267	(3,267)	-	-	-	-
Restricted fundraising income	-	167,704	(167,704)	-	-	-	-
Other restricted grants (l)	11,437	26,101	(31,683)	-	-	-	5,855
	160,035	5,019,330	(6,659,373)	-	-	1,630,153	150,145
Restricted building fund	1,978,905	36,000	-	-	-	(58,543)	1,956,362
Total restricted funds	2,138,940	5,055,330	(6,659,373)	-	-	1,571,610	2,106,507
Unrestricted funds	3,172,103	6,031,423	(4,378,216)	143,271	386,532	(1,571,610)	3,783,503
Designated building fund	2,430,000	-	-	-	-	-	2,430,000
<b>Accumulated funds</b>	<b>7,741,043</b>	<b>11,086,753</b>	<b>(11,037,589)</b>	<b>143,271</b>	<b>386,532</b>	<b>-</b>	<b>8,320,010</b>



**NOTES TO THE FINANCIAL STATEMENTS - continued**

**15 Reconciliation of movements in accumulated funds - continued**

- (a) Health Service Executive, Area 4, social inclusion, adult homeless services, Section 39 annual grant and pay restoration grant towards costs of care and support staff in high support houses and the emergency shelter in 2021. Total includes one off 2021 grant €90,000 towards staff costs relating to COVID-19 demands, out of hours cover for Housing First service and other staffing, and deferred grants released to income of €51,948 for provision of Covid-19 isolation facilities, and €1,150 for weekend Housing First staff cover.
- (b) Health Service Executive, Area 4, social inclusion, local drugs and alcohol task force, Section 39 annual grant towards staff and administration costs of the Cork Simon street outreach service in 2021. Total includes €2,784 released from deferred income for needle exchange service.
- (c) Cork City Council, Section 10 annual bed-night and settlement grant towards the provision of homeless services accommodation and tenancy sustainment supports in 2021 through the rapid rehousing and settlement team.
- (d) Cork City Council, Section 10 homeless services grant towards the staff costs of the Cork Simon extended Housing First service in 2021 through the intensive settlement support team.
- (e) Cork City Council, Section 10 grant towards the staff costs of the Night Light and enhanced rough sleeper service as part of the Cork City winter strategy in 2021.
- (f) Cork City Council grant toward Cork Regional Housing First service, including grants receivable for the extension of this service in Co Cork and Co Kerry.
- (g) Department of Employment Affairs and Social Protection grant for the Community Employment Scheme staffing, materials and training costs. The schemes run from October to October and the new scheme commenced October 2021.
- (h) European Commission, Léargas, European Solidarity Corps grant towards the organisational supports and complementary activities of the volunteer programme.
- (i) Department of Children Equality, Disability, Integration and Youth grants through Cork Education & Training Board. A 2021 grant of €51,601 under the provisions of UBU (Your Place Your Space), towards the staff and administration costs of the Cork Simon youth homelessness and drugs prevention service. This also includes a one off grant of €500 for additional related activities.
- (j) Cork Education and Training Board, community education grant towards the cost of training courses and back to training and employment, as part of the Cork Simon Employment and Training programme. It includes €33,822 under the Great to Train programme, €2,600 for digital technology and €18,450 for training facility.
- (k) Transactions incurred on behalf of South East Simon occurred due to assistance and support provided by Cork Simon Community to South East Simon. These have been recharged to South East Simon in full, with no margin.

(l) Other restricted grants	2021 €
Local authority, one off furniture grants for tenants	11,220
HSE one off grant, for out of hours service in South East	14,000
Cork City Partnership grant for training supports	881
	<hr/> 26,101 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**15 Reconciliation of movements in accumulated funds – continued**

	2021 €
(m) Restricted income for South East Simon	
Health Service Executive Area 5, social inclusion, section 39 one off grant towards training in homeless and substance misuse services, healthy living skills supports and COVID-19 related costs.	81,995
Fundraising	38,131
	<u>120,126</u>

Through FoodCloud we receive food and related products under the Fund for European Aid to the Most Deprived (FEAD) programme in Ireland. This supports individuals availing of meals provided at Cork Simon services and through food packs.

