



Society of St Vincent de Paul

Society of St Vincent de Paul, Ireland

Reports and Consolidated Financial Statements
for the year ended
31 December 2018

Contents

	Pages
Legal and Administrative Information	2
National Management Council Report	3
National President's Review	5
Trustees Report	7
Financial Review	16
Principal Risks and Uncertainties	19
National Management Council's Responsibilities Statement	22
The National Management Council Composition	23
Trustees' Statement of Relevant Audit Information	24
Independent Auditor's Report	25
Consolidated Statement of Financial Activities	28
Consolidated Balance Sheet	29
Consolidated Statement of Cash Flows	30
Notes to the Consolidated Financial Statements	31

Society of St Vincent de Paul (Ireland)

Legal and Administrative Information For the year ended 31 December 2018

STATUS	The Society of St Vincent de Paul is registered in Ireland as a charity.	
GOVERNING DOCUMENT	The Society of St Vincent de Paul was established in Ireland in 1844 and is governed under the "Rule", which derives from the International Rule of the worldwide Society of St Vincent de Paul.	
CHARITY REGULATOR NUMBER	20013806	
CHARITY NUMBER	CHY 6892	
NATIONAL OFFICE	SVP House 91/92 Sean MacDermott Street Dublin 1, Ireland	
NATIONAL MANAGEMENT COUNCIL TRUSTEES	Kieran Stafford Rose McGowan Ciara Reynolds Peter Fitzpatrick Larry Butler William Casey Bernadette Doyle Rosa Glacken John Lupton Christy Lynch Michael McCann Frankie McClure Fr. Paschal Scallon	National President National Vice President National Vice President National Treasurer Spiritual Advisor
NATIONAL SECRETARY	Andy Heffernan	
PRINCIPAL BANKERS	Bank of Ireland Lower Baggot Street Dublin 2, Ireland Allied Irish Bank plc Bankcentre Ballsbridge Dublin 4, Ireland	
AUDITORS	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm 29 Earlsfort Terrace Dublin 2, Ireland	
SOLICITORS	Kilcullen & Associates 30 Ardagh Grove Blackrock Co. Dublin, Ireland McCann Fitzgerald Riverside One Sir John Rogerson Quay Dublin 2, Ireland	

Society of St Vincent de Paul (Ireland)

National Management Council Report For the year ended 31 December 2018

The National Management Council (NMC) presents its annual report and the audited consolidated financial statements, for the Society of St Vincent de Paul (SVP or the Society) in respect of the island of Ireland, for the year ended 31 December 2018.

The legal and administrative information is set out on page 2. The financial statements follow the current requirements of the Statement of Recommended Practice, Accounting and Reporting (SORP) by Charities (2015) and the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102. In the Republic of Ireland, charities are governed by the Charities Acts 2009 (only partially enacted), 1961 and 1973. In Northern Ireland, charities are governed by the Charities Act (Northern Ireland) 2008, Charities Act (Northern Ireland) 1964 and the Charities (Northern Ireland) Order 1987.

BACKGROUND

The Society of St Vincent de Paul is an International Christian organisation of lay people, Catholic from its origins, formed in Paris in 1833, by Frederic Ozanam and his companions. Placed under the patronage of St Vincent de Paul, it is inspired by his thinking and works. It seeks, in the spirit of justice and charity, to help those who are suffering poverty in any form. It does this mainly through the person to person involvement of its members.

OBJECTIVES OF THE CHARITY

The relief of poverty, both material and emotional, in Ireland and abroad, without differentiation on the grounds of race, colour, creed, ideology or gender.

ACHIEVING THE SOCIETY'S OBJECTIVES

Support and Friendship: Through a person to person contact, we are committed to respecting the dignity of those we assist and thus to foster their self-respect. In the provision of material and other support, we assure confidentiality at all times and endeavour to establish relationships based on trust and friendship.

Promoting Self-Sufficiency: We believe it is not enough to provide short-term material support. Those we serve must also be helped to achieve self-sufficiency in the long term and the sense of self-worth this provides. When the problems we encounter are beyond our competence, we build bridges of support with others more specialised.

Working for Social Justice: We are committed to identifying the root causes of poverty and social injustice on the island of Ireland and in solidarity with the poor and disadvantaged, to advocate and work for the changes required to create a more just and caring society.

ORGANISATIONAL STRUCTURE

Individual members join a local group or “Conference”. On the island of Ireland, there are 1,203 Conferences (2017: 1,208) which are grouped into 108 Area Councils (2017: 114). The Areas, in turn, are grouped into 8 Regional Councils (2017: 8). Each Conference, Area Council and Regional Council has an elected President who appoints the Vice President, Treasurer and Secretary.

The National Council is comprised of Presidents of the Area Councils and the members of the National Management Council (NMC). The National Council elects a National President. The NMC consists of the National President, 8 Regional Presidents, 2 National Vice Presidents, a National Treasurer and a Spiritual Advisor. These NMC Members are also the Trustees of the Society. In addition, there are a number of attendees at the NMC who are not Trustees, nor have they a vote. They include the Chair of the Special Works Committee and the Chair of the National Youth Committee.

The National President is a member of the International Council General which coordinates the Society in almost 150 countries.

MANAGEMENT AND DECISION MAKING

The NMC manages the affairs of the Society and reports to the National Council. All decisions proposed by the NMC, and not covered by the Rule of the Society, must be ratified by the National Council before they become Society policy. The NMC normally meets monthly. The National Council normally meets once per year. The NMC is assisted in the discharge of its duties by a number of Committees, including the National Audit Committee, whose membership comprises volunteers.

The Society employs a National Secretary whose role is to oversee the national operations and administration of the Society and who reports directly to the National President. The National Secretary is accountable to the NMC and the National Council.

The remuneration for key management is set by the Society’s Remuneration and Compensation Committee. Remuneration of key management is reflective of the Society’s size and sector.

RELATED PARTIES AND CONNECTED ORGANISATIONS

The nature of the Society’s work means that it has connections to a number of organisations. None of these relationships confers any ability to exercise any control over the activities of the Society. All transactions are within the ordinary course of business.

VOLUNTARY MEMBERS

The Society is a volunteer-led organisation. All the Society’s work is carried out by its 11,000 members and volunteers supported by a staff of full time, part-time and seasonal basis employees. The Home Visitations are entirely carried out by members and volunteers. The NMC consists solely of members/volunteers who receive no remuneration other than the reimbursement of expenses incurred in the course of their duties for the Society.

The NMC recognises and appreciates the commitment of the Society’s 11,000 voluntary Members in the island of Ireland and the many supporters of the work of the Society. It is not possible to place a monetary value on this voluntary effort, but this is essential to enable the Society to achieve its core objective of relieving poverty.

NATIONAL PRESIDENT'S REVIEW

I am pleased to present our consolidated financial statements for 2018. Total income for the year was €80.6 million compared with €82.2 million in 2017.

No more than in 1844, the year of our foundation in Ireland, our aim in 2018 was to bring friendship and support to people in need and suffering marginalisation; this is at the heart of what we do and continues to be a priority for the Society. During 2018 our Members' visits with people and families challenged by poverty and inequality did make a difference in the lives of many. This visitation work is only possible due to the passion and commitment of the SVP members, volunteers and staff, and through the ongoing generosity of the people of the island of Ireland which has remained as strong as ever. We are however only as good as our members and we continue to need new volunteers to help us to address the issues we encounter in our visitation work. We invite people in our communities to be members of SVP and to enable SVP to reach more of the people who need our help. I was delighted to see in 2018, the development of more efficient online ways of attracting, processing and training new members.

Our Members are in the unique and privileged position of being invited into people's homes, which enables us to better understand their real needs, thus enabling the Society, in many instances, to provide long-term solutions and assist people towards self-sufficiency. Visitation is non-judgemental and underpinned by compassion, dignity and a generosity of time for those we serve. In doing this, our members work closely with other relevant organisations and bodies, and we appreciate their ongoing support and advice. During 2018 we continued to reach out to those in need including those who may not previously have sought the support of the SVP as we encounter different forms of marginalisation, often not as visible as the traditional perception, but nevertheless where we can make a difference.

In 2018 we developed a new plan to support our Members in delivering quality visitation and ensuring the necessary supports are in place to deliver this service. Our **Reaching Out** plan is an important framework for the next three years and I look forward to seeing a manifest enhancement of the supports we provide. The plan is aptly titled in that we should be looking beyond the traditional areas of support given the more complex issues that can and do arise in the Ireland of 2018.

I am also happy to report that our Young SVP programme which promotes our Vincentian values of social justice and building good communities continues to flourish. We see the outputs in terms of the numbers of young people and schools reached. However the real outcomes will be in years to come as today's young people will be the decision makers and leaders of the future and we would like to think that an awareness of Social Justice will inform their outlook on life.

Social justice advocacy continued to be a major activity for the Society throughout 2018 and I was delighted to see a piece of research commissioned by the Society through the Vincentian Partnership for Social Justice, entitled *Stories of Struggle*, on the experience of living with an income below that required for a Minimum Essential Standard of Living. This had a profound impact politically and in the media in bringing individual stories to the fore.

Our special works continued to thrive in 2018 and we now see the very real improvements borne out of the 2014 restructuring which ensure the Society is best placed to operate in a changing regulatory and legislative environment.

NATIONAL PRESIDENT'S REVIEW (continued)

SVP is led by its Members. I thank all Members for their work in SVP. Being part of SVP can be one of the most rewarding parts of our involvement in our communities. We continue to have the on-going development and support of our volunteer Members and the dedicated people who are willing to serve as officers. I thank all those involved in such roles, which are not easy, but are essential if we are to maintain a vibrant Society.

SVP aims to be alert to the ever-changing needs in our communities in which we serve and respond accordingly to alleviate, as well as we can, poverty in all its forms. SVP has been a strong advocate of Social Justice over the years and has spoken out on a variety of Social Justice issues within our challenging world. Unfortunately, we live in a world and a country where inequality is widening. SVP continues to be active in its advocacy for Social Justice on behalf of those struggling in our communities. As we face our 175th year in Ireland in 2019 we aim to celebrate and commemorate such an achievement and through our Members and generous benefactors prepare for the challenges of the future.

A sincere thanks to all Members, Volunteers, Staff, Donors and the many people and organisations who make possible the support that we are privileged to provide to those in our communities who are in need.

Kieran Stafford

National President

TRUSTEES REPORT

Background

The aim of the Society of St Vincent de Paul is to tackle poverty in all its forms through home visitation, the delivery of various services and the provision of practical assistance to those in need.

