

Charity number: CHY 8471

THE PADDY MCGRATH HOUSING PROJECT

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

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THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

Mr. Philip Brown, Chairman
Ms. Marianne Byrne
Mr. Michael McCarthy
Mr. Colm Bannon
Ms. Kelly Fogarty
Mr. Barre Fitzpatrick
Mr. Patrick Kelly
Fr. Ronan Connolly OP

Company registered number

123923

Charity registered number

CHY 8471

Registered office

Talbot House, Granby Lane, Dublin 1

Company secretary

Mr. Don O'Higgins

Registered Charity Number

20020842

Independent auditors

Ormsby & Rhodes, 9 Clare Street, Dublin 2

Bankers

Allied Irish Bank, 1 Lower Baggot Street, Dublin 4

Solicitors

John O'Connor, 168 Pembroke Road, Ballsbridge, Dublin 4

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report together with audited financial statements for the year ended 31 December 2019. This report incorporates statutory requirements as outlined in the Companies Act 2014 and that contained in the Statement of Recommended Practice for Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the Republic of Ireland (FRS102) (effective 1 January 2015). The Charity SORP (FRS 102) is not yet mandatory in the Republic of Ireland and the Irish Charity Regulator has not yet prescribed accounting regulations for Irish Charities.

Objectives and Activities

a. MISSION STATEMENT

'Our Mission is to provide housing and care for people living with HIV/Aids, where they can live with hope and dignity in a non-judgmental and non-discriminatory environment.'

b. OBJECTIVES AND ACTIVITIES

The Aids Fund was established in 1987. It changed its name to the Paddy McGrath Housing Project in 2017. Its core objective is the provision of housing accommodation and support for homeless persons living with HIV/ Aids. It currently provides 24 one - bedroom apartments in Granby Lane, Dublin 1. The company has been granted charitable status, for taxation purposes, by the Revenue Commissioners, charity number CHY 8471 and is registered with The Charities Regulatory Authority under the registration number 20020842. All income is applied solely towards the promotion of the charitable objectives of the company.

It is an approved housing body and complies with all statutory and governance requirements. It makes annual returns to the Housing Agency Regulation office, the Charity Regulator and the Companies Registration Office and all these returns are up to date. The Paddy McGrath Housing Project is a member of the Irish Council for Social Housing.

c. PRINCIPAL ACTIVITIES

The Charity provides housing accommodation and supervised day care and on call night care seven days a week, for homeless persons in the later stages of AIDS related illness.

The Board has taken the decision to rename the organisation to ensure that it is fully compliant with The General Data Protection Regulations and decided unanimously to rename the organisation in memory of its late founder Fr Paddy McGrath OP.

d. LEGAL STATUS

The Paddy McGrath Housing Project is a company limited by guarantee, not having a share capital incorporated in Ireland in 1987 under the Companies Act 2014, and company registered number 123923. The liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding one Euro (€1).

Achievements and performance

a. ACHIEVEMENTS AND PERFORMANCE

A new Accounting system Sage 50 was installed in 2017, which will enable the organisation to capture its financial information at the detail required for all its reporting requirements and it will also automate some manual functions.

A review of the Health & Safety policy was undertaken in 2017 and new Health & Safety statements were issued.

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial review

a. FINANCIAL REVIEW AND RESULTS

Grant Aid received for 2019 was allocated through the Health Service Executive and The Dublin Region Homeless Executive and we wish to acknowledge the receipt of these funds with sincere gratitude. The charity, with the aid of sound financial management and the support of both its staff and volunteers generated a positive financial outcome for the period with a surplus for the year of €14,826 (2018: surplus of €39,926).

Within reserves there was a transfer from the building maintenance reserve of €26,232 in the year which resulted in an after-transfer deficit for the year of €11,408 (2018: after-transfer surplus €14,265) and this deficit was transferred to restricted funds at the year end.