**16 Analysis of net assets between funds**

Group	Unrestricted fund €	Designated fund €	Restricted fund €	Restricted building fund €	Total funds 2021 €
Tangible assets	11,019,756	-	-	1,045,612	12,065,368
Investments	1,348,706	-	-	-	1,348,706
Current assets	3,873,086	2,730,000	249,090	931,000	7,783,176
Creditors falling due within one year	(2,871,754)	-	-	-	(2,871,754)
Creditors falling due after more than one year	(9,694,611)	-	-	-	(9,694,611)
Total funds at 31 December 2021	<u>3,675,183</u>	<u>2,730,000</u>	<u>249,090</u>	<u>1,976,612</u>	<u>8,630,885</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Analysis of net assets between funds - continued

Company	Unrestricted fund	Designated fund	Restricted fund	Restricted building fund	Total funds 2021
	€	€	€	€	€
Tangible assets	7,996,773	-	-	1,025,362	9,022,135
Investments	1,348,706	-	-	-	1,348,706
Investment in South East Simon	300,000	-	-	-	300,000
Current assets	3,736,605	2,430,000	150,145	931,000	7,247,750
Creditors falling due within one year	(2,670,847)	-	-	-	(2,670,847)
Creditors falling due after more than one year	(6,927,734)	-	-	-	(6,927,734)
Total funds at 31 December 2021	<u>3,783,503</u>	<u>2,430,000</u>	<u>150,145</u>	<u>1,956,362</u>	<u>8,320,010</u>

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

2021  
€

2020  
€

Group

Income for the reporting year (as per Statement of Financial Activities) - Net income	701,254	1,879,140
Depreciation charges	742,244	615,637
Interest income	(149)	(365)
Decrease in stock	4,936	1,500
Increase in debtors	(50,527)	(187,576)
Increase in deferred income	879,620	276,046
(Decrease)/increase in creditors	(101,326)	187,284
(Gains)/losses on investments	(143,271)	49,573
Capital Assistance Scheme loan repayments relieved	(540,241)	(361,432)
<b>Net cash provided by charitable activities</b>	<u>1,492,540</u>	<u>2,459,807</u>

Analysis of net funds

	At 1 January 2021 €	Cash flow €	Other non-cash charges €	At 31 December 2021 €
Cash at bank and in hand	6,179,663	1,066,410	-	7,246,073
Bank overdraft	(1,095)	51	-	(1,044)
<b>Total cash and cash equivalents</b>	<u>6,178,568</u>	<u>1,066,461</u>	<u>-</u>	<u>7,245,029</u>
Loans under capital assistance scheme (note 14)	(10,399,546)	(369,342)	540,241	(10,228,647)
<b>Net debt</b>	<u>(4,220,978)</u>	<u>697,119</u>	<u>540,241</u>	<u>(2,983,618)</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

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

#### Company

Reconciliation of net incoming resources to net cash flow from charitable activities	2021 €	2020 €
Income for the reporting year (as per Statement of Financial Activities) -		
Net income	578,967	1,818,009
Depreciation charges	568,801	595,606
Interest income	(144)	(358)
Decrease in stock	4,936	1,500
Decrease/(increase) in debtors	297,986	(201,146)
Increase in deferred income	879,620	276,048
(Decrease)/increase in creditors	(114,005)	231,089
(Gains)/losses on investments	(143,271)	49,573
Capital Assistance Scheme loan repayments relieved	(386,532)	(343,815)
<b>Net cash provided by charitable activities</b>	<b>1,686,358</b>	<b>2,426,506</b>

Analysis of net funds	At 1 January 2021 €	Cash flow €	Other non-cash charges €	At 31 December 2021 €
Cash at bank and in hand	5,486,784	1,317,120	-	6,803,904
Loans under capital assistance scheme (note 14)	(7,509,803)	(186,874)	386,532	(7,310,145)
<b>Net debt</b>	<b>(2,023,019)</b>	<b>1,130,246</b>	<b>386,532</b>	<b>(506,241)</b>

### 18 Taxation

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

### 19 Related party transactions

#### Group

As part of the supports it provides, Cork Simon Community provides payroll and accounting services for the South East Simon Community. In 2021 the income and expenditure transactions incurred by Cork Simon on behalf of South East Simon amounted to €392,780 (2020: €228,960). These were fully recharged to South East Simon with no margin being earned on the transactions that occurred during the year.