The Society derives its inspiration from St Vincent de Paul and our founder, Blessed Frederic Ozanam, to do something practical about poverty and social exclusion whilst ensuring that the structures which have contributed to disadvantage are removed.

We strive in a spirit of justice, charity and respect through the personal involvement of our Members and employees, to enable those experiencing exclusion to take control of their own lives. We do not seek to impose our beliefs on the people we work with, rather we use them as the guiding inspiration for our work.

We are a Society open to all who wish to live their faith by loving and serving their neighbours. In Ireland, we welcome all people who accept the principles under which we work. We serve everyone in need, regardless of creed, race, colour, ideology or gender.

The concept of need is broader than financial hardship, so, visiting the sick, the lonely and the imprisoned form a large proportion of the Society's work.

TRUSTEES REPORT (continued)

Activities of the Society

The Society is organised in small groups, called "Conferences", often based in local parishes, which meet regularly, and their work is usually concentrated on local home visitation. Home visitation is the core activity of the Society and one in which most members are engaged in on a weekly basis.

Over the years, the Society has responded to social changes, often responding to local unmet needs and has developed a range of additional services. Such services and activities are known as "Special Works". They comprise a significant proportion of the activities of the Society, however in recent years they have become more professionalised and the organisation has had to manage the associated obligations regarding employment, quality standards and adherence to funding service arrangements, all within an increasingly regulated environment. Unfortunately, such services can no longer be delivered purely by voluntary effort and the obligations and responsibilities have contributed to an increased complexity in the Special Works activities.

The changing environment prompted the restructuring of the Society in 2014, and National Special Works structures were introduced, providing for national operational line management structures in both Homeless Services and Retail. Social Housing and other specialist services continued to be supported on a coordinating and consultancy basis. National committees were established to give effect to the strategic direction of such activities. Throughout 2018, we have developed our National committees by inviting competent external volunteers with appropriate skillsets who have contributed significantly to the capacity and competency of the committees.

In 2018, the Society further developed the Retail and Social Housing structures with an emphasis on robust regional frameworks to maintain a volunteer-led approach whilst enhancing the professional resources both regionally and nationally. The National and Regional committees, together with the operational structures, are ensuring more standardisation and quality in the services we provide and more accountability to our funders and donors. The due diligence process with a third-party organisation to examine the transfer of Homeless Services continued in 2018, however in the third quarter, it became apparent that the funding requirements, together with the built environment challenges became an impediment to progress and the discussion came to an end.

Nevertheless, in November, the NMC decided to maintain the strategic approach to divestment and alternative opportunities are being sought on a regional specific basis. Notwithstanding the strategic approach, the day to day operational management obligations continue and centralised resources have been made available to ensure sufficient operational capacity to ensure appropriate oversight of the activity. Additionally, the national committee will develop new Terms of Reference and invite additional members to ensure appropriate skillsets for managing more technical matters such as building projects etc.

The creation of separate structures for Special Works, whilst still in development has been successful and has created capacity, competence and a degree of self-sufficiency, therefore addressing some of the underlying reasons for the restructuring in 2014. There will be an opportunity in 2019 to evaluate the new structures given the experience of the previous four years and establish the needs for future years.

Currently, we don't have national structures in Special Works such as Holiday Homes and Resource Centres which will be reviewed in 2019. Such specialist services also involve childcare and other children's and young person's services which require specific governance arrangements. Additionally, the Society's involvement in childcare and other children's and young person's services requires coordination nationally with appropriate governance oversight which will be a priority in 2019.

TRUSTEES REPORT (continued)

Home Visitation & Core Activities

The core activity of the Society remains home visitation. The strategy for the Society is to provide a more coherent focus on visitation and ensure that Conferences are fully supported to provide quality support for individuals and families. Our visitation work includes bringing friendship and support, be it financial or other to individuals and families in their own homes. In 2018 we saw a continued increase in our visitation to families affected by homelessness in emergency accommodation which brings different challenges in terms of meaningful interventions.

The Society through our Member Support team provides support for our members, enabling them to respond to all requests in a realistic and effective way. We aim to equip members with the necessary tools so that they feel fully informed and supported to respond appropriately to those who seek assistance from the Society.

Two ambitious programmes were launched in 2018. The SVP Member Support Development Plan, **Reaching Out 2018-2020**, sets out key challenges and priority areas for Member Support & Home Visitation including:

- Responding to need-Supporting Social Justice,
- Member recruitment
- Member/Volunteer supports,
- Member development, leadership and training,
- Communication
- Member support resources

The development plan, based on emerging needs in changing times, will focus our supports on the people we serve and provide direction and alignment in decision making in the next three years. It provides a framework to build capacity and ensure members are well prepared to ensure quality services and supports are provided to those we support.

The second major initiative is the design and implementation of an on-line recruitment and training programme. New members are the lifeblood of the Society and in this regard, we must ensure we provide the appropriate and most efficient channels to process new members whilst ensuring they are sufficiently robust to ensure compliance with sectoral norms. A pilot for online recruitment of new members commenced in Autumn of 2018 with very positive initial feedback. This will continue to be evaluated in 2019 with the expectation that a solution best fitted to the needs of the Society and potential new members will be in place by the end of the year. An integral section of the online recruitment process is the provision of online training which will have significant application elsewhere in the Society. Preparatory work has been done in 2018 with a view to offering some modules of the induction training in 2019 which it is expected to address the drop off levels of potential new members during the process.

A key support offered to members is the Visitation Handbook, with best practice and guidance notes. The revised and updated handbook was launched in 2018 and is available in hard copy or via the knowledge base of SVP's online Conference Portal.

The on-going work of SVP Member Support continued through-out 2018 with our Member Support Officers supporting our volunteers at regional level, providing direct case-work support and capacity building through our area gatherings. Area Gatherings continue to grow from strength to strength - 1,000 members from over 40 areas participated in Area Gatherings in 2018, with 94% of participants rating them as either extremely (73%) or very useful (21%).

TRUSTEES REPORT (continued)

Home Visitation & Core Activities (continued)

A previous challenge for SVP has been to ensure that the vital volunteer role of Area President is sustained and supported. By the end of 2018, only 10% of Area Presidents posts were vacant, thus maintaining an important link to our Conferences and providing an increasing level of support, training, information and guidance. By focussing on the role of Area Presidents, Conference Presidents, in turn, have also been supported in their Conference work including quality visitation, good governance practices and associated compliance. It is planned to introduce leadership training for Area Presidents which will further increase the capacity and competencies within the Society.

The Society has focussed on education in recent years which provides a pathway from poverty, particularly for those who may be affected by intergenerational poverty. In addition, education costs for many families are challenging and state grants do not cover the expenses incurred. Further investment in this area in recent years by the Society is demonstrated by an increase of €908k in spending on education in 2018. Likewise, an increase in spending on energy can be attributed to increases in energy prices, colder winters and some significant weather events.

Young SVP

Young SVP is the Society's youth development programme designed for young people attending secondary school, Youth Reach and other educational settings. It also embraces those taking part in youth groups / clubs; and those at 3rd level. The programme focuses on social action within the ethos and mission of Society. Young people are offered opportunities to learn about SVP, about social justice and about how to engage in social action in a positive, purposeful and meaningful way. Young SVP is not necessarily a recruitment programme but a very real and manifest method of societal change. Today's young people are the decision makers of tomorrow and it's important to expose them to the concept of Social Justice which may inform their subsequent decision making.

The Young SVP youth development team offers ongoing support to all those engaging in the Young SVP programme – whether part of a Conference, class or Young SVP group. Our Youth Development Officers (YDO) visit groups in their educational settings a number of times through the year to work with them on a number of topics. On a trial basis, a College Support Officer was appointed in April 2018. This new resource has been a welcome support to all our college and 3rd level groups around the country.

The Young SVP Programme operated across seven Regions in the 2017/18 academic year.

In the 2017/18 academic year, our YDOs delivered a total of 883 school visits across more than 213 different schools, where they informed students about the work of SVP, explored issues of social justice and supported them in designing and delivering activities to address needs in their own communities. A total of 9,622 young people engaged in our schools programme this year. Some 243 social action projects were completed by these Young SVP members this year, helping and supporting many people in local schools and communities. The work completed by these students was marked and celebrated across six different Regional Youth Days and Exhibitions, with an average of 300 participants attending each of these days. We are thankful to our primary sponsor for their continued support with this programme.

TRUSTEES REPORT (continued)

Social Justice

Social justice advocacy continued to be a principal activity for the Society throughout 2018. In accordance with our mission statement, our social justice work seeks to achieve policy change, to address the root causes of poverty and social exclusion, and to challenge the notion that poverty and inequality are inevitable.

The policy areas of access to an adequate income and access to services including secure and affordable housing, education, health and energy remain our key concerns.

Our policy and advocacy work is informed by the experience of our members working with people experiencing poverty and exclusion in communities across the island of Ireland and we remain committed to bringing this experience into the policy making process and highlighting the reality of life on a low income. Our Social Justice Network of SVP members responded for the first time in 2018 to surveys on the needs of the people we assist and the costs of education at primary and second level, while the Vincentian Partnership for Social Justice carried out research on our behalf, Stories of Struggle, on the experience of living with an income below that required for a Minimum Essential Standard of Living. Our National Social Justice Committee met throughout the year to discuss ongoing and emerging social justice and policy issues, and to develop recommendations for Government.

In order to further our social justice objectives, in 2018 SVP made submissions to Government and regulators on the following topics:

- Moneylending
- Education
- Energy
- Poverty and social inclusion
- A detailed submission on Budget 2019

The Society also presented at the Joint Committees on Employment Affairs and Social Protection and Education and Skills, reiterating our message that tackling poverty must be a priority. We regularly meet with Government Ministers and elected representatives from across the political spectrum to highlight the experience of the people we assist and the solutions which we have developed.

Budget 2019 saw a very notable success, with the announcement of a higher rate of Qualified Child Increase for older children. We had advocated for this for many years, in recognition of the additional costs facing families with older children and the higher rate of poverty experienced by older children. We will build on this achievement in the coming years. The Survey on Income and Living Conditions (SILC) figures for 2017 showed that almost 25,000 children were lifted out of consistent poverty between 2016 and 2017, demonstrating that with the right measures, real progress can be made in tackling poverty. However, the high cost of housing, education and childcare will continue to impact on struggling families.

