

CARMICHAEL ANNUAL REPORT

2018

Company Number: 205568
Charity No. CHY 8973
CRA 20022464

CARMICHAEL CENTRE FOR VOLUNTARY GROUPS
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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**LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Directors

Tony Kelly (Chairperson)	
Gerry Culligan (Vice Chair)	
Michael Keegan	(retired 11/12/2018)
Michael Kavanagh Treasurer	(appointed 30/1/2018)
Niamh Clowry	(resigned 27/3/2018)
Christina Donnelly	
Gerry Egan	
Laurie Knell	
Elaine McGauran	
Clodagh O'Brien	(appointed 30/1/2018)
Joe Ritchie	(appointed 30/1/2018)
Margaret Rogers	(appointed 26/6/2018)

Company registered number 205568

Charity tax exemption number CHY 8973

Charity Regulatory Authority number CRA 20022464

Registered office Carmichael House
North Brunswick Street
Dublin 7
D07 RHA8

Company secretary Diarmaid Ó Corrbuí

Chief executive officer Diarmaid Ó Corrbuí

**LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Board Committees	Name	Committee
	Michael Keegan (Chair until 11/12/2018)	Audit & Finance
	Michael Kavanagh (Chair from 12/12/2018)	Audit & Finance
	Gerry Culligan (from 11/9/2018)	Audit & Finance
	Clodagh O'Brien (Chair from 27/3/2018)	Marketing & Communications
	Gerry Egan	Marketing & Communications
	Margaret Rogers	Marketing & Communications
	Laurie Knell (from 29/1/2019)	Marketing & Communications
	Elaine McGauran (Chair)	Risk, Strategy & Governance
	Tony Kelly	Risk, Strategy & Governance
	Laurie Knell (until 29/1/2019)	Risk, Strategy & Governance
	Christina Donnelly	Risk, Strategy & Governance
	Joe Ritchie (from 29/1/2019)	Risk, Strategy & Governance
Independent auditor	RSM Ireland Business Advisory Limited Registered Auditor Trinity House Charleston Road Ranelagh Dublin 6	
Principal bankers	Bank of Ireland plc Smithfield Dublin 7	
Solicitors	Arthur Cox Ten Earlsfort Terrace Dublin 2	

**DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their annual report together with the audited financial statements of Carmichael Centre for Voluntary Groups ("Carmichael") for the year ended 31 December 2018. The directors confirm that the annual report and financial statements have been prepared on a going concern basis and in accordance with Irish GAAP, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014. The financial statements have also been prepared with reference to the Charities SORP.

1. Chairman's statement

2018 was a year of continued growth and development at Carmichael, as well as dealing with the challenges faced by all of us operating in the Sector, we continue to strive to achieve our purpose of providing expert support for nonprofits and applying our core values of

- Empowerment
- Impact
- Transparency
- Determination

The Directors' report, in conjunction with the Financial Statements, provides a detailed review of the activities and achievements of Carmichael for the year and highlights how our activities have matched our strategic goals. We continued to extend the services provided to both resident members and the wider community through training, advisory and support.

Our executive continues to work on projects that impact directly on the sector, actively participating in initiatives such as the Charities Governance Code and the Board Chairs Network.

While Carmichael recorded a deficit for 2018, the board are acutely aware of the requirement to manage the resources and spending and have also taken decisions to fund strategic initiatives that will help us to maintain and grow our service offering.

Carmichael developed and launched our new Website in 2018, which we are very proud of together with our new branding.

The Good Governance Awards continue to develop and grow, and the number and quality of entries increased significantly in 2018 and we are anticipating similar growth in 2019. This could not happen without the commitment and dedication of the judging panels and the expertise and input provided by several Accounting firms who carry out detailed technical assessments.

I was delighted to welcome Margaret Rogers, Michael Kavanagh, Clodagh O'Brien and Joe Ritchie on to the board in 2018. I would also like to thank Michael Keegan who retired from board in December having served as charity trustee for six years and was chair of the Audit & Finance Committee where he applied critical analysis and questioning to managing our limited resources.

I would like to thank the CEO and staff of Carmichael, the resident members and my fellow board members for their dedication and commitment to our purpose and values.

2018 Highlights for Carmichael



Carmichael was home to 48 different nonprofit organisations. Each year these groups work with 40,000 people directly and 100,000 indirectly.



Employed 56 staff including 50 on Employment Schemes (CE & CSP)



We had 1,442 meeting room bookings by 95 different organisations including 58 external organisations.



30,185 people accessed Carmichael Centre during 2018



We provided 159 informal supports with over half being governance related.



35 different events were hosted by Carmichael



361 people from 225 organisations attended our 35 Training and Seminar Sessions



2,472 people from 447 organisations attended our 182 organisation specific training programmes



We had 87 entries and 130 people attended our 2018 Good Governance Awards event.