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

During the year Simon Communities of Ireland dispersed €70,604 of fundraising income to Cork Simon Community.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 19 Related party transactions - continued

#### Company

As part of the supports it provides, Cork Simon Community provides payroll and accounting services for the South East Simon Community. In 2021, the expenditure transactions incurred by Cork Simon on behalf of South East Simon amounted to €392,780 (2020: €262,419). These were fully recharged to South East Simon with no margin being earned on the transactions that occurred during the year. The fundraising income received by Cork Simon on behalf of South East Simon amounted to €35,763 (2020: €nil). This was credited to South East Simon. The balance owing to Cork Simon at the 31 December 2021 was €102,406 (2020: €390,551).

During the year Simon Communities of Ireland dispersed €30,187 of fundraising income to Cork Simon Community.

### 20 Events after the balance sheet date

The Russian invasion of Ukraine, which commenced in February 2022, is causing a humanitarian crisis as well as significant market disruption and it is leading to higher inflation and energy supply issues, particularly for energy and commodities. It increases macroeconomic risks in Ireland and globally. The arrival of refugees in Ireland from Ukraine is putting further pressure on the housing and accommodation. The directors will continue to monitor the situation.

There have been no other significant events affecting the Group and Company since the year-end.

21 Capital commitments	2021 €	2020 €
<b>Group</b>		
Authorised by directors but not contracted	962,882	115,000
Contracted not provided	-	518,000
	<u>962,882</u>	<u>633,000</u>
<b>Company</b>		
Authorised by directors but not contracted	705,382	-
Contracted not provided	-	518,000
	<u>705,382</u>	<u>518,000</u>

Capital commitments relate to the proposed development of 8 self-contained residential units in Cork city and the purchase of one apartment. Capital Assistance Scheme funding has been allocated by the Department of Environment, Climate and Communications, but is not yet received or recorded by the company.

### 22 Acquisition of South East Simon – merger accounting

#### Group

In the prior year, on 19 November 2020, the Company acquired control of Simon Community (South East) Company Limited by Guarantee ("South East Simon"), registered at 10A Waterside, Waterford. This arose following a change of South East Simon's constitution on that date which gave the Company the ability to control its board.

Cork Simon has no beneficial interest over the net assets of South East Simon. Whilst the net assets of both entities are combined because of this control arrangement, no non-controlling interest is deemed applicable in the Group financial statements as both entities are separate public interest entities under FRS 102.

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **22 Acquisition of South East Simon – merger accounting - continued**

The company used the merger accounting method to account for the acquisition of South East Simon in the Group financial statements in the prior year. The carrying amounts of the acquired entity's assets and liabilities were not adjusted to fair value, although appropriate adjustments are made to achieve uniformity of accounting policies in the combining entities. No new goodwill arises under merger accounting, and the acquired entity's assets and liabilities are brought in at the amounts at which the entity recorded them in its books before the combination (subject to adjustment for uniform accounting policies).

This is primarily comprised of certain property assets, debtors, current assets and Capital Assistance Scheme loans. The consideration paid was €Nil and the book value of the net assets acquired is summarised in the table below. No adjustments were required to achieve uniformity of accounting policies in the combining entities.

	€
Tangible assets	3,117,090
Debtors	28,858
Bank	358,784
Creditors - amounts falling due within one year	(600,271)
Creditors - amounts falling due after more than one year	(2,777,004)
	<u>127,457</u>

These net assets are included in the group financial statements at the date of the transaction. The opposite balance has been included in Other reserves in the Group financial statements.

### **23 Net movement in funds for the financial year**

#### **Group**

There was no material difference between the reported profit and the profit prepared under the historical cost convention.

#### **Company**

The Company is availing of the exemption contained in Section 304 of the Companies Act 2014 and as a result its statement of financial activity has not been presented and will not be annexed to the annual return. The Company's net increase in funds for the financial year is €578,967 (2020: €1,818,009 net increase).

### **24 Approval of financial statements**

The financial statements were approved and authorised for issue by the board of directors on 27 June 2022 and were signed on its behalf on that date.