The issue of in-work poverty and the connection between energy poverty and climate change are two areas which we will continue to prioritise in 2019. As the economy approaches full employment, the challenges facing those in work on a low income will become more evident. Measures taken to tackle climate change and to help Ireland to meet its climate obligations have the potential to impact disproportionately on those on the lowest incomes. St Augustine said that “Charity is no substitute for justice withheld”. Working for social justice is at the heart of the Society of St Vincent de Paul and we will continue to challenge poverty and inequality and advocate for investment in policies which will make a difference in the lives of people who are struggling and will result in a fairer society for all.

TRUSTEES REPORT (continued)

Special Works Activities

2018 saw continued development across Special Works with the national structures being replicated at the regional level, providing a framework for more formalised reporting structures and standardised approaches to operational matters and practices. The following provides an overview in terms of the activity levels across the various Special Works in 2018.

Retail Services

By the end of 2018, the Society operated 228 shops across the country with one shop being closed, five new openings, two re-locations and the re-opening of existing shops in Coolock in Dublin and Tubbercurry in Sligo. New shop opportunities will continue to be evaluated to include providing a service in areas of social deprivation across the island of Ireland.

There are now also 6 Order Fulfilment Centres (OFC) in Dublin, Cork, Tralee, Waterford, Nenagh and Drogheda. A site for a seventh OFC has been identified in Athenry, Co. Galway and discussions are ongoing with a view to opening this facility in 2019. An OFC is an SVP depot or warehouse used to collect, sort and redistribute surplus donations from shops, clothing banks, mobile collection units, churches, schools, corporate donors and occasional house clearances. The vision for OFC's is to have real time access to 'Sales per category' in every location and replenish stock levels on time. The real time access is provided via sales reports from EPOS (Electronic Point of Sales). By the end of 2018, EPOS systems had been installed in twenty-eight shops across five Regions with further installation plans for 2019.

In a continuation of streamlining and the standardisation of processes across our retail services, the Society launched three new retail policies in January 2018. In previous years, a number of areas requiring standardisation of policy were identified and the following were approved and disseminated:

- Shop Security Policy
- Customer Care Policy
- Health and Safety Policy

In July 2018, SVP appointed a Compliance and Monitoring Officer to oversee the implementation of all processes within shops, OFC'S and transport.

In September 2018, the National Retail Team including Regional Retail Managers, successfully completed two courses therefore increasing the capacity within the retail function and reducing the risk profile.

- Health and Safety in the workplace – QQI level 5
- Manual Handling – Train the Trainer – QQI level 6

In late 2018, work commenced on a comprehensive Health and Safety folder to include:

- Fire safety checklist
- First aid safety checklist
- Inspection and testing schedule for electrical equipment
- Accident / incident management process flow chart
- Accident / incident report form
- Training checklist and validation form
- Contractor management safety checklist
- Checklist of mandatory records to be kept on site
- Specific safety statement for shops and OFCs' ancillary sites
- Risk assessment template

TRUSTEES REPORT (continued)

Retail Services (continued)

In late 2018, a survey of the SVP transport fleet was conducted and identified 65 light vans or heavy trucks in use, primarily in the collection and redistribution of furniture and textiles. It is estimated that the Society processed 11,220 tonnes of textiles in 2018, which equates to 1.1 million bags of clothes.

In June 2018, SVP Retail held its third annual Retail Conference and introduced shop awards for the first time. The event was attended by 232 volunteers, members and staff who listened to a range of speakers. The theme of the conference was the psychology of shopping and attendees were provided with an infographic called 'How we shop' in simple steps. This infographic identifies over 60 signals or cues that automatically emit from our shops which are processed aesthetically, cognitively and physiologically before encouraging either 'approach' or 'avoidance' behaviour by the customer. These signals can be blocked by 'moderators' like cognitive load and shopping intention.

In order to support our shops with the necessary tactics to increase sales, in Autumn 2018, thirty-five shops from across the eight Regions participated in a trial sales campaign called "**Peaks**". Shops recorded a significant uplift in sales during the period from late October to early December following the temporary application of a variety of strategies including extended opening hours, enhanced instore communication, including targets, customer appreciation events, increased activity on social media and the preparation and sale of customised collections. The Peaks campaign will be rolled out nationally in Autumn 2019.

Sales figures for 2018 were €27.1 million (2017: €26.4 million) which represents an increase of €615k.

Homeless Services

The homeless crisis continued to worsen in 2018 and the Society's emergency accommodation services remained in demand. We offered over 300 beds of emergency accommodation per night across the country with additional support services through Tenancy Sustainment Workers in Cork city and a Drugs Outreach Worker in our Carlow service. We provided a total of 103,601 spaces to our service users in 2018, on average 313 spaces per day. In 2018, 631 people were admitted to SVP Homeless Services – comprising 624 adults and 7 children. We also admitted three families to our services in Letterkenny and Longford.

We continued to apply and implement changes to our services in line with the draft National Quality Standards for Homeless Services including a greater focus on service user involvement, feedback and participation. These standards will apply to all homeless services funded by the state when implemented and after SVP was invited to participate in the piloting of them through our Bethany House service for women and children in Longford, we subsequently rolled out that piloting in all 10 of our services nationally. Whilst the due diligence process came to an end in late 2018, we continued to ensure appropriate operational and governance oversight was in place.

TRUSTEES REPORT (continued)

Social Housing

The Society of St Vincent De Paul/Frederic Ozanam Trust, as a registered Approved Housing Body (AHB), provided 862 of social housing units nationally in 2018, delivered and managed by 65 Conferences. This involves some 740 Members supported by employees across various schemes. In total 932 tenants availed of the Society's social housing.

The year marked the launch of the **Social Housing Strategic Plan** which provides a signpost in terms of the future direction of the Society's social housing activity. The Strategic Plan reinforces the Society's intention to remain in social housing recognising the added value brought to its provision and management through the Society's unique volunteer-led structure. The duration of the plan is three years and it sets out key strategic aims and objectives across governance, performance and viability. The plan will help the Society to improve our services to our tenants and ensure we provide the highest quality housing to meet their needs.

A Social Housing Business Plan was also developed which gives effect to the objectives set out in the Social Housing Strategic Plan. The plan sets out how the Society can finance and deliver our objectives ensuring that we have sufficient resources available to meet our obligations and ambitions regarding tenants' needs and expectations, asset maintenance, legislative and regulatory requirements, and the scope to make significant progress to help build a more sustainable social housing management model. The work the Society has planned over the next three years will ensure that we are financially viable into the future in order to deliver the highest quality services to our tenants and make appropriate investments in our homes.

The Social Housing Performance Reporting System was launched which provides an evidence-based mechanism to measure performance across housing operations nationally by collecting and analysing housing data on a quarterly basis. Continuous review of performance allows us to assess areas where improvement can be found across tenant management and service delivery. The Society continues to engage positively with the Housing Regulator.

In terms of Asset Management, nationally the Social Housing Conferences reviewed their Stock Condition Surveys and set out clear plans scheduling works over a 5-year period. Minister Eoghan Murphy opened Phase 2 of St Benedict's Malahide Social Housing Scheme which provides an additional 8 one bed units of accommodation for the elderly, to the existing scheme of 37 units. With the introduction of GDPR Regulation, the Society updated all Social Housing documentation including Policies and Procedures and Tenancy Agreement to ensure compliance.

Resource Centres

The Society operates seven resource centres in the following locations: Dublin, Ballina, Castleisland, Cavan, Carrigtwohill, Tuam and Galway. Resource Centres have been developed over the years to provide a focal point and resource for local communities and families and provide a base for many activities which contribute to social cohesion in the local area. Such activities include day-care facilities, training and meeting rooms, meals on wheels' facilities etc. Funding security for resource centres continues to be challenging and in 2018 two Resource Centres in Cork and Galway commenced a process to access Tusla funding. Specific activity funding streams continue to be accessed and local Conferences continue to subsidise centres given the very real value provided to local communities.

TRUSTEES REPORT (continued)

Holiday Homes

The Society operates five holiday homes in Wexford, Meath, Donegal, Kerry and Down. The holiday homes provide holidays and breaks to those families supported by the Society and other groups who might not be in a position to enjoy such breaks.

Prison Visitor Centres

Prison Visitor Centres are operated in Cloverhill, Wheatfield and Mountjoy in Dublin and the Midland's Regional Prison in Portlaoise. The centres provide a welcoming and friendly reception for the families of prisoners which is particularly important for children. The centres are funded through the Irish Prison Centre and the Society.

Children/Young Adult Services

Early childhood services are delivered in Dublin, Waterford, Lurgan, Belfast, Carrigtwohill and Castleisland whilst residential breaks are provided in Knockadoon in Cork and Sunshine House in Dublin. There are also six youth clubs in the Dublin area providing activities and events for those young people who may not have access to the opportunity and resources available to others.

Additional Services include Day-care centres for the elderly, various meals on wheels' services and a Seafarer's Club in Dublin.

FINANCIAL REVIEW

The Society continues to see in our communities the need for significant support to individuals and families through Visitation Work and the Society's Special Works.

The financial statements for 2018 are in line with FRS102 and the Charities SORP 2015. The Society depreciates property assets and capital grants are amortised over the life of the asset.

The Society continues to aim for a balance of our income with expenditure over multiple year periods. The income sources and levels are the key factors in creating the Society's capacity for the provision of direct financial assistance to individuals, families and the provision of services to recipients.

The financial outcomes for the year ended 2018 show a net deficit of €1.2 million compared to the net surplus of €5.7 million in 2017.

Analysis of Income

The Society's total income, which arises from several income streams, is discussed below, decreased to €80.6 million from €82.2 million in 2017.

The income from church collections decreased to €9.2 million (2017: €9.6 million). The income from donations decreased to €14.3 million (2017: €15.2 million). The income from collections and donations will vary year-on-year due to their intermittent nature and the occurrence of exceptional once-off collections or donations.

The income from legacies decreased to €8.5 million (2017: €9.0 million). The receipts from legacies are irregular, with dependency on an individual's preferences when finalising their Will, and the interim time between death and notification of the legacy.

The community charity shops turnover increased to €27.1 million (2017: €26.4 million) due to the continuous development of the existing charity shops and the opening of new charity shops.

The Society received government funding for the provision of services to recipients and other government grants of €12 million (2017: €12.5 million), which includes €1.5 million (2017: €1.5 million) from the Department of Housing, Planning, Community and Local Government in relation to the Poverty Relief Fund.