At the end of the year the company has Assets of €5,363,510 and Liabilities of €4,198,604 and Reserves of €1,164,906 the net assets of the company have increased by €14,826 (2018: €39,926) and the directors are satisfied with the level of retained reserves at the year end.

b. BUDGET CONTROL

A detailed budget is prepared annually and approved by the board. On a monthly basis actual results and outcomes are compared against the budget to ensure, alignment with plan; tight budgetary control and value for money.

c. POLITICAL DONATIONS

The Company did not make any political donations during the financial period.

d. DIVIDENDS AND RETENTION

The Company is precluded by its Memorandum of Association from paying dividends either as part of normal operations or on a distribution of its assets in the event of a winding-up.

e. ACCOUNTING RECORDS

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at the registered office Talbot House, Granby Lane, Dublin 1.

Structure, governance and management

a. CORPORATE GOVERNANCE

The Directors are committed to maintaining the highest standard of Corporate Governance and they believe that this is a key element in ensuring the proper operation of the Company's activities. They believe that the Company should comply with the basic principles of Corporate Governance as outlined in the voluntary Code for the Charity sector as well as the relevant sections of the Charities Act 2009. As part of this policy an effective Board and competent CEO head the Company.

The Board is responsible for providing leadership, setting strategy and ensuring control. It comprises of eight Non-Executive Directors. The Board's Non-Executive Directors are drawn from diverse backgrounds and bring to the Board deliberations, their significant expertise and decision-making skills achieved in their respective fields.

There is a clear division of responsibility at the company with the Board retaining control of major decisions under a formal schedule of matters reserved to the Board for decision, with the CEO responsible for devising and implementing strategy

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

and policy decisions within the authorities delegated by the Board.

The Board is provided with regular information for all aspects of the organisation. They meet regularly as required and met five times during 2019 (five times in 2018).

On appointment, Directors receive briefing and comprehensive documents designed to familiarise them with the Company's operations, management and governance.

b. INTERNAL CONTROLS

The Directors acknowledge their overall responsibility for the Company's systems of internal control and for reviewing its effectiveness. The Board have approved a set of Policies and Procedures for Internal Control and Governance practices in the organisation. They have delegated responsibility for the implementation of these procedures to the CEO.

c. MANAGEMENT AND STAFF

We acknowledge with appreciation the committed work of our staff and volunteers. Our continuing success and achievement is due to their professionalism, dedication and contribution.

d. ENVIRONMENT

The company has a proactive approach to assisting all personnel to conduct our business in a manner that protects the environment of our tenants, staff and the community. The company also recycle carefully where possible.

e. RISK MANAGEMENT

The Directors have identified that the key risks and uncertainties the Charity face relate to the risk of a decrease in the level of Government Support in compliance requirements in accordance with company, health and safety, taxation and other legislation.

The charity mitigates these risks as follows:

- The charity continually monitors the level of activity, prepares and monitors its budgets targets and projections.
- The charity has a policy of maintaining significant cash reserves and it has also developed an outline strategic plan which will allow for the diversification of funding and activities;
- The charity closely monitors emerging changes to regulations and legislation on an on-going basis.
- Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff and volunteers

f. TENANCY SUPPORT

Each resident is supplied with a tenancy agreement and a tenant's hand book. They are allocated a key worker to manage their care needs. Regular feedback is obtained from tenants and suggestions are acted on where appropriate.

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

g. UPKEEP OF HOUSING PROPERTIES

The company is an Approved Housing Body by the Department of Housing. It is compliant with the requirements of an AHB in upkeep of its properties. It maintains its housing properties to a high standard. Following a review conducted on its properties, a planned maintenance programme was put in place. In order to provide for this expenditure, which is not grant-assisted, we have set up a sinking fund for the long term refurbishment of our properties. At the end of 2019 this fund was €148,297 (2018 - €122,065).

Plans for future periods

a. FUTURE DEVELOPMENTS

The Board appointed Townmore Construction in 2019 to build nine one bedroom apartments at 20A Dominic Place at a projected cost of €2.4m. The Project has been approved for a Capital Advance Leasing Facility (CALF) in the amount of €680,627 by the Department of Housing, Planning, Community and Local Government. The company has secured loan approval from the Housing Finance Agency of €1.48m which will be repaid by a Pay and Availability Agreement agreed with Dublin City Council. The balance of the cost of the project will be financed by self-equity and a bequest of €80,000 which was designated to the Development fund.