We disseminated information and updates to 3,626 people in the community and voluntary sector nationwide



21 mentoring assignments commenced or continued in 2018. The mentoring is provided free of charge. Our mentors are volunteers who provide their services on a pro-bono basis.



Our operating income was €1,631,216.

Total income (including the €455,611 deemed value of our donated facilities) in 2018 was €2,085,827 an increase of €9,366 (+0.5%) compared to 2017



Our operating expenditure was €1,654,137 an increase of €42,237 (+2%) on 2017



We had a deficit of €23,921

2. Purpose, Values, Objectives and Activities

2.1 Purpose

Carmichael provides expert guidance and support for nonprofits.

Carmichael was founded in 1990 on a number of core beliefs; that running a nonprofit is a challenging and remarkably worthwhile act; that our communities are knitted together by the extraordinary efforts of ordinary people; that there is no one path to success and that every nonprofit's journey meets its own unique obstacles, divisions and opportunities.

Our mission is to successfully navigate those paths for nonprofits nationwide. Through our deep understanding and sector expertise we support nonprofits organisations to become more effective on their often complicated and challenging journey to success.

Carmichael is both an office accommodation provider and a leading specialist training and support body for nonprofits in Ireland. We strongly believe that by co-locating in a shared space and by pooling resources and tapping in to the peer support and the Carmichael services, resident nonprofit organisations in our two buildings, Carmichael House and Coleraine House, can save time, reduce cost, up-skill and thereby, focus more on delivering quality services to their beneficiaries. Our training, supports and resources enable nonprofit organisations to be more effective and impactful in each of their own individual areas. With professional training, a network of support and unmatched expertise, Carmichael shines a light on best practice and ensures the wellbeing of the sector as a whole. Through our expertise and experience, we support nonprofits to become more effective at what they do.

2.2 Values

A set of core values informs the approach of Carmichael in achieving its mission and charitable purpose. These are:

Empowerment

Carmichael is unique in the sheer volume of work that occurs on the ground with our 45 resident members and our hundreds of partners in the nonprofit sector who use our services and supports on an ongoing basis. Through exposure, understanding and subsequent tailoring of our training, services and supports, Carmichael builds useful and impactful tools to ensure our work results in empowered members and partners, better equipped to carry out their valuable remits.

Impact

Carmichael consistently engages with organisations grappling with challenges and crises to give perspective, guidance or new skills. We set out to ensure that every single action we take has a beneficial and generative impact on the partners and members we engage with on a day-to-day basis. Our continued existence and relevance depends entirely on the efficacy of our engagements. We exist to support, professionalise and build the capacity of nonprofits in Ireland.

Transparency

Good governance is one of our core beliefs. A key element of this is transparency and accountability. Without this, organisations become inward-looking, stagnant and lose their objectivity and effectiveness as nonprofits.

Determination:

Carmichael was born from a crisis, as with so many organisations in our sector. When faced with potential extinction we fought, and would not take no for an answer. That same resolute passion remains at the heart of our organisation—we believe in the absolute necessity of our mission to build capacity in the nonprofit sector and we will continue to work tirelessly towards the achievement of that ambition.

2.3 Objectives

Carmichael is a registered charity and its charitable objects are to promote purposes of benefit to the community. Its main objectives set out in its Constitution are to achieve this benefit to the community by:

- 1) Seeking to build stronger charitable groups nationwide;
- 2) The advancement of the efficient and effective use of the property and resources of charitable organisations;
- 3) Providing support and assistance of such nature as the Company deems fit to community and voluntary organisations in Ireland.

2.4 Activities

Carmichael, established in 1990, is a shared services facility and home to 45 resident nonprofit organisations. The facilities consist of 13,700 square feet of office space in two buildings located in Dublin's North Inner City, Carmichael House on North Brunswick Street and Coleraine House on Coleraine Street. Carmichael provides the following services:

- Office accommodation (providing a range of options from own office to shared desks),
- Support Services and Facilities. For example, Accounting & Payroll, IT, Meeting Rooms and Catering services,
- Training and capacity development support services to nonprofits nationwide.

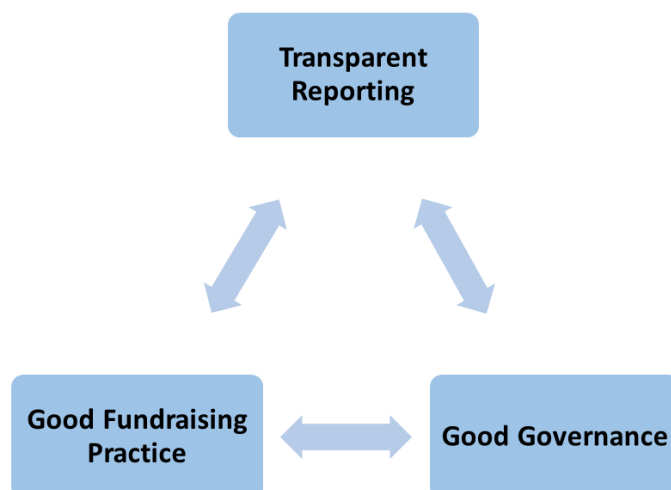
We work not only with the 45 resident nonprofit organisations who are based in the Centre, but also with 100s of groups around the country. We work with boards and management committees on governance issues and in helping them to implement best practice and quality standards. We also provide a mentoring service for CEOs of charities, information seminars and we disseminate good practice information guidance.