Analysis of Expenditure

The expenditure of the Society is analysed in Note 6 to the Accounts. There was an increase in total expenditure to €81.8 million, compared to €76.5 million in 2017. The foreign exchange loss of €116k (2017: €493k loss) arose on the translation of sterling balances. Adjusting for this currency translation, the 2018 expenditure is €81.7 million, compared to €76.0 million in 2017.

The SVP members' visitation work, which includes assistance to individual and families, was €31.1 million (2017: €28.4 million). The increase in direct assistance is, in part, due to changes in the type of support and assistance provided, direct support developments, increased support for education, changing winter weather conditions and changing needs of those whom we serve. The SVP members' visitation work includes non-financial support, advisory assistance, befriending and supporting access to social services.

FINANCIAL REVIEW (continued)

Analysis of Expenditure (continued)

The total expenditure for Activities in furtherance of the Charity's Objectives was €41.1 million (2017: €38.5 million).

The community charity shops expenditure represents 27% of the Society's total expenditure. The community charity shops expenditure increased to €22.1 million from €20.1 million in 2017.

The provision of services to recipients, excluding shops, represents 23.1% of Society expenditure and principally relates to Homeless Hostels and Social Housing. The services expenditure increased to €18.9 million from €18.4 million in 2017.

The Society's properties (Note 10) include social housing, hostels, holiday homes, resource centres, and retail units. Due to planned maintenance and stock condition assessments, the maintenance cost for the properties is expected to increase in future years and the Society is currently assessing the quantum of reserves which will be required to be dedicated for such expenditure.

Balance Sheet

At the 31 December 2018, the Society has a strong balance sheet, created over the 174 years of its existence and arising from a prudent approach to its activities and risks. This facilitates the Society in its wide range of visitation work and provision of services.

The Society's tangible assets are analysed in Note 10 which shows a net book value was €108.5 million, with additions during the year of €4.4 million. As stated in Note 10, the carrying cost of properties for accounting purposes is based upon the deemed valuation of these assets completed in 2012. In the course of 2018, the Society reassessed the carrying value of its assets as required by FRS102, resulting in an impairment charge of €4.1 million. As noted below the Society had €80.8 million of Property Valuation Reserves at 31 December 2018 (Note 18). In addition, the NMC reviewed the depreciation rate for owned properties considering the impact of stock condition surveys carried out in Social Housing and findings from property valuation reviews.

The cash at bank and in hand at 31st December 2018 was €83.8 million compared to €81.5 million in 2017 which is further considered in Note 13. The Society has a pension surplus of €155k (2017: €174k).

Creditors amounts falling due within one year were €6.8 million (2017: €6.4 million) and Creditors amounts falling due after one year were €33.3 million (2017: €33.0 million). Included in the creditors are capital grants net of amortisation at €34.8 million (2017: €34.3 million).

The Society's reserves were €155.4 million (2017: €162.1 million). As explained in Notes 17 & 18, total reserves can be analysed as €5.3 million (2017: €5.8 million) of restricted funds, €22.8 million (2017: €15.3 million) of designated funds, €80.8 million (2017: €84.9 million) being property valuation reserves and €46.6 million (2017: €56.1 million) of general reserves. The designation of reserves aims to be forward looking with the purpose of making resources specific to special works and other activities.

FINANCIAL REVIEW (continued)

Future Financial Plans

A key objective for the Society is to support individuals and families through members' visitations, befriending, and short-term financial support to those subjected to poverty or social inequality, and the support of the SVP services to recipients. This will be achieved through quality visitation work, services to recipients, careful management of the Society's resources and continuing to achieve a balance of the Society's income with expenditure, cash flow management, and the available financial resources to provide direct assistance to families and individuals during the next year.

Cash Flow

The Society's consolidated net cash inflow from operating activities was €4.0 million (2017: €8.6 million). The net expenditure was €1.2 million (2017: Net Income €5.7 million). Depreciation less the amortisation of capital grants was a net inflow of €3.9 million. The movement in Debtors and Creditors, which included bequests, was a net cash inflow of €887k.

The cash outflows in investing activities was €3.5 million (2017: €2.6 million). Properties acquired and capital expenditure in the year was €4.3 million (2017: €2.7 million) on the development of the community charity shops, social housing, resource and services centres. The proceeds from the disposal of assets was €831k (2017: €51k).

The cash inflows from financing activities was €1.9 million (2017: €1.9 million). Capital Grants received in the year was €1.9 million (2017: €1.8 million). Investment income amounted to €54k (2017: €98k).

The consolidated liquid resources movement for the year was an increase of €2.4 million (2017: €7.8 million). The Society is well developed in its plans as to how such additional funds will be expended and a number of these are outlined in the following section and Note 18 to the accounts.

RESERVES POLICY

The Society's Total Reserves (represented by Restricted, Designated and Unrestricted Funds) are an amalgamation of assets employed in Special Works owned directly by the Society, and assets (principally tangible fixed assets and cash) held at National, Regional, Area and Conference levels.

The overall policy of the Society is to maintain liquid resources to facilitate the funding of the Society's work in the service of the poor, on whose behalf the funds are held. The reserves and liquid resources are maintained at a level which ensures that the Society Visitations Work and Special Works can continue during a period of unforeseen challenges. The reserve level takes account of the risks associated with each stream of income and expenditure, social housing stock condition and planned activities.

This policy is driven by the need to provide for future expenditure on a planned basis and at the same time be in a position to respond to urgent deserving causes at short notice. The reserves of the Society are held for its charitable purpose and aims, working with poor and disadvantaged people, bringing support and friendship. Local Conferences and Councils are encouraged to share unrestricted funds with other Conferences within the Society, to address the needs of the wider community.

Where appropriate, funds are designated for use within the Society, for particular purposes and the related expenditure may be made over several accounting periods. This principle also applies to certain funds which have been restricted in their use under the terms of their donation. The balances of such designations and restrictions, together with the categories to which they relate, are explained in Note 18 to the Accounts. The Society expects that, in the course of 2018, further designate funds will be created to cover new initiatives and to further enhance existing commitments in furtherance of the Society's charitable objectives.

PRINCIPAL RISKS AND UNCERTAINTIES

Overview

The National Management Council (NMC) is the directive, coordinating and management body of the Society on the island of Ireland, who establish continually evolving systems, policies, and procedures to help mitigate the major risks to which the Society is exposed. These policies and procedures are monitored and updated in light of legislative and other relevant factors. The Society's systems, policies, and procedures seek to ensure members and staff can identify risks and in turn have a responsibility to manage and mitigate risks.

Structures are in place within the Society to regularly assess risks and internal controls. The structure of the Society is based on Conferences (primary membership unit of the Society) with Area and Regional Councils being bodies who have oversight and accountabilities to their Region and the NMC for the work and risks within their geographical area.

Conferences and Councils appoint officers who manage the day-to-day activities of the Conferences and Councils in accordance with laws, the Society Rule and the policies set by the NMC. The risk management for the Society is achieved through Conference and Council internal controls, by the work of the Trustees, governance officers, Treasurers and the functions of National Office, Regional Offices, Special Works Operations, Finance, HR and Internal Audit.

Income Risk

Each Conference and Council within the Society manage their income and expenditure through continuous monitoring, Conference reviews, and plans. Income and cash positions are key drivers for the level of charitable acts the Society can perform. Conferences and Councils work on a conservative and risk management approach. The aim is to minimise the risk of financial and reputational loss while reducing liquidity risks due to the mismatch of income to expenditure.

The Society is reliant on the donations from the public for most of its income. The development of a broad range of sources of income is necessary to reduce the risk of significant income fluctuations (e.g. donations, church gate collections, bequests, fundraising, funders of services and activities, and community charity shops). For some emergency accommodation services, the Society is dependent on the ongoing support of the HSE for funding to deliver these emergency accommodation services. Ongoing funding at an appropriate level is fundamental to the Society's ability to continue these activities.

Governance Risk

The geographical distribution of the Society across the island of Ireland coupled with the diversity of activities the Society is engaged in, creates inherent governance and management risks. The primary structure of the Society is based on local Conferences (the membership unit of the Society who perform the charitable visitations acts of the Society or establish services), which are part of an Area (geographical area), who in turn are part of a Region and then the NMC.

Conferences, Area Councils, Regional Councils, National Council and NMC are the primary governance bodies within the Society. Conferences and Councils appoint officers who manage the activities of the Conference or Council in accordance with laws, the Society Rule and the policies set by the NMC. In addition, Conferences, Councils, and Management have direct responsibility for ensuring that the members and staff are addressing the risks within their remit. The National Council is the body responsible for adopting and amending the Mission and Values Statements, advising on opinion(s) for a policy when requested by the NMC and to amend the Rule as permitted by its terms, subject to the approval of the International Council-General.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Operational Risk

The Society places a priority on the safety and security of its members, volunteers, employees, beneficiaries, services recipients and general members of the public. The Society Rule, policies, procedures and practices aim to ensure risks are appropriately managed to protect any individual the Society comes in contact with, including vulnerable adults and children.

Risks are mitigated by training, monitoring, the use of appropriately trained members and staff, having appropriate procedures and practices to reduce risks. The incident reporting system is used to record incidents. We have adequate cover in place for public liability.

Market Risk

Currency Risk

As the Society in Ireland is an island of Ireland organisation, it operates in both Euro and Sterling. The currency risk within the Society is managed through minimisation of cross-region cash flow dependencies. The reporting currency of the Society is Euro; therefore, the Financial Statements include translation of our Sterling income and expenditure at the average exchange rate for the year and related balance sheet items at the exchange rate on the balance sheet date. The effect resulting from the restatement of the opening net assets at closing rates is recorded in the statement of financial activities.

Interest Rate Risk

There is minimal interest rate risk due to the Society's Rule that any loans are to be approved by the NMC. There is no loan covenant compliance risk as there are no financial debt instruments.

Credit Risk

The Society manages its financial assets and liabilities to ensure it will continue as a going concern.

The principal financial assets of the Society are bank and cash balances, and receivables. The principal financial liabilities of the Society are payables and capital grants.

Credit risk on liquid funds is mitigated by the spreading of funds over a number of financial institutions.

Health, Safety and Environmental Risk

The well-being of the Society's members, volunteers, employees, beneficiaries, services recipients and the public are safeguarded through adherence to health and safety standards, policies and good practices with the aim to minimise any negative impact on any individual, or the Society's activities and reputation. Health and safety legislation imposes certain requirements on the Society as a member-based organisation and as an employer. The Society continually acts to create a healthy and safe environment, provide policies and expect good practices from members and staff, including the implementation of new quality visitation programs and operational structures. The Society will seek to minimise adverse impact on the environment from its activities while continuing to address health, safety, and environmental risks.