At 31 December 2019 it is estimated the Development is 75% complete. The CALF funding was accelerated and paid in full during the year. The Housing Finance Agency lending agreed will be paid on completion of the development. The company achieved approved borrower status from the Housing Finance Agency in September 2018. The company is using bridging finance to cover costs during the build period.

At the time of approving the financial statements, the company is exposed to the effects of the Covid-19 pandemic which has had a negative effect on the construction of the new units at 20A Dominic Place. Based on the latest Government advice construction halted in March 2020. It is expected it will recommence in May 2020 and that the units will be completed in August 2020.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily.

The company reacted to these conditions by temporarily ceasing construction on the 9 new one-bedroom units at 20A Dominic Place. Whilst this has resulted in the company remaining operational during the period, there has been a delay in these units being available to inhabit as a result of Covid-19. The directors are confident that construction will recommence once the period of restriction is lifted.

PENSIONS

The company operates a defined contribution pension scheme which employees are eligible to join. The company matches staff contribution up to a maximum of 6% of salary. The assets of the scheme are managed by Aviva and held separately from the company. The company is compliant with all requirements under pension legislation. An AVC (Additional Voluntary Contributions) option is also available to staff.

PAYMENT OF CREDITORS

The Directors acknowledge their responsibility for ensuring compliance with the provisions of the EC (Late Payment in Commercial Transactions) Regulations 2012. It is the company's policy to agree payment terms with all suppliers and to adhere to those payment terms.

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

HEALTH AND SAFETY AT WORK

It is the policy of the company to ensure the health and welfare of employees by maintaining a safe place and system of work. This policy is based on the requirements of employment legislation, including the Safety, Health and Welfare at Work Act 2005. In 2017 the Health & Safety policy was reviewed and new Health & Safety statements were issued.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors (who are also directors of The Paddy McGrath Housing Project for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations..

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Ormsby & Rhodes, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the Annual General Meeting.

This report was approved by the Directors, on **13 July 2020** and signed on their behalf by:

DocuSigned by:

Philip Brown

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Mr. Philip Brown, Chairman
Director

DocuSigned by:

Barre Fitzpatrick

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Mr. Barre Fitzpatrick
Director

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE PADDY MCGRATH HOUSING PROJECT COMPANY LIMITED BY GUARANTEE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of The Paddy McGrath Housing Project Company Limited by Guarantee for the year ended 31 December 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) issued by the Financial Reporting Council and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE PADDY MCGRATH HOUSING PROJECT COMPANY LIMITED BY GUARANTEE

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON THE OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014

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

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE PADDY MCGRATH HOUSING PROJECT COMPANY LIMITED BY GUARANTEE

RESPECTIVE RESPONSIBILITIES

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' Responsibilities Statement on page 6, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

THE PURPOSE OF AOUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). The description forms part of our Auditors' Report.

DocuSigned by:

Kate Mullahy

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Kate Mullahy

for and on behalf of
Ormsby & Rhodes

Chartered Accountants and Statutory Audit Firm

9 Clare Street
Dublin 2
Date: 24 July 2020

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
INCOME FROM:					
Charitable activities	3	-	607,670	607,670	642,513
TOTAL INCOME		-	607,670	607,670	642,513
EXPENDITURE ON:					
Charitable activities	4,5	8,299	737,542	745,841	772,417
TOTAL EXPENDITURE	6	8,299	737,542	745,841	772,417
NET EXPENDITURE BEFORE INVESTMENT GAINS		(8,299)	(129,872)	(138,171)	(129,904)
Amortisation of capital grants		-	152,997	152,997	169,830
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(8,299)	23,125	14,826	39,926
NET MOVEMENT IN FUNDS		(8,299)	23,125	14,826	39,926
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	1,150,080	1,150,080	1,110,154
TOTAL FUNDS CARRIED FORWARD		(8,299)	1,173,205	1,164,906	1,150,080

The notes on pages 13 to 26 form part of these financial statements.