Another important feature of Carmichael's work is the provision of back-to-work opportunities through the provision of job roles, training and skills development. Many of our staff are participants on employment schemes that we manage on behalf of the Department of Employment Affairs and Social Protection (DEASP) and Pobal. These staff either work directly for Carmichael or are assigned to a resident member organisation or to local community organisations. They work in a variety of roles such as administration, marketing, charity shop assistants, housekeeping and reception. These staff are a very important resource for the operation of Carmichael and for the charities to which they are assigned, without them, many of the groups, including Carmichael itself, would struggle to survive.

We are actively involved in promoting good corporate governance in the nonprofit sector, being a founding member of the Governance Code Working Group. Our CEO is a member of the Working Group and our Training Manager is a member of the Code's Marketing & Communications Group. In 2018, they were both on the Charities Regulator's advisory panel on the development of the Charities Governance Code.

In 2018, we continued to work in partnership with relevant infrastructural support organisations in the sector such as The Wheel, Charities Institute Ireland, Boardmatch, and Volunteer Ireland to promote good practices and standards in the sector.

Carmichael is committed to operating to the triple lock of best practice standards for governance and reporting.



Annual directors' report and financial statements produced in accordance with the Companies Act, FRS 102 and the Statement of Recommended Practice (SORP) 2015 framework for charities	
Adopted the Governance Code for Community, Voluntary and Charitable organisations	
Signed up to the Statement of Guiding Principles for Fundraising in Ireland.	

2.5 Wider environmental context

As a leading support organisation to nonprofit organisations in Ireland, we are very much affected by the state of the general environment in which they operate. The continuing improvement in the national exchequer's finances has created greater stability in statutory funding to the nonprofit organisations. This improving sentiment is leading to increased interest and investment in the capacity building of board members/charity trustees, staff and volunteers which is resulting in increased demand for Carmichael's support services. In addition to the positive economic sentiment, we are also seeing an increased presence and active engagement in the sector by the Charities Regulator. These two factors together with an increased focus by funders on the need for charities and other nonprofit organisations to adhere to specific governance standards and funding conditions, are creating an even greater recognition within the sector that they need to invest the time and effort in ensuring that they have the necessary skills and systems in place to fulfil their obligations and duties. This is resulting in increased interest and demand for governance related training and development for board members/trustees and management. 2018 followed 2017 in being a record year for Carmichael in terms of training and other supports provided.

Below is a summary of the major developments in the wider environmental context for Carmichael.

Charities Governance Code launched

The Charities Regulator launched the Charities Governance Code in November. The Code sets the minimum standards, which everyone on the board of a registered charity should ensure their charity meets in order to effectively manage and control their organisations. At the launch of the new Code the Charities Regulator's interim Chief Executive Helen Martin said; "This is a landmark document for Irish charities as it sets out basic standards, which charity trustees should meet when it comes to managing their organisations. When fully implemented, we envisage that the Charities Governance

Code will play a key role in building public trust and confidence in Irish charities.” The Charities Governance Code consists of six principles of governance. These are: advancing charitable purpose; behaving with integrity; leading people; exercising control; working effectively; being accountable and transparent.

67% increase in number of concerns raised with Charities Regulator regarding organisations during 2017.

The number of concerns received by the Charities Regulator about organisations in 2017 was 67% greater than the previous year, according to its annual compliance report, published in August. The Charities Regulator received 531 concerns last year that 351 organisations may be in breach of the Charities Act 2009. However, more than half (52%) of the concerns related to organisations which were not registered charities, including charitable organisations carrying out activities while not being registered, and organisations misrepresenting themselves as charities. An analysis of concerns received since the Charities Regulator was established in October 2014, up to the end of 2017, shows the main concerns related to financial control and transparency (29%), legitimacy of a charity (23%) and governance (23%).

Research highlights the major social and economic impact of registered Irish charities

Registered Irish charities have an income of €14.5 billion, directly employ 189,000 people and are supported by 300,000 volunteers, according to research on the social and economic impact of charities in Ireland, published by the Charities Regulator in July 2018. The report by Indecon International Economic Consultants, commissioned by the Charities Regulator, shows that registered Irish charities have a direct, indirect and induced expenditure of €24.98 billion and support 289,000 employees. The research shows that the Government and public bodies are the largest source of income for registered charities accounting for more than half the total funding (€7.7 billion). Volunteers are also an important resource for charities, with the 300,000 volunteers donating 67.9 million hours (an average of 226 hours annually per volunteer). Based on the minimum wage, this is worth €649 million per year.