General Data Protection (GDPR) and Information Security

The Society's transactions processing, recording and storing of data are particularly sensitive. The Society's data protection policies, procedures, and systems aim to mitigate risks related to information security.

The Society has been implementing the GDPR since 2017 and an action plan to address the gap analysis was put in place. Update reports are submitted to the NMC for review.

EVENTS AFTER THE BALANCE SHEET DATE

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

INVESTMENT POLICY AND PERFORMANCE

The investments are from legacies received by the Society. These investments are regularly reviewed by the Society, with the aim to realise funds for use by the Society to achieve its purpose and aims.

NATIONAL MANAGEMENT COUNCIL'S RESPONSIBILITIES STATEMENT

The National Management Council (NMC) has elected to prepare the financial statements in accordance with the Statement of Recommended Practice (SORP FRS 102) and FRS 102 The Financial Reporting Framework applicable in the UK and Republic of Ireland (relevant financial reporting framework). The NMC prepares consolidated financial statements for each financial year, which give a true and fair view of the state of affairs of the Society and of its incoming resources and application of resources, including its income and expenditure of the Society for the year.

In preparing those financial statements, the NMC is required to:

- select suitable accounting policies for the Society's Financial Statements and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in operation.

The NMC is responsible for keeping proper accounting records which disclose with reasonable certainty the financial position of the Society and which enable it to ensure that the financial statements comply with relevant legislation. The NMC is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The NMC is also responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Society of St Vincent de Paul (Ireland)

National Management Council Report (Continued) For the year ended 31 December 2018

THE NATIONAL MANAGEMENT COUNCIL

The National Management Council (NMC) is comprised of the National President, eight Regional Presidents, three Members appointed at the sole discretion of the National President and the Spiritual Advisor. The National President may exercise, in accordance with the Rule of the Society and after consultation with the Members of the NMC, to appoint any other Member to the NMC as a National Officer.

<u>TRUSTEE</u>	<u>OFFICE HELD</u>	<u>DATE OF APPOINTMENT TO NMC</u>
Kieran Stafford	National President	August 2007
Rose McGowan	National Vice President for Members	June 2017
Ciara Reynolds	National Vice President for Governance and the Rule	July 2017
Peter Fitzpatrick	National Treasurer	June 2017
Larry Butler	Regional President North East & Midlands	June 2018
William Casey	Regional President East	July 2015
Bernadette Doyle	Regional President South East	February 2017
Rosa Glacken	Regional President North West	December 2017
John Lupton	Regional President Mid-West	May 2015
Christy Lynch	Regional President South West	March 2015
Michael McCann	Regional President West	October 2015
Frankie McClure	Regional President North	November 2018
Fr Paschal Scallon	Spiritual Advisor	May 2018

NON-TRUSTEES

Áine Stafford	Attendee only - Chair of National Youth Committee	November 2018
Liam Reilly	Attendee only - National Chair of Special Works	June 2018

		<u>DATE OF RESIGNATION FROM NMC</u>
Grainne Lee	Attendee only - Chair of National Youth Committee	September 2018
Brendan O'Neill	Regional President North	September 2018
Liam Reilly	Regional President North East & Midlands	May 2018

The President of the National Council, elected in accordance with the Rule, is Kieran Stafford (May 2017). The members of the National Council elect the National President. The National Council comprises the Regional Council Presidents (No. 8), the Area Council Presidents (No. 114), the National President, the Members nominated by the National President (No. 3) and the Spiritual Advisor. The National President shall hold office for three years and is eligible for re-election for one further term of two years. The National President is then ineligible for re-election until the expiration of a further five years. A person shall be ineligible to serve, or continue to serve, as National President if he or she becomes ineligible to be a charity trustee.

The Regional President is selected by the members of the Regional Council, comprising the Area Council Presidents, together with all the Presidents of the Conferences in the Region. The Regional President shall hold office for a period of three years and is eligible for re-election for one further term of two years. The Regional President is then ineligible for re-election until the expiration of a further five years. A Regional President can cease to hold office if asked to do so by the National Management Committee or if he or she becomes ineligible to serve.

The persons appointed members of the NMC, by the National President, cease to be members when a new National President takes office. A Regional President (Trustee) must be a member of the Society for at least six years before becoming a Trustee of the Society and thus has insights into the activities of the Society. In their initial months, a new Trustee will meet with the National President, the National Secretary and Heads of Functions to discuss Society governance, structures and activities and is provided with a copy of the governing document, the Rule and relevant documents.

TRUSTEES' STATEMENT OF RELEVANT AUDIT INFORMATION

So far as each of the Trustees in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Society's auditors are unaware; and
- The Trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

AUDITORS

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, continue as Auditors of the Society.

Signed on Behalf of the National Management Council on the 1st October 2019 by:

Kieran Stafford
National President

Peter Fitzpatrick
National Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL MANAGEMENT COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL (IRELAND)

Report on the audit of the financial statements

Opinion on the financial statements of Society of St. Vincent de Paul (Ireland) (the 'Society')

In our opinion the non-statutory consolidated financial statements:

- give a true and fair view of the state of the affairs of the Society as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.

The financial statements we have audited comprise:

- the Consolidated Statement of Financial Activities;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Cash Flows; and
- the related notes 1 to 25, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the consolidated financial statements is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the National Management Council of the Society's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the National Management Council of the Society has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The National Management Council of the Society is responsible for the other information. The other information comprises the information included in the Reports and Consolidated Financial Statements for the year ended 31 December 2018, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Continued on next page/

/Continued from previous page

INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL MANAGEMENT COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL (IRELAND)

Responsibilities of the National Management Council

As explained more fully in the National Management Council's Responsibilities Statement, the National Management Council of the Society is responsible for the preparation of the consolidated financial statements that give a true and fair view, and for such internal control as the National Management Council of the Society 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 consolidated financial statements, the National Management Council of the Society is responsible for assessing the Society'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 National Management Council of the Society either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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.

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

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

Continued on next page/

/Continued from previous page

**INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL MANAGEMENT COUNCIL OF THE
SOCIETY OF ST. VINCENT DE PAUL (IRELAND)**

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

This report is made solely to the National Management Council of the Society of St. Vincent de Paul (Ireland), as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the National Management Council of the Society those matters we are expected to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the National Management Council of the Society as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Sheehan
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 18/10/19

Society of St Vincent de Paul (Ireland)

**Consolidated Statement of Financial Activities
(Includes Income and Expenditure Account)
For the year ended 31 December 2018**

		2018			2017		
	Notes	Restricted €'000	Unrestricted €'000	Total €'000	Restricted €'000	Unrestricted €'000	Total €'000
Income from:							
Donations and legacies	3	2,725	31,126	33,851	2,495	33,210	35,705
Charitable activities	5	536	42,586	43,122	460	42,399	42,859
Investments		-	54	54	-	98	98
Fundraising		-	3,104	3,104	-	3,288	3,288
Other		2	420	422	-	213	213
Total		3,263	77,290	80,553	2,955	79,208	82,163
Expenditure on:							
Raising funds		-	982	982	-	846	846
Charitable activities		3,825	76,995	80,820	3,404	72,228	75,632
Total	6	3,825	77,977	81,802	3,404	73,074	76,478
Net (expenditure)/income	7	(562)	(687)	(1,249)	(449)	6,134	5,685
Impairment of tangible assets	10/18	-	(4,085)	(4,085)	-	(2,156)	(2,156)
Gains on revaluation of investments	11/18	(13)	17	4	-	4	4
Transfer between funds	18	49	(49)	-	131	(131)	-
Losses on disposal of assets	18	-	(1,382)	(1,382)	-	(23)	(23)
Net movement in funds		(526)	(6,186)	(6,712)	(318)	3,828	3,510
Total funds brought forward	18	5,789	156,341	162,130	6,107	152,513	158,620
Total funds carried forward	17/18	5,263	150,155	155,418	5,789	156,341	162,130

Society of St Vincent de Paul (Ireland)

**Consolidated Balance Sheet
As at 31 December 2018**

	Note	2018 €'000	2017 €'000
FIXED ASSETS			
Tangible Assets	10	108,542	116,318
Investments	11	146	140
TOTAL FIXED ASSETS		108,688	116,458
CURRENT ASSETS			
Stocks		33	37
Debtors	12	3,027	3,527
Cash at bank and in hand	13	83,834	81,487
TOTAL CURRENT ASSETS		86,894	85,051
LIABILITIES			
Creditors: Amounts falling due within one year	14	(6,820)	(6,424)
NET CURRENT ASSETS		80,074	78,627
TOTAL ASSETS LESS CURRENT LIABILITIES		188,762	195,085
Creditors: Amounts falling due after one year	15	(33,344)	(32,955)
NET ASSETS	17	155,418	162,130
THE FUNDS OF THE CHARITY:			
Restricted funds	17/18	5,263	5,789
Unrestricted funds:			
Property Valuation	17/18	80,817	84,902
Designated Funds	17/18	22,763	15,308
General Funds	17/18	46,575	56,131
TOTAL CHARITY FUNDS		155,418	162,130

The consolidated financial statements were approved and authorised for issue by the National Management Council on the 1st October 2019 and signed on its behalf by:

Kieran Stafford
National President

Peter Fitzpatrick
National Treasurer

Society of St Vincent de Paul (Ireland)

**Consolidated Statement of Cash Flows
For the year ended 31 December 2018**

Reconciliation of Net (Expenditure)/Income to Net Cash Flows from Operating Activities	Notes	2018 €'000	2017 €'000
Net (expenditure)/income		(1,249)	5,685
Adjustment for:			
Investment income		(54)	(98)
Depreciation	10	5,324	5,008
Tangible fixed assets reclassification		479	-
Adjustment to amortisation of capital grants		-	7
Amortisation of capital grants		(1,438)	(1,374)
Operating cash flows before movement in working capital		3,062	9,228
Increase/(decrease) in creditors		387	(3)
Decrease/(increase) in debtors		500	(849)
Decrease in stocks		4	6
Fixed asset translation adjustment		45	206
Net cash flows from charitable operating activities		3,998	8,588
Cash flows used in investing activities			
Acquisition tangible fixed assets	10	(4,371)	(2,665)
Proceeds from disposal of fixed assets		831	51
Net cash flows used in investing activities		(3,540)	(2,614)
Cash flows provided by financing activities			
Government capital grants received	4/16	1,891	1,771
Investment income		54	98
Proceeds from disposal of investments	11	-	-
Net cash flows provided by financing activities		1,945	1,869
Net increase in cash and cash equivalents in the reporting period		2,403	7,843
Cash and cash equivalents at the beginning of the reporting period		81,412	73,569
Total cash and cash equivalents at the end of the reporting period (Note 13)		83,815	81,412

1. **ACCOUNTING POLICIES**

Basis of preparation

The accounts have been prepared under the historical cost convention modified to include certain items at fair value and in accordance with the Statement of Recommended Practice (SORP) *Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)* and FRS 102.