The net movement in funds in the financial year of €14,826 (2018: €39,926) represents the net movement before a transfer to the Building Maintenance Fund of €26,232 (2018: €25,660).

The net movement in funds for the year after transfer to the Building Maintenance Fund is a deficit of €11,408 (2018:surplus of €14,265)

Signed on behalf of the board: 13 July 2020

DocuSigned by:

Philip Brown

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Mr. Philip Browne, Chairman

DocuSigned by:

Barre Fitzpatrick

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Mr. Barre Fitzpatrick

THE PADDY MCGRATH HOUSING PROJECT
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 123923

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Note	€	2019 €	2018 €
FIXED ASSETS				
Tangible assets	11		4,531,666	3,754,313
CURRENT ASSETS				
Debtors	12	5,289		5,679
Cash at bank and in hand		826,555		720,317
		<u>831,844</u>		<u>725,996</u>
CREDITORS: amounts falling due within one year	13	(416,220)		(46,031)
NET CURRENT ASSETS			<u>415,624</u>	<u>679,965</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,947,290	4,434,278
CREDITORS: amounts falling due after more than one year	14	(3,782,384)		(3,284,198)
NET ASSETS			<u>1,164,906</u>	<u>1,150,080</u>
CHARITY FUNDS				
Restricted funds :				
Restricted funds	15	944,908		948,015
Building maintenance and development fund reserves	15	228,297		202,065
Total restricted funds			<u>1,173,205</u>	<u>1,150,080</u>
Unrestricted funds	15	(8,299)		-
TOTAL FUNDS			<u>1,164,906</u>	<u>1,150,080</u>

The financial statements were approved and authorised for issue by the Directors on 13 July 2020 and signed on their behalf, by:

.....
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Mr. Philip Brown, Chairman

.....
 1F2AC0CB763346A.....
Mr. Barre Fitzpatrick

The notes on pages 13 to 26 form part of these financial statements.

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €	2018 €
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>1,167,825</u>	<u>174,660</u>
Cash flows from investing activities:			
Amortisation reductions		(152,997)	(169,830)
Housing in course of construction		<u>(908,590)</u>	<u>(21,212)</u>
Net cash used in investing activities		<u>(1,061,587)</u>	<u>(191,042)</u>
Change in cash and cash equivalents in the year		106,238	(16,382)
Cash and cash equivalents brought forward		<u>720,317</u>	<u>736,699</u>
Cash and cash equivalents carried forward	18	<u><u>826,555</u></u>	<u><u>720,317</u></u>

The notes on pages 13 to 26 form part of these financial statements.

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

The Paddy McGrath Housing Project is a company limited by guarantee incorporated in the Republic of Ireland. The company operates out of its registered address at Talbot House, Granby Lane, Dublin 1. The principal activity is to provide housing accommodation, supervised day care and on call night care seven days a week, for homeless persons in the later stages of AIDS related illness.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The company meets the definition of a public benefit entity under FRS 102.

The functional and presentational currency is Euro.

The financial statements fully comply with FRS 102 and Charities SORP (FRS 102)

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Reconciliation with previous Generally Accepted Accounting Practice

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

No restatements were required.

2.3 Company status

The company is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to €1 per member of the company.

2.4 Going concern

The company made a surplus in the year of €14,826, has net current assets of €415,624 and net assets of €1,164,906 at the year end. During the first quarter of 2020, The Covid-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "non-essential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus.

The Paddy McGrath Housing Project CLG has continued to trade during this period and has not seen a significant effect on its trading activities as a result of the virus. The directors have prepared budgets for the upcoming 12 months which show that the company will continue as a going concern.

The financial statements have been prepared on a going concern basis.