Almost 10,000 charities on the Register of Charities in 2018

The applications of 1,245 charitable organisations were approved by the Charities Regulator during 2018 and added to the Register of Charities. The number of charities on the Register of Charities at the end of December was 9,799.

Commencement of VAT Compensation Scheme for Charities

Minister for Finance and Public Expenditure and Reform, Paschal Donohoe TD, announced the making of the Value-Added Tax (Refund of Tax) (Charities Compensation Scheme) Order 2018, which was signed into law on 18 December 2018. This Order gives effect to the Budget 2018 announcement of a VAT Compensation Scheme for Charities, which will allow charities to reclaim a proportion of their VAT costs based on the level of non-public funding they receive. A capped fund of €5 million will be available in 2019, to finance payments under the scheme in respect of claims of VAT paid in 2018.

Volunteering Strategy – Call for Input

The Minister of State at the Department of Rural and Community Development, Mr. Sean Canney, TD, has launched a Call for Input Paper on Volunteering. This paper is the first step in developing a national volunteering strategy. It will inform stakeholders about the proposed development of a national volunteering strategy and seek their views on what constitutes volunteering and what this strategy should contain.

Review of Community Services Programme (CSP): consultation launched on terms of reference

The Department of Rural and Community Development commenced the first phase of a review of the Community Services Programme (CSP) in October by putting the terms of reference for the proposed review out for consultation. The CSP programme is a very important funding source for many community and voluntary organisations and this review is, therefore, very significant. An independent body will carry out the review in 2019 on behalf of the Department, and a steering group will be

established to oversee the review and to provide strategic oversight and direction. The purpose of this first phase of the review will be to receive input on the draft scope of the review and ensure that as broad a range of issues are considered and to allow an opportunity for interested stakeholders to provide early feedback, while all options are still open for consideration.

New Ethics and Governance Guide for Charities

Chartered Accountants Ireland launched a new “Concise Guide of Ethics and Governance for the Charity and Not-for-Profit Sector” in September. The Institute’s guide received support from the Irish Charities Regulator and the Charity Commission for Northern Ireland, and will be an essential primer for anyone currently a trustee or aspiring to hold such a position in the future.

Managing conflicts of interests guide

In July, the Charities Regulator launched a practical guide to help charity trustees manage conflicts of interest that may arise when managing and controlling their charities. A conflict of interest is any situation in which a charity trustee’s personal interests or loyalties could, or could be seen to, prevent the charity trustee from making a decision in the best interests of the charity. This personal interest may be direct or indirect, and can include interests of a person connected to the charity trustee.

We expect the increasing demand for our services and supports to continue in the coming years as a result of the new Charities Governance Code which charities need to be in compliance with by 2020 and also due to more and more nonprofit organisations who see the necessity and benefit of receiving governance training and development.

We are conscious that any international or domestic developments, for example Brexit or public sector pay demands that result in a negative impact on the Irish economy, is likely to have a knock-on negative impact on the sector and for Carmichael.

The board and management of Carmichael will continue to monitor and assess developments in the wider environment and take appropriate action when required.

3. Achievements and Performance in 2018

3.1 Delivering on our Strategic Plan 2016-18

Our strategic plan 2016-18, has set the following strategic goals for the achievement of Carmichael’s mission and objectives.

- 1. Drive Good Governance**
- 2. Provide Quality Solutions and Services to social purpose organisations in Ireland**
- 3. Be a Dynamic Hub – physical and virtual**
- 4. Provide the organisational capacity necessary to deliver the strategic pillars (Goals 1-3)**

The following table provides a summary of our progress in 2018 in achieving our strategic goals.

Strategic Goal 1: Drive Good Governance		
Governance resources		
We continued to produce and communicate a range of resources - Blogs, Articles & Videos on governance related topics for the sector in 2018. Below is a summary of the content produced.		
Content	2018	2017
Articles/blogs	19	12
Videos	1	1
Seminars	4	3