The consolidated financial statements have been prepared on a going concern basis. The National Management Council (NMC) has reviewed the Society's financial position and consequently believes there are sufficient resources to manage any operational or financial risks. The NMC, therefore, considers there is a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. There is no material uncertainty about the ability to continue as a going concern.

Society of St Vincent de Paul (Ireland) is a public benefit entity as defined by FRS 102.

Basis of consolidation

The Consolidated Financial Statements include the results of all the Society's Councils and Conferences situated in the Republic of Ireland and Northern Ireland. The financial year for all reporting entities is coterminous.

Income

Income included in the financial statements represents income from the public (i.e. donations and legacies), grants, services funding, fundraising and deposit and investment income received during the year.

Income is accounted for when the Society becomes entitled to the funds, the income can be measured reliably, and it is probable the funds will be received. Where income has been received in advance, it is deferred until the donor's conditions are met. Where income has not yet been received, but all criteria for recognition have been satisfied, the income is accrued as a debtor in the balance sheet.

In the case of voluntary donations, income is recognised when received. Proceeds from the sale of donated goods are recognised in the financial statements in the period in which they are realised. The value of donations-in-kind are not included in the statement of financial activities as due to their nature, the cost of recognition and measurement of individual donations-in-kind would outweigh its benefit.

Revenue grants are recognised in full in the year in which they are receivable. Deferred capital grants, including Capital Assistance Schemes, are included in creditors and are amortised to the statement of financial activities, at a rate of 3.2% per annum (2017: 3.2%), in line with the estimated useful life of the related assets. A summary of all revenue funding and capital grants from government bodies is included in Note 4.

Income from legacies is accounted for on a receivable basis and is recognised in full in the financial statements in the period in which probate is granted, where the amount can be reliably ascertained.

1. **ACCOUNTING POLICIES (continued)**

Expenditure

Resources expended are recognised on an accruals basis and include attributable VAT which cannot be recovered.

Raising funds expenditure relates to the fundraising costs incurred by the Society in generating funds for its charitable work.

Charitable activities expenditure is allocated to the particular activity, where the cost relates directly to that activity.

Management, support and administration comprise both National and Regional Councils support services. These comprise members support services, beneficiaries' services, Regional and National Council services for core visitations work. Included in this expenditure are costs for governance and statutory compliance.

Gift in Kind

Items donated for resale are included in shop income when sold and no value is placed on stock at year end.

Funds

The Society's total reserves (represented by Restricted, Designated and Unrestricted Funds) are an amalgamation of assets employed in Special Works owned directly by the Society and assets (principally tangible fixed assets and cash) held nationally and at Conference level.

The overall policy of the Society is to maintain a balance of long-term assets and liquid resources to facilitate the funding of the Society's work in the service of the poor, on whose behalf the funds are held. This policy is driven by the need to provide for future expenditure on a planned basis and at the same time be in a position to respond to urgent deserving causes at short notice. Reserves held at Conference level are for direct relief of poverty in local areas and for that reason mainly consist of liquid funds. Local Conferences and Councils are encouraged to share surplus unrestricted funds with other Conferences within the Society, to facilitate needs within the wider community.

Restricted Funds represent donations, bequests and grants which have been received and recognised in the financial statements and are subject to specific conditions imposed by the donors or grant-making bodies.

Unrestricted Funds are funds which are expendable at the discretion of the Society in furtherance of the objectives of the Society and include a property reserve which represents valuation movements since the inception of the assets in 2005.

Designated Funds are those which have been set aside for particular purposes by the Society itself in the furtherance of the Society's charitable objectives.

Taxation

No charge to current or deferred taxation arises as the Society has been granted charitable status.

1. **ACCOUNTING POLICIES (continued)**

Fixed Assets and Impairment

Tangible fixed assets are stated at cost less accumulated depreciation and any allowance for impairment. The Society has decided to take the 2012 valuation of properties as their deemed cost as at 1 January 2014, as allowed on the transition to FRS 102.

At each reporting date, under FRS 102, the assets will be assessed as to whether there are any indicators that would result in a reduction to the carrying value of the asset. This assessment involves obtaining the market value (recoverable amount) of a random sample of properties from an independent valuer and undertaking a comparison with the relevant properties' carrying value. If the recoverable amount is less than the carrying value, the carrying value of the asset will be reduced to the recoverable amount.

Gifts of property are recorded at "Open market value" for existing use basis.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value, over its expected useful life, on a straight-line basis. The depreciation rates in use are as follows:

Properties	3.2%
Leasehold improvements	33%
Office equipment	33%
Motor vehicles	20%

Residual value represents the estimated amount which would currently be obtained from the disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Property Capital Expenditure in excess of €10,000 and Office Equipment and Motor Vehicles expenditure in excess of €5,000 is taken to the balance sheet in the year it is incurred and depreciated over its useful life. Expenditure less than this amount is expensed to the Statement of Financial Activities accordingly.

Investments

Investments are carried at market value at the balance sheet date.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pension Schemes

The Society operates defined contribution pension schemes and a defined benefit pension scheme which terminated in April 2019. The assets of the schemes are held separately from those of the Society in independently administered funds. The pension cost charge in the statement of financial activities represents contributions payable by the Society under the defined contribution schemes together with any charges related to the defined benefit scheme.

1. **ACCOUNTING POLICIES (continued)**

Pension Schemes (continued)

Contributions are paid to the scheme in accordance with the recommendations of independent actuaries to enable the Trustees to meet from the scheme the benefits accruing in respect of current and future service. The Society has no liability under the defined contribution schemes other than for the payment of contributions due.

For defined benefit schemes the amounts charged to the statement of financial activities are the costs arising from employee services rendered during the financial year and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the statement of financial activities. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial activities.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the charity, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Capital Grants and Capital Assistance Schemes

Capital Grants and Capital Assistance Scheme amounts received since 1 January 2004 are initially deferred and are subsequently amortised to the statement of financial activities at a rate of 3.2% (2017: 3.2%) per annum. Unamortised balances are recognised under creditors in the Society's balance sheet.

Foreign Currencies

Translation of sterling income and expenditure is at the average exchange rate for the year and related balance sheet items at the exchange rate on the balance sheet date. The effect resulting from the restatement of the opening net assets at closing rates is recorded in the statement of financial activities

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

The financial instruments are recognised and measured in accordance with Section 11 and Section 12 of FRS 102.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar instrument.

1. **ACCOUNTING POLICIES (continued)**

Financial assets and liabilities (continued)

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the entity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities.

2. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Society's accounting policies, which are described in Note 1, the NMC is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Society's accounting policies

The following are the critical judgements and estimations that the NMC has made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Valuation of Properties

Tangible fixed assets are stated at cost less accumulated depreciation and any allowance for impairment.

The annual depreciation of tangible assets is sensitive to change in the estimated useful lives of the assets. The useful economic lives are reviewed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

Defined benefit pension scheme

The defined benefit pension scheme terminated in April 2019.

3. DONATIONS AND LEGACIES

	2018 €'000	2017 €'000
Church collections	9,213	9,589
Legacies	8,456	9,048
Donations	14,278	15,167
Members' contributions	151	171
Special Government Grant (Note 4)	1,451	1,451
Other Government Funding (Note 4)	302	279
	<u>33,851</u>	<u>35,705</u>

4. GOVERNMENT GRANTS

A summary of all Revenue and Capital Grants from Government bodies is included below:

	2018 €'000	2017 €'000
REVENUE SERVICES FUNDING GRANTS (Note 3/5)		
Revenue Grants for Assistance to Individuals and Families		
Included under:		
Special Government Grant*	1,451	1,451
Other Government Grant/Funding	302	279
Income from Donations and Legacies (Note 3)	<u>1,753</u>	<u>1,730</u>
Revenue Grants for Charitable Activities		
Shops	2,550	2,427
Holiday homes	317	327
Housing	213	257
Hostels	4,721	4,949
Youth clubs	14	40
Resource centres and crèches	2,397	2,797
Income from Charitable Activities (Note 5)	<u>10,212</u>	<u>10,797</u>
Total Revenue Grants	<u>11,965</u>	<u>12,527</u>
	2018	2017
CAPITAL GRANTS (Note 16)	€'000	€'000
Housing	1,851	1,676
Hostels	40	95
Total Capital Grants	<u>1,891</u>	<u>1,771</u>

* Department of Housing, Planning, Community and Local Government

Society of St Vincent de Paul (Ireland)

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31 December 2018

5. INCOME FROM: CHARITABLE ACTIVITIES

	Shops	Holiday homes	Housing	Hostels	Youth clubs	Resource centres and crèches	Seafarers shelter	2018 Total	2017 Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Shop sales	27,064	-	-	-	-	-	-	27,064	26,449
Holiday Home fees	-	440	-	-	-	-	-	440	441
Charges to residents	-	-	2,759	1,105	-	201	-	4,065	3,789
Fees for services	-	-	-	-	17	1,324	-	1,341	1,383
Government revenue funding/grants (Note 4)	2,550	317	213	4,721	14	2,397	-	10,212	10,797
Total by Activity - 2018	29,614	757	2,972	5,826	31	3,922	-	43,122	
Total by Activity - 2017	28,876	768	2,778	6,022	56	4,357	2		42,859

Society of St Vincent de Paul (Ireland)