THE PADDY MCGRATH HOUSING PROJECT

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

2.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

2.7 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2.5% Straight Line
Housing in course of construction	-	Not depreciated

2.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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2. ACCOUNTING POLICIES (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
Housing Management	-	131,205	131,205	128,501
Care and Support Services	-	476,465	476,465	514,012
	-	607,670	607,670	642,513
Total 2018	-	642,513	642,513	

Included in Housing Management income is the following:

	2019 €	2018 €
Tenants Rent	63,002	61,200
Rent Allowances	68,159	67,098
Sundry Income	44	203
Total	131,205	128,501

Included in Care and Support Services income is the following:

	2019 €	2018 €
Section 65 Funding - HSE	363,845	363,784
Section 10 Funding - DCC	111,414	148,552
Sundry Income	1,206	1,676
Total	476,465	514,012

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4. DIRECT COSTS

	Housing Management €	Care and Support Services €	Total 2019 €	Total 2018 €
Staff Costs	131	1,180	1,311	7,140
Repairs & Maintenance	52,429	5,825	58,254	78,155
Energy	1,643	31,217	32,860	35,606
Professional costs	1,892	17,030	18,922	10,213
Travel	358	3,227	3,585	2,858
Insurance	8,238	5,492	13,730	13,502
Household	-	8,427	8,427	10,745
Miscellaneous Expenses	-	1,195	1,195	2,556
Cleaning & Waste removal	-	22,030	22,030	21,804
Telephone & Cablelink UPC	714	11,256	11,970	12,040
C.A.L.F. Loan Interest	6,868	-	6,868	-
Office Management & Financial costs	924	8,299	9,223	22,438
Wages and salaries	34,135	334,237	368,372	359,527
Employer's PRSI	3,663	32,966	36,629	38,507
Pension cost	1,638	14,747	16,385	19,697
Depreciation	131,237	-	131,237	131,237
	<u>243,870</u>	<u>497,128</u>	<u>740,998</u>	<u>766,025</u>
Total 2018	<u>258,234</u>	<u>507,791</u>	<u>766,025</u>	

5. GOVERNANCE COSTS

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
Governance Auditors' remuneration	-	4,843	4,843	6,393

Governance Auditors' remuneration of €4,843 has been allocated as follows between Housing Management and Care Support Services, €484 and €4,359 respectively.

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FOR THE YEAR ENDED 31 DECEMBER 2019

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2019 €	Depreciation 2019 €	Other costs 2019 €	Total 2019 €	Total 2018 €
Housing Management	39,436	131,237	73,197	243,870	258,234
Care and Support Services	381,950	-	115,178	497,128	507,790
Charitable activities	421,386	131,237	188,375	740,998	766,024
Expenditure on governance	-	-	4,843	4,843	6,393
	421,386	131,237	193,218	745,841	772,417
Total 2018	417,731	131,237	223,450	772,418	

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 €	2018 €
Depreciation of tangible fixed assets:		
- owned by the charity	131,237	131,237
Auditors' remuneration - audit	4,843	6,393

During the year, no Directors received any remuneration (2018 - €NIL).

During the year, no Directors received any benefits in kind (2018 - €NIL).

During the year, no Directors received any reimbursement of expenses (2018 - €NIL).

8. TAXATION

The company is exempt from taxation under Section 11 (6) of the Taxes Consolidation Act 1997, as a charity.

9. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of €4,843 (2018 - €6,393).

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10. STAFF COSTS

Staff costs were as follows:

	2019 €	2018 €
Wages and salaries	368,372	359,527
Employers' PRSI	36,629	38,507
Other pension costs	16,385	19,697
	<u>421,386</u>	<u>417,731</u>

The average number of persons employed by the company during the year was as follows:

2019 No.	2018 No.
6	6

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
Chief Executive Officer	1	1
Housing management and care provision	5	5
	<u>6</u>	<u>6</u>

The number of higher paid employees was:

	2019 No.	2018 No.
In the band € 60,001 - € 70,000	1	0
In the band € 70,001 - € 80,000	1	1

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11. TANGIBLE FIXED ASSETS

	Freehold property €	Housing in course of construction €	Total €
Cost			
At 1 January 2019	5,391,910	21,212	5,413,122
Additions	-	908,590	908,590
At 31 December 2019	5,391,910	929,802	6,321,712
Depreciation			
At 1 January 2019	1,658,809	-	1,658,809
Charge for the year	131,237	-	131,237
At 31 December 2019	1,790,046	-	1,790,046
Net book value			
At 31 December 2019	3,601,864	929,802	4,531,666
At 31 December 2018	3,733,101	21,212	3,754,313

The cost of the land and building figure had been reduced by Capital Reserves brought forward €1,203,847 - after deducting accumulated depreciation of €1,790,046 as at 31.12.19 the net book value reduced to €4,531,666. The carrying value may still be in excess of the current market value of the company's properties but as these properties are not held as an investment, the functions of the Company as a Charity permit the use of the carrying value.

There were no assets held under finance lease included in tangible fixed assets.

12. DEBTORS

	2019 €	2018 €
Other debtors	-	272
Prepayments and accrued income	5,289	5,407
	5,289	5,679

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13. CREDITORS: Amounts falling due within one year

	2019	2018
	€	€
Bank loans and overdrafts	367,281	-
Trade creditors	-	432
Other taxation and social security (see below)	13,239	10,880
Other creditors	2,385	-
Accruals and deferred income	33,315	34,719
	416,220	46,031

Other taxation and social security

	2019	2018
	€	€
PAYE/PRSI control	13,239	10,880

14. CREDITORS: Amounts falling due after more than one year

Deferred Capital Assistance Scheme Grants

Loans are advanced by local authorities and the Department of Housing Planning and Local Government under the Capital Assistance Scheme (CAS for a period of twenty to thirty years. These loans are not repayable and do not incur any interest charge provide the charity complies with the specific terms and conditions set out in the loan agreements with the local authority. The local authorities have legal charges registered against the properties financed by these loans.

When the twenty or thirty year period of the loan expires and the terms of loan agreements have been complied with, the local authority will release the legal charge of the property and The Paddy McGrath Housing Project becomes the legal owner of the property.

	2019	2018
	€	€
C.A.L.F. Loan & Interest	651,183	-
Grants and Deferred Capital Assistance Scheme Grants	3,131,201	3,284,198
	3,782,384	3,284,198

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FOR THE YEAR ENDED 31 DECEMBER 2019

14. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2019 €	2018 €
Repayable by instalments	3,782,384	3,284,198

C.A.L.F. Loan & Interest:

C.A.L.F. Loan & interest represents amounts drawn down under the Capital Advance Leasing Facility agreement and are repayable at the end of 25 years, subject to the Charity complying with the terms and conditions. Interest accrues at a rate of 2% per annum from the date the loan is received and this has been charged to the Income & Expenditure account. During the year the charity drew down €646,596 of financing and the interest charged for 2019 was €4,587. Total owing at end of 2019 was €651,183.

Grants and Deferred Capital Assistance Scheme Grants:

The Department of Environment Grants towards the site purchases and construction costs of the company's residential units were as follows:

Dominic Place	€218,395
Granby Lane	€4,988,040

These Grants are administered by Dublin City Council who have advanced the monies in the form of a loan under (Miscellaneous Provisions) Act 1992 and have affected a mortgage on these premises.

However, the monthly repayment instalments of principal and interest shall be waived for as long as the company complies with the following conditions:

- To provide accommodation within the premises for occupation by eligible persons paying rent
- To continue to keep the premises properly maintained

Under the terms of these loans, the liability reduces each year by the notional capital repayments for as long as the company complies with these conditions.

The notional capital repayments total is credited in the Company's Income and Expenditure Account and described as Amortisation of Mortgage Loans and the loan balances total written down accordingly.