Other information resources	4	3
Board Chairperson's Network <p>Our Board Chairperson's Network had 4 events in 2018 with 77 (57 in 2017) attending these events. The topics covered were:</p> <ul style="list-style-type: none"> • The Role of the Charity Trustee • Board composition – skills, tenure, diversity, renewal and recruitment • Special session to input into the new strategy of the Charities Regulatory Authority • Cyber Security risks for boards. 		
Good Governance Awards <p>The Good Governance Awards were run in 2018 for the third year. Our Award supporters are Boardmatch, Davy, Dóchas, Enclude, Mazars, Mason Hayes Curran, Charities Institute Ireland, Volunteer Ireland, The Governance Company and The Wheel. We received 87 entries. This was a significant increase on the 36 entries received in 2017. In 2018, we introduced a new award of "Best Governance Initiative" to recognise initiatives that have been taken to improve the quality of a nonprofit's governance. This is in addition to our award for the annual report. The Awards night event was held in Davy on 15th November 2018. The key note speaker was Kevin McCarthy, Secretary General, Department of Rural and Community Development. We would like to thank everyone who entered the 2018 Good Governance Awards (GGA), and our partners and volunteers for their dedicated support. Big congratulations to the 2018 GGA winners, Care Alliance, Aidlink, Camara Education, CMRF Crumlin, Trócaire, Proudly Made in Africa, Irish Girl Guides, The Care Trust, Extern Ireland and Central Remedial Clinic.</p> <p>The success of the awards are very much dependent on our excellent team of over 50 volunteers who help at each stage of the process from the screening of applications, the technical and the judging of the shortlisted organisations.</p> <p>In 2018 we commissioned Yellow Harbour to conduct a review of the first 3 years of the Awards and to make recommendations on how they can be developed and sustained going forward. The review findings will be available in early 2019.</p>		
Improving the quality of board packs for better decision making in Irish Nonprofits <p>During the summer, Carmichael commissioned a research project to look at best practice in board reporting. The quality of the information that boards receive in the board packs/papers is a critical input to the oversight, control and decision making roles of boards and is an area of governance that can often get overlooked. The research findings have now been published and the report can be downloaded from the Carmichael website using this link Improving the quality of board packs for better decision making in Irish Nonprofits. One of the stark findings from the survey was that only 24% of respondents indicated that their board packs fully meet their needs to carry out the responsibilities of the board.</p>		
Strategic Goal 2: Provide Quality Solutions and Services to social purpose organisations in Ireland		
Training and Support Services <p>We continued to use a range of channels such as enquiries, feedback from participants of our programmes, feedback from/discussions with funders, surveys and attendance of sector events to keep abreast of the capacity building competencies and supports required by our target clients.</p> <p>Below is a summary of our performance in 2018 (with 2017 shown for comparison) against the targets set in respect of the Scheme to Support National Organisations (SSNO) 2016-19 grant agreement with the Dept. of the Environment, Community & Local Government (now the Department of Rural and Community Development).</p>		

CARMICHAEL CENTRE FOR VOLUNTARY GROUPS

Scheduled training	Annual target	2018	2017
No. of participants	250	361	422
No. of organisations	234	225	296
No. of events	39	35	38
Customised training	Annual target	2018	2017
No. of participants	500	2,472	1,567
No. of organisations	83	222	82
No. of events	100	182	116

The figures show another year of major growth in the number of participants and organisations receiving our customised training. These are well in excess of the targets set under SSNO funding grant agreement. 2018 followed the record year in 2017 for participants of our customised training by substantially increasing the number of participants. A coaching and business development programme for CSP social enterprises commissioned by Pobal is a major contributor to these very strong figures. The 2018 & 2017 scheduled training figures are also ahead of target for participant numbers but not to the same extent as our customised training which is experiencing very strong demand. The number of organisations represented and our number scheduled training events in 2018 was below target. This is due in part to the need to allocate greater resources to respond to the significant increase in demand for our customised training. We have also cut back significantly on the provision of seminars in 2017-18 due to the level of work involved. Also seminars were generally free events and are prone to very high rates of no shows.

Meeting the sector's training needs

We continue to conduct market surveys twice a year and use other channels to keep abreast of the training needs of the sector. Three survey monkeys have been conducted in 2017. The Risk Strategy & Governance (RSG) Committee of the board set up a task group to look at the training market and the main competitors to Carmichael in this market. The Task Group's review report was submitted to the Board in September and will be an input to the 2019-21 strategy development process.

Strategic Goal 3: Be a Dynamic Hub – physical and virtual

The new Carmichael website and brand refresh was launched in September 2018. We have received positive feedback on the clarity and quality of our new website and our refreshed branding. As part of the website redesign process, it was decided that it would be better to have our information resources and guidance documents on the main Carmichael website and to retire the KnowledgeNet website which was proving difficult to keep up to date and took traffic away from our main website.

Following the success of the Garden Meeting Room which was installed in 2017, the board approved the installation of a 2nd meeting room in the garden of Carmichael House. We submitted a successful grant application to the St Patrick's Cathedral Community Fund and were awarded €10,000 for the new meeting room. The room is called the Liam Clare room in honour of the former Dublin Corporation official whose vision eventually led to the creation of the Carmichael Centre in 1990. This new meeting room became available for booking at the end of Q1 2018.