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31 December 2018

6. TOTAL EXPENDITURE

	Assistance to individuals and families	Activities in furtherance of charity's objectives							Total: Activities in furtherance of the charity's objectives	Twinning	Costs of raising funds	Management, Support costs and Administration	2018	2017
		Shops	Holiday homes	Housing	Hostels	Resource centres and crèches	Youth clubs	Seafarers shelter	Total					
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Staff costs (Note 8)	-	11,897	869	827	4,248	3,434	-	-	21,275	-	-	4,715	25,990	25,009
Cash assistance	5,599	-	-	36	74	61	-	-	171	-	-	-	5,770	5,289
Transfer to another organisation*	-	-	-	-	-	-	-	-	-	-	-	-	-	350
Vouchers	11,081	-	-	3	5	28	-	-	36	-	-	-	11,117	10,394
Food/Hampers	1,604	-	-	10	-	17	-	-	27	-	-	-	1,631	1,828
Clothing/Furniture	1,034	-	-	-	-	2	-	-	2	-	-	-	1,036	930
Fuel/Electricity	4,870	-	-	-	-	26	-	-	26	-	-	-	4,896	4,120
Holidays/Outings	630	-	-	-	-	2	-	-	2	-	-	-	632	713
Twinning/Overseas support	-	-	-	-	-	-	-	-	-	320	-	-	320	408
Job/Employment training	89	-	-	-	-	-	-	-	-	-	-	-	89	56
Education	4,510	-	-	-	-	40	-	-	40	-	-	-	4,550	3,642
Overheads	122	2,619	183	300	618	288	10	11	4,029	-	-	840	4,991	4,711
Supplies	31	535	398	65	617	367	4	1	1,987	-	-	-	2,018	1,999
Programme costs	47	49	9	15	250	324	81	-	728	-	-	-	775	1,020
Personal development	209	-	-	-	-	-	-	-	-	-	-	-	209	184
Administration	506	1,201	47	130	188	111	8	6	1,691	-	-	1,244	3,441	2,794
Professional fees	120	385	93	31	346	97	-	-	952	-	-	534	1,606	1,064
Premises costs	142	3,893	357	1,003	428	363	10	2	6,056	-	-	213	6,411	5,629
Publication costs	-	38	-	8	4	1	-	-	51	-	-	144	195	213
Audit fees	50	92	12	26	34	36	-	-	200	-	-	271	521	489
Advertising/fundraising	336	27	5	-	1	35	-	-	68	-	982	-	1,386	1,293
Training and development	1	69	3	5	33	20	-	-	130	-	-	85	216	216
Depreciation**	81	1,341	344	2,398	433	359	35	21	4,931	-	-	312	5,324	5,008
Capital grants amortised	(18)	(16)	(3)	(980)	(245)	(115)	(2)	-	(1,361)	-	-	(59)	(1,438)	(1,374)
Sub Total	31,044	22,130	2,317	3,877	7,034	5,496	146	41	41,041	320	982	8,299	81,686	75,985
Loss arising on translation of sterling balances	38	26	8	1	1	5	-	-	41	-	-	37	116	493
Total by activity – 2018	31,082	22,156	2,325	3,878	7,035	5,501	146	41	41,082	320	982	8,336	81,802	
Total by activity – 2017	28,371	20,137	2,154	3,464	7,114	5,425	151	46	38,491	408	846	8,362		76,478

* Transfer to other organisations in current year of a Service and in prior year of a Social Housing Property to an Approved Housing Body (AHB)

** Refer to Note 1 Accounting Policies for Fixed Assets

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31 December 2018

7. NET (EXPENDITURE)/INCOME FOR YEAR

This is stated after charging/(crediting):

	2018	2017
	€'000	€'000
Depreciation	5,324	5,008
Capital grants amortisation	(1,438)	(1,374)
National Management Council members:		
• Indemnity insurance	44	44
• Remuneration	-	-
• Reimbursed expenses	20	17
Auditor's remuneration:		
• National audit	115	115
• Local Audits and Accounting Services	406	374

During the year National Management Council Members' expenses, incurred in the course of their duties for the Society, e.g. travel, accommodation, subsistence, telephone, postage and stationery, were reimbursed.

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2018	2017
	€'000	€'000
Wages, salaries and social welfare costs	25,216	24,236
Pension and related costs (Note 19)	774	773
	25,990	25,009

A total of 9 employees (2017: 10) earned remuneration in excess of €70,000 per annum (excluding employer PRSI and pension contribution), as follows:

	2018	2017
	No.	No.
€70,001 to €80,000	6	7
€80,001 to €90,000	2	2
€90,001 to €100,000	-	-
€100,001 to €110,000	-	1
€110,001 to €120,000	1	-

The Society is a volunteer-led organisation. All the Society's work is carried out by its 11,000 members and volunteers supported by a staff of full time, part-time and seasonal basis employees. The Home Visitations are entirely carried out by members and volunteers. The NMC consists solely of members/volunteers and they receive no remuneration other than reimbursed expenses included in Note 7. The National Secretary supports the NMC and is the most senior employee role.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31 December 2018

8. STAFF COSTS AND NUMBERS (continued)

The total remuneration (inclusive of employer PRSI and pension contribution) of the key management personnel of the Society for the financial year ended 31 December 2018 was €1.0 million (2017: €986k), comprising 13 full-time equivalent employees (2017: 13).

The average weekly number of employees (full-time equivalents) during the year was as follows:

	2018	2017
	No.	No.
Shops	447	448
Holiday homes	29	31
Housing	24	24
Hostels	127	126
Resource centres and crèches	165	154
Support staff	93	89
	885	872

The Society relies substantially on voluntary services provided by its members and volunteers across the country. It is not possible to quantify the value of these services carried out by the Society's members and volunteers.

9. TAXATION

The Society is exempt from income tax as all its income is applied for charitable purposes.

10. TANGIBLE ASSETS

	Properties	Leasehold Improvements/ Office Equipment	Motor Vehicles	Totals
	€'000	€'000	€'000	2018 €'000
Deemed cost				
At beginning of year	138,937	8,935	889	148,761
Additions/donated in year	3,462	719	190	4,371
Disposals in year	(2,971)	(19)	(71)	(3,061)
Translation adjustment	(69)	(3)	(1)	(73)
At end of year	139,359	9,632	1,007	149,998
Depreciation				
At beginning of year	23,592	8,258	593	32,443
Charge for year	4,460	701	163	5,324
On disposals	(293)	(15)	(60)	(368)
Impairment	4,085	-	-	4,085
Translation adjustment	(24)	(3)	(1)	(28)
At end of year	31,820	8,941	695	41,456
Net book value				
At end of year	107,539	691	312	108,542
At beginning of year	115,345	677	296	116,318

10. TANGIBLE ASSETS (continued)

The Society's properties were valued at €123.0 million, on an existing use basis, as at 31 December 2012 by independent chartered surveyors. The Society has decided to use this valuation as the properties' deemed cost upon transition to FRS 102 as at 1 January 2014 (date of transition) and depreciate these assets in line with the current accounting policy. Additions since that date are included at their historical cost. Impairment is applied if a periodic assessment results in the estimated recoverable value being less than the carrying value. This assessment involves obtaining the market value (recoverable value) of a random sample of properties from an independent valuer and undertaking a comparison with the relevant properties' carrying value.

The Society's properties include Charity Shops, Hostels for the Homeless, Day Care and Community Resource Centres, Sheltered Housing, Holiday Centres, Youth Clubs, National and Regional offices.

11. INVESTMENTS

	2018	2017
	€'000	€'000
Market value at the beginning of the year	140	136
Disposals at market value	-	-
Investment translation adjustment	2	-
Movement in market value	4	4
Market value at the end of year	146	140

All shares in investments are held in publicly quoted companies. No current or deferred tax liability would arise on the disposal of these investments, due to the Society's tax-exempt status. The Society also has a wholly-owned subsidiary, St Vincent de Paul Community Employment Scheme, a company limited by guarantee by virtue of the fact that all members and directors of the company are required to be members of the NMC of the Society of St Vincent de Paul according to the Company's constitution.

12. DEBTORS (Amounts falling due within one year)

	2018	2017
	€'000	€'000
Debtors	1,911	2,533
Pension scheme surplus (Note 19)	155	174
Prepayments	961	820
	3,027	3,527

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31 December 2018

13. CASH AT BANK AND IN HAND

	2018 €'000	2017 €'000
Cash at Bank and in Hand	83,834	81,487
Bank Overdrafts (Note 14)	(19)	(75)
Net Bank Funds	<u>83,815</u>	<u>81,412</u>

The net bank funds represent cash held across 1,203 (2017: 1,208) Conferences and Councils. It includes funds restricted for specific areas or projects of €5.3 million (2017: €5.8 million) and designated funds of €22.8 million (2017: €15.3 million), leaving available Funds of €55.7 million (2017: €60.3 million). Further detail on restricted and designated funds are set out in Note 18 Movement in Funds.

14. CREDITORS: (Amounts falling due within one year)

Deferred income arises under the terms of a bequest and in connection with period specific Hostel or Community Employment Scheme grants, received in advance.

	2018 €'000	2017 €'000
Bank overdrafts (unsecured) (Note 13)	19	75
Other creditors and accruals	3,692	3,563
Deferred Income	990	763
PAYE & PRSI	681	649
Capital Grants (Note 15)	<u>1,438</u>	<u>1,374</u>
	<u>6,820</u>	<u>6,424</u>
Deferred income at the beginning of the year	763	784
Deferred during year	788	596
Released during year	(561)	(617)
Deferred income at the end of year	<u>990</u>	<u>763</u>

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31 December 2018

15. **CREDITORS:** (Amounts falling due after one year)

	2018	2017
	€'000	€'000
Capital Grants (Note 16)	34,782	34,329
Less: Amounts falling due within one year (Note 14)	(1,438)	(1,374)
Capital Grants: (Amounts falling due after one year)	<u>33,344</u>	<u>32,955</u>

16. **CAPITAL GRANTS**

	2018	2017
	€'000	€'000
Capital Grants		
At the beginning of year	43,042	41,271
Additions in year	1,891	1,771
At the end of year	<u>44,933</u>	<u>43,042</u>
Amortisation		
At the start of year	8,713	7,346
Credit for year	1,438	1,374
Adjustment	-	(7)
At the end of year	<u>10,151</u>	<u>8,713</u>
Net book value		
At the end of year (Note 15)	<u>34,782</u>	<u>34,329</u>
At the start of year	<u>34,329</u>	<u>33,925</u>

Deeds of Charge have been registered by Local Authorities and other grantors in respect of grants in relation to Special Works. These grants may become repayable in the event that the conditions of the related agreements are not adhered to.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted	Designated	Unrestricted Funds General	2018 Total	2017 Total
	€'000	€'000	€'000	€'000	€'000
Tangible assets	33,344	-	75,198	108,542	116,318
Investments	-	-	146	146	140
Net current assets	5,263	22,763	52,048	80,074	78,627
Creditors: Amounts falling due after one year	(33,344)	-	-	(33,344)	(32,955)
Net assets at end of year	5,263	22,763	127,392	155,418	162,130

Society of St Vincent de Paul (Ireland)

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31 December 2018

18. MOVEMENT IN FUNDS

MOVEMENT IN FUNDS 2018

	At Start of Year €'000	Income €'000	Expenditure €'000	Revaluation Movement on Investments €'000	Loss on Disposal of Assets €'000	Impairment of Tangible Assets €'000	Transfers Between Funds €'000	At end of Year €'000
Restricted Funds	5,789	3,263	(3,825)	(13)	-	-	49	5,263
Unrestricted Funds:								
Property Valuation	84,902	-	-	-	-	(4,085)	-	80,817
Designated Funds	15,308	16,010	(14,064)	-	-	-	5,509	22,763
General Funds	56,131	61,280	(63,913)	17	(1,382)	-	(5,558)	46,575
	162,130	80,553	(81,802)	4	(1,382)	(4,085)	-	155,418

The Society has made a transfer of €49k to restricted funds where it has identified funds that are restricted. The Designated Funds increased during the year mainly due to €3.0 million being assigned/allocated to/for fire safety works for hostels and a €2.0 million increase in funds for education. The restricted and designated funds are detailed further on page 47.