Long term loans and grants advanced to the company are summarised as follows:

	As at 31.12.18 €	Notional Capital Repayments €	As at 31.12.19 €
Department of Health & Children	9,520	(9,520)	-
Department of the Environment - Granby Lane	3,274,678	(143,477)	3,131,201
Capital Advance Leasing Facility (CALF) - 20A Dominic Place	651,183	-	651,183
Total	3,935,381	(152,997)	3,782,384

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NOTES TO THE FINANCIAL STATEMENTS

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15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2019 €	Income €	Expenditure €	Transfers in/out €	Amortisation of Capital Grants €	Balance at 31 December 2019 €
Unrestricted funds						
Other General funds	-	-	(8,299)	-	-	(8,299)
Restricted funds						
Restricted Fund	948,015	607,670	(745,841)	(26,232)	152,997	936,609
Building Maintenance Reserve	122,065	-	-	26,232	-	148,297
Development Fund Reserve	80,000	-	-	-	-	80,000
Other Restricted funds	-	-	8,299	-	-	8,299
	<u>1,150,080</u>	<u>607,670</u>	<u>(737,542)</u>	<u>-</u>	<u>152,997</u>	<u>1,173,205</u>
Total of funds	<u>1,150,080</u>	<u>607,670</u>	<u>(745,841)</u>	<u>-</u>	<u>152,997</u>	<u>1,164,906</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2018 €	Income €	Expenditure €	Transfers in/out €	Amortisation of Capital Grants €	Balance at 31 December 2018 €
Restricted funds						
Restricted Fund	933,749	642,513	(772,417)	(25,660)	169,830	948,015
Building Maintenance Reserve	96,405	-	-	25,660	-	122,065
Development Fund Reserve	80,000	-	-	-	-	80,000
	<u>1,110,154</u>	<u>642,513</u>	<u>(772,417)</u>	<u>-</u>	<u>169,830</u>	<u>1,150,080</u>

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15. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2019 €	Income €	Expenditure €	Amortisation of Capital Grants €	Balance at 31 December 2019 €
General funds	-	-	(8,299)	-	(8,299)
Restricted funds	1,150,080	607,670	(737,542)	152,997	1,173,205
	<u>1,150,080</u>	<u>607,670</u>	<u>(745,841)</u>	<u>152,997</u>	<u>1,164,906</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2018 €	Income €	Expenditure €	Amortisation of Capital Grants €	Balance at 31 December 2018 €
Restricted funds	1,110,154	642,513	(772,417)	169,830	1,150,080

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €
Tangible fixed assets	-	4,531,666	4,531,666
Current assets	-	831,844	831,844
Creditors due within one year	651,183	(1,067,403)	(416,220)
Creditors due in more than one year	(651,183)	(3,131,201)	(3,782,384)
Difference	(8,299)	8,299	-
	<u>(8,299)</u>	<u>1,173,205</u>	<u>1,164,906</u>

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €
Tangible fixed assets	-	3,754,313	3,754,313
Current assets	-	725,997	725,997
Creditors due within one year	-	(46,032)	(46,032)
Creditors due in more than one year	-	(3,284,198)	(3,284,198)
	-	1,150,080	1,150,080

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 €	2018 €
Net income for the year (as per Statement of Financial Activities)	14,826	39,926
Adjustment for:		
Depreciation charges	131,237	131,237
Decrease in debtors	390	956
Increase in creditors	1,021,372	2,541
Net cash provided by operating activities	1,167,825	174,660

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 €	2018 €
Cash in hand	826,555	720,317
Total	826,555	720,317

19. CAPITAL COMMITMENTS

The company appointed Townmore Construction in 2019 to build nine one bedroom apartments at 20A Dominic Place at a projected cost of €2.4m. Construction of these nine one-bedroom units is underway and is expected to be completed by June 2020.

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20. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €16,385 (2018 - €19,697). Contributions totalling €2,386 (2018 - (€272)) were payable / (refundable) to the fund at the balance sheet date and are included in creditors.

21. POST BALANCE SHEET EVENTS

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all “non-essential” businesses were ordered to close temporarily.

This has had a negative impact on the company since the year end and construction of the nine new units at 20A Dominic Place has temporarily ceased.

At the time of approving the financial statements, there is uncertainty regarding how the balance sheet may be impacted based on events since the year end and as a result an estimate of its financial effect cannot be made.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board on **13 July 2020**