Strategic Goal 4: Provide the organisational capacity necessary to deliver the strategic pillars (Goals 1-3)

HR

In 2018, there was a relatively higher staff turnover rate with a net staff headcount reduction of six compared to a net reduction of one in 2017. The staff reductions consisted of one person retiring, two persons leaving, 2 persons not having their contract renewed and one staff redundancy. At the end of 2018, we had 34 staff and 1 volunteer working directly for Carmichael. (This figure excludes 22 Community Employment participants who are part of our scheme but are assigned to work for either a resident member organisation or a nonprofit organisation in the local area). Of the 34 staff, 12 work fulltime and 22 on a part-time basis. Our FTE in 2018 was 23. The allocation of staff across our different functions was as follows; Facilities (Catering, Customer Services, Housekeeping,

Maintenance and Reception) 26, Finance 4, Training & Consultancy 3 and Executive 1.

In 2018 we lost 261 days (349 in 2017) through sick leave. 217 certified sick days and 44 days uncertified sick days. An average of 7.5 days (8.4 in 2017) per staff FTE

Specific training/development needs of staff are being identified by line managers and evaluated on a case by case basis. Staff training was provided in the following areas in 2018; Project Management, Digital Marketing, GDPR, Food Hygiene, Manual Handling, Fire Safety, First Aid, Security, Crisis Communication, Bolder Boards, Brain for Business, Website Maintenance, PAYE Modernisation, Payroll Administration

Facilities/CSP

We have on-going schedules of maintenance and upgrades to the facilities and buildings in Carmichael including a new meeting room – The Liam Clare Room which came on stream in March. We are delighted to have won the Dublin City Neighbourhood Awards 2018 for the “Best Shop Front” for Carmichael House.

Fundraising & Donations

The 2018 Carmichael Concert was held in May. We received €6.5k in corporate donations which was similar to 2017. Concert ticket sales and other income came to €12k compared to €15k in 2017. The concert itself was a great success with a substantial increase in ticket sales and very positive audience feedback. The net return for the event was around €7k (compared to €10k last year and €7k in 2016).

In previous years, we had run business fundraising breakfasts aimed at corporates. We were unable to secure a suitable guest speaker in 2018 and as a result no fundraising breakfast or other fundraising event apart from the concert was held. We received €15k in corporate donations (excluding concert donations) in 2018 compared to €10k in 2017.

Accounting Services

Overall accounting and payroll services were 4% less than the 2018 budget target. However, when accounting services are compared to 2017, the number of clients increased by 2 and income increased by 21%. For payroll services, the number of payroll clients decreased by 1 in 2018 and the income earned was consistent with 2017 levels.

In 2018 reviews occurred for the Fixed Asset Register, the Audit and Finance Committee terms of reference and Risk register 3.9 - Fraud and error and the Reserves policy.

Community Employment (CE) Scheme

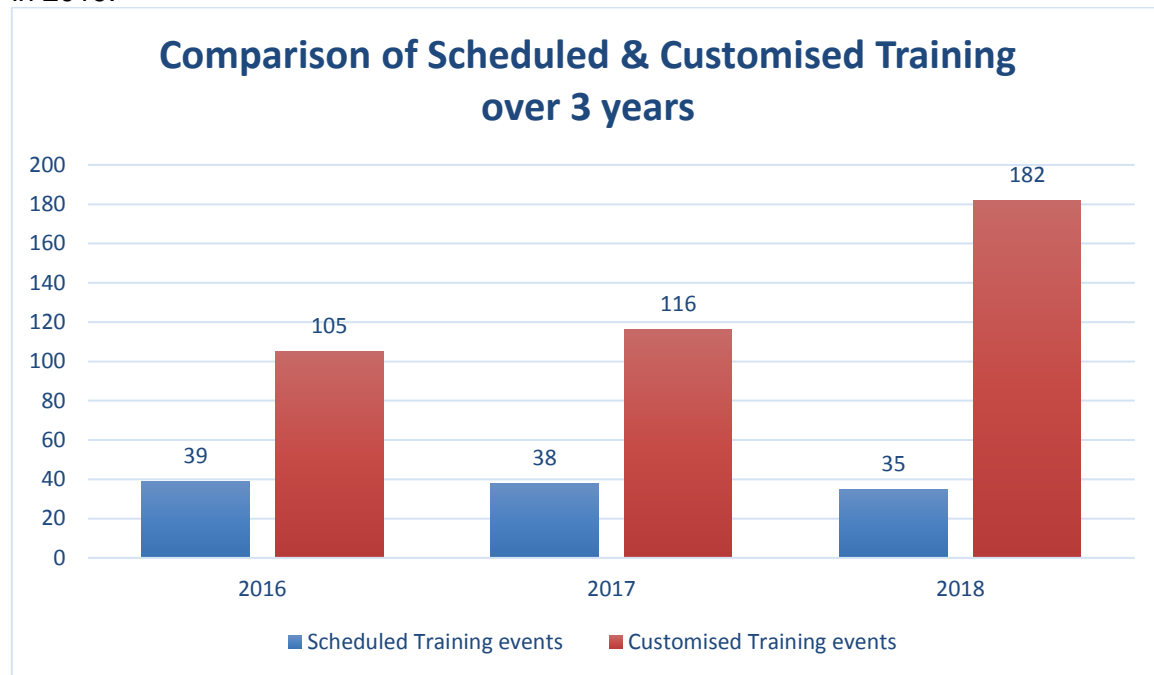
The substantial drop in recent years in the number of unemployed has made it increasingly more difficult to recruit eligible participants to the CE scheme. As a result, we had a significant number of unfilled vacancies in 2018. The average number of CE participants on our CE scheme in 2018 was 34 down from 38 in 2017.