Society of St Vincent de Paul (Ireland)

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31 December 2018

18. MOVEMENT IN FUNDS (continued)

MOVEMENT IN FUNDS 2017

	At Start of Year €'000	Income €'000	Expenditure €'000	Revaluation Movement on Investments €'000	Loss on Disposal of Assets €'000	Impairment of Tangible Assets €'000	Transfers Between Funds €'000	At end of Year €'000
Restricted Funds	6,107	2,955	(3,404)	-	-	-	131	5,789
Unrestricted Funds:								
Property Valuation	87,058	-	-	-	-	(2,156)	-	84,902
Designated Funds	959	450	(735)	-	-	-	14,634	15,308
General Funds	64,496	78,758	(72,339)	4	(23)	-	(14,765)	56,131
	<u>158,620</u>	<u>82,163</u>	<u>(76,478)</u>	<u>4</u>	<u>(23)</u>	<u>(2,156)</u>	<u>-</u>	<u>162,130</u>

The Society made a transfer of €131k to restricted funds where it has identified funds that are restricted. The Designated Funds increase during the year mainly due to funds (€14.6 million) specific to the special work services and distinct activities within the Society. The restricted and designated funds are detailed further on page 47.

18. MOVEMENT IN FUNDS (continued)

	2018 €'000	2017 €'000
Restricted Funds		
McGwire Trust Fund	238	408
22 Separate Funds Restricted to Local Area Use (2017: 22)	4,438	4,378
O'Connell Bequest Restricted to Co. Galway	587	1,003
	<u>5,263</u>	<u>5,789</u>
	2018 €'000	2017 €'000
Designated Funds		
Social Housing	8,498	6,584
Emergency Hostels	2,276	2,116
Holiday Homes	869	938
Schools & Universities	272	215
Twinning	406	387
Education	5,000	3,000
Property Sinking Fund	2,454	2,068
Hostel Fire Safety Works	2,988	-
	<u>22,763</u>	<u>15,308</u>

The Society's financial reserves are €155.0 million, divided between property valuation reserves of €80.8 million, restricted reserves of €5.3 million, designated reserves of €22.8 million and general reserves of €46.6 million.

The designated reserves are specific to special work services and distinct activities within the Society. The designation of the reserves aims to make the resources available within special works and other activities for these particular purposes and to use resources over a period of time.

The general reserves reflect the aim of the Society to maintain resources to facilitate the funding of the Society's visitation work as we reach out in service to the poor, continuing the support and assistance to families and individuals, to make sure that the Society has the required funds to function on a day to day basis, and to enable the Society's work and services to continue during a period of unforeseen challenges.

19. PENSION SCHEMES

Amounts charged to staff costs were as follows:

	2018 €'000	2017 €'000
Current service costs	774	773
Total charge (Note 8)	<u>774</u>	<u>773</u>

19. PENSION SCHEMES (continued)

The Society operates a Defined Contribution Scheme.

The Society also operated a Defined Benefit Scheme, which terminated in April 2019. Under the scheme, the employees are entitled to retirement benefits calculated based on salary and service. No other post-retirement benefits are provided. The scheme is a funded scheme with contributions from the employees.

The Defined Benefit Scheme exposes the Society to risks such as investment risk, interest risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high-quality corporate bond yields; if the return on plan assets is below this rate, it will create a planned deficit.

Interest Rate Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high-quality corporate bond yields at the measurement date. A decrease in corporate bond yields will increase the scheme's liabilities.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Assets of the Schemes are held in independently managed funds.

Defined Benefit Scheme

Details of the most recent actuarial valuation of the scheme, which was conducted as at 31 December 2017, using the projected unit basis, are as follows:

Principal actuarial assumptions (% per annum)

	At 31/12/18	At 31/12/17
Rate of increase in salaries	-	-
Rate of increase in pensions payment	-	-
Discount rate	1.70	1.70
Inflation assumption	1.30	1.50

19. PENSION SCHEMES (continued)

Analysis of the amount charged through the Statement of Financial Activities

	2018 €'000	2017 €'000
Credit to staff costs for Defined Benefit Scheme:		
Pension finance costs		
Expected return on pension scheme assets	(24)	(24)
Interest on pension scheme liabilities	20	21
	<u>(4)</u>	<u>(3)</u>

Actuarial Losses/(Gains) on Defined Benefit Scheme

	2018 €'000	2017 €'000
Actual return less expected return on pension scheme assets	22	(11)
Experience loss/(gains) arising on pension scheme liabilities	8	(7)
Changes in assumptions underlying the present value of pension scheme liabilities	(8)	5
Exchange rate movements	(1)	2
	<u>21</u>	<u>(11)</u>
Charge/(Credit) for year	<u>17</u>	<u>(14)</u>

The Assets of the Scheme and the expected rate of return were:

	Ratio 31/12/18 %	Value at 31/12/18 €'000	Ratio 31/12/17 %	Value at 31/12/17 €'000
Equities	15.2	191	16.2	212
Bonds	80.7	1,016	80.6	1,057
Property	1.3	17	1.3	17
Cash	2.8	34	1.9	25
Secured Performance (declared in advance)	-	-	-	-
	<u>100</u>	<u>1,258</u>	<u>100</u>	<u>1,311</u>
Present value of scheme liabilities		<u>(1,103)</u>		<u>(1,137)</u>
Net Pension Surplus (Note 12)		<u>155</u>		<u>174</u>

19. PENSION SCHEMES (continued)

Reconciliation of the value of the Scheme's Assets

The overall expected return on the Scheme's Assets has been derived as the weighted average of the expected returns on the categories of assets held by the Scheme, at the opening Balance Sheet date.

	2018	2017
	€'000	€'000
Opening value of pension scheme's assets	1,311	1,340
Expected return	24	24
Actuarial (losses)/gains	(22)	11
Employer contributions	-	-
Exchange rate movements	(3)	(12)
Benefits paid	(52)	(52)
	<u>1,258</u>	<u>1,311</u>

Reconciliation of the value of the Scheme's Liabilities

	2018	2017
	€'000	€'000
Opening value of scheme's liabilities	1,137	1,180
Service cost	-	-
Interest on scheme's liabilities	20	21
Actuarial losses	-	(2)
Benefits paid	(52)	(52)
Exchange rate movements	(2)	(10)
	<u>1,103</u>	<u>1,137</u>

Return on Scheme's Assets

	2018	2017
	€'000	€'000
Actual return on scheme's assets	<u>1</u>	<u>35</u>

19. PENSION SCHEMES (continued)

Analysis of the amount credited to financing of provisions

	2018 €'000	2017 €'000
Expected return on scheme assets	(24)	(24)
Interest on scheme liabilities	20	21
Total	<u>(4)</u>	<u>(3)</u>

Amount recognised in the Statement of Financial Activities

	2018 €'000	2017 €'000
Actual expected return on pension scheme assets	22	(11)
Experience gains and losses on the liabilities	8	(7)
Changes in assumptions underlying the present value of liabilities	(8)	5
Exchange rate movements	(1)	2
Actuarial losses/(gains) recognised in the Statement of Financial Activities	<u>21</u>	<u>(11)</u>

Cumulative actuarial gain or loss recognised in the Statement of Financial Activities

Over the coming year, the Society expects a nil contribution.

Amounts for the current and previous period

	2018 €'000	2017 €'000
Scheme's liabilities	(1,103)	(1,137)
Scheme's assets	1,258	1,311
Surplus (Note 12)	<u>155</u>	<u>174</u>
Actuarial (losses)/gains on liabilities	<u>(8)</u>	<u>5</u>
Experience adjustment on asset	<u>(22)</u>	<u>(11)</u>

Balance sheet amounts

Under FRS102 the scheme surplus is recognised as an asset, as the trust deed for the scheme allows any monies remaining in the scheme after all the benefits have been paid to be refunded to the Council of Ireland.

19. PENSION SCHEMES (continued)

Company contribution

The recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 1 January 2016 by a Fellow of the Society of Actuaries in Ireland, PwC.

Given the surplus on an on-going basis, the recommended contributions rate is €Nil in respect of retirement benefits.

The next formal triennial actuarial valuation of the plan is due to take place at 1 January 2019.

20. POST BALANCE SHEET EVENTS

No significant events have occurred since the balance sheet date.

21. CAPITAL COMMITMENTS

The Society has no capital commitments contracted, or otherwise not provided for, at the balance sheet date. (2017: nil)

22. LEASE COMMITMENTS

The Society's lease commitments are broken down as follows:

	Buildings	Buildings
	2018	2017
	€'000	€'000
Less than 1 year	1,973	1,763
Between 1 and 5 years	4,519	3,793
Over 5 years	2,231	2,362
	<u>8,773</u>	<u>7,918</u>

23. FINANCIAL INSTRUMENTS

The carrying value of the Society's financial assets and liabilities are summarised by category below:

	2018	2017
	€'000	€'000
Financial Assets		
<i>Measured at undiscounted amount receivable</i>		
Debtors (Note 12)	<u>1,911</u>	<u>2,533</u>
Financial Liabilities		
<i>Measured at undiscounted amount payable</i>		
Trade creditors (Note 14)	<u>1,551</u>	<u>1,276</u>

24. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified, where necessary, to ensure comparability with current year disclosure.

25. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the National Management Council on the 1st October 2019.



Society of St Vincent de Paul

Society of St Vincent de Paul
National Office
91/92 Sean MacDermott Street
Dublin 1

Copyright © SVP 2019

Published 2019