3.1.1 Training & Consultancy Unit:

This year Carmichael Training celebrated its 25th birthday.

Our Training service was introduced 25 years ago as part of Carmichael's mission to provide supports for people and organisations in the community, voluntary and charitable sector. Over the last 25 years we have been flexible and creative in our response to the needs of an ever-changing landscape. In 2018, we continued to develop and deliver high quality, high value services for the sector.

We delivered 35 scheduled courses and 182 customised courses this year. The graph below shows the remarkable increase in customised training in the last three years. We expect this trend to continue in 2019.



This year is the final year of our Carmichael Strategic Plan 2016-18. The training service objective in the plan aimed “to provide quality solutions to community, voluntary and charitable organisations to maximize their impact”. Our training and consultancy helped to achieve this through supporting good governance and providing quality solutions and services. Below is an outline of the various ways in which we delivered on this plan.

Delivering a Quality Service

Feedback from participants put a high value on our trainers' skills, knowledge, insights and practical experience. The Carmichael participative approach is particularly appreciated. This gives people a chance to reflect on their own expertise as well as to learn from each other. Carmichael is fortunate to have access to high calibre trainers and facilitators who helped make a difference for the boards, committees, staff and volunteers we supported this year.

Outcomes for our board supports included: a better understanding of board roles and compliance issues; action plans to improve board effectiveness; insights into board integrity and ethics; improved annual reporting; a chance to see things from a different perspective and to initiate change.

This year we expanded our panel of trainers and consultants to include new expertise and experience on GDPR (Data Protection). In an effort to counteract expensive quotes from corporate GDPR consultants for work in the charity sector, we engaged the services of four consultants who were willing to offer their services below the current market rates. This was a significant development at a time when charities were under pressure to reach compliance by the deadline on May 25th. GDPR inputs included seminars, workshops, consultancy and clinics.

“It was the most useful hour we have spent in a long time. We came away knowing exactly what we have to do as an organisation. William did a complete audit of our web site before our meeting so was able to point out where our weaknesses are and what we need to do to address them. Many thanks.”
Margaret Rogers, CEO, Heart Children Ireland: GDPR clinic.

We conducted four survey monkeys this year. These surveys provided useful information on ways to develop our services. Positive feedback included: 100% of webinar respondents would recommend our webinars to others, 100% of eLearning respondents would recommend our eLearning, and 98% of scheduled/customized respondents would recommend our training.

“Great content with right level of engagement and discussion. Andrew also did his pre-work and brought in his own personal experience. Excellent presenter and knowledge. Made it engaging and challenged us without being judgmental”. Coeliac Society, Governance workshop.

“Thanks so much for the very informative training session last week. The board asked that I communicate our collective thanks for your work and importantly the participatory style of your delivery. The board has plenty of work to do over the course of 2018 but having a clear sense of what that is, what their role is, puts us in a much stronger position than we were previously.” Damien Walshe, CEO Centre for Independent Living Dublin: Governance workshop.

Sector Analysis

This year we provided supports to organisations under all of the sector headings identified in the Benefacts Non-profit Sector Analysis (as outlined on Benefacts website):

Sector	Example	Support
Arts, Culture, Media	Alliance Francaise	Governance
Recreation, Sports	Athletics Ireland	Governance
Education, Research	Drumcondra Education Centre	Constitution
Health	Ballinagare Health & Leisure Centre	Business Coaching
Social Services	Mendicity Institution	GDPR
Development, Housing	Ark Housing	GDPR
Environment	Maritime Institute	Strategic Planning
Advocacy, Law, Politics	Centre for Independent Living	Board Roles
Philanthropy, Voluntarism	Volunteer Ireland	Governance
International	Fairtrade Ireland	GDPR
Religion	Catholic Institute for Deaf People	Financial Oversight
Professional, Vocational	Certified Public Accountants	Board Roles

In keeping with our own values, we supported organisations that promote and protect equality and human rights and combat discrimination. This is evident in our work with organisations such as SHINE, which supports people affected by mental ill health. Our work with Tramore Community Radio helped to empower and give a voice to the community. With Offaly Domestic Violence Support Service we helped to support victims of domestic violence. Our work with BeLonGTo encompassed inclusion and diversity. With Ark Housing we supported social justice for the homeless and disadvantaged.

Scheduled Training

Our scheduled training this year focused on governance, management and topical issues such as GDPR, Child Protection and Financial Oversight for Boards. We also ran a number of courses on Microsoft Excel which quickly booked out. This year we ran two of our scheduled courses in Cork, in collaboration with Cork Mental Health and Yellow Harbour. The Spring/Summer programme ran from January to June and the Autumn/Winter programme ran from September to December. Planning for the Spring/Summer programme 2019 commenced in the autumn. Sixteen courses were scheduled on governance, management, finance and communications. Online bookings for 2019 had already commenced by the end of 2018.

“Trainer’s working/active knowledge on governance was excellent. Confirmed what we are doing well and confirmed what we need to improve on”. Board Roles and Responsibilities, Cork.

Customised Training

This year broke all previous records with 182 customised inputs delivered around the country. While the majority of inputs focused on governance, we also provided support on communications, finance, planning and HR.

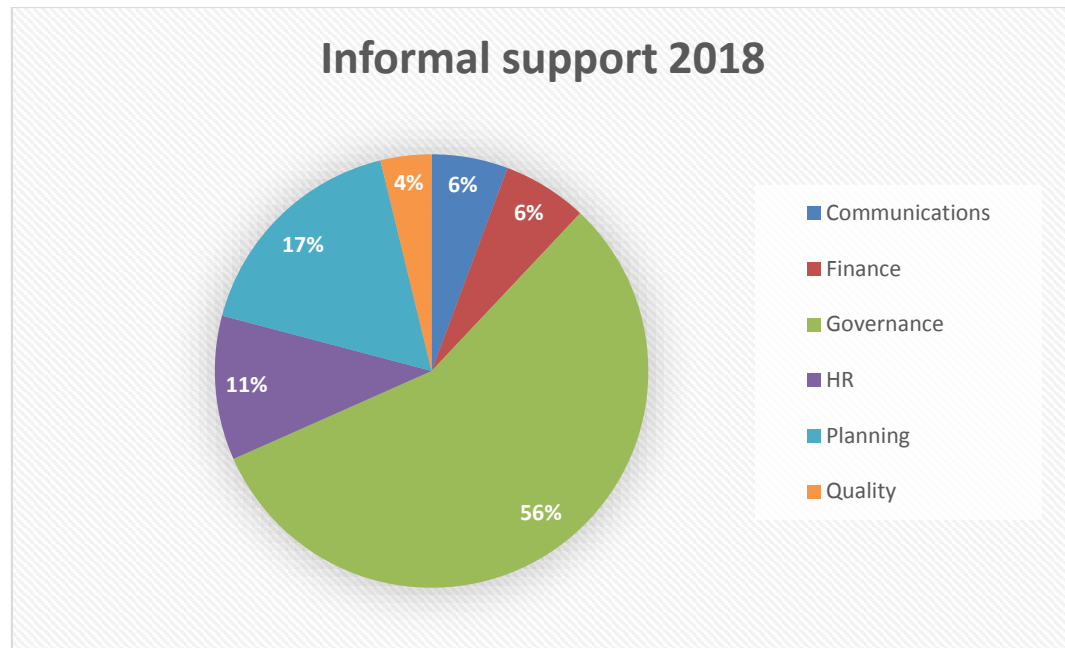
“Derek delivered the course really well. Clear, easy to understand, very informative and concise. It has really given me an insight of what to expect from both myself and the board. Everyone felt confident to get involved and give opinions. Great course content, lots of valuable information”. Chairing the Organisation, Northside Partnership.

I would like to offer our gratitude to Evelyn for meeting with us last night and presenting a very detailed and worthwhile package on grant applications. I was speaking to a number of our group after the meeting and they all found the content very relevant to us and what we are trying to achieve. I would like to commend her on her style of presentation. I found her very engaging and knowledgeable and the 2 hours passed very quickly, which is always a good sign. O'Dwyers GAA Club, Grant Applications workshop.



Informal support

We provided a range of supports via email, phone and face-to-face meetings. Typically, they covered governance, but we also helped organisations with other issues such as planning and HR. See breakdown of the topics below.



"Thanks for your advice on our current legal form and governance. The guidance document you sent on good governance practice is brilliant. This has helped us to consolidate our thinking. We will more than likely now go ahead and register as a charity"

ELearning

This year we provided seven different eLearning modules on subjects such as risk, GDPR and the role of the company secretary. These are practical, self-managed courses which can be accessed from anywhere in the participant's own time. Our survey in June showed a high level of satisfaction with both the format and the content. All respondents indicated they would recommend our eLearning to others.

"The Risk Management training was very useful and practical. I was delighted to be able to do it from the office." Maureen Kavanagh - Active Retirement Ireland.

"Great to be able to upskill without having to travel. More efficient and better management of time." Michele Kerrigan - Grow in Ireland.

Webinars

This year we collaborated with Certified Public Accountants Ireland on delivery of three webinars on governance for charity sector. This diploma programme was designed to give an understanding of good governance practice to accounting professionals who are involved with charities, either as accountants or as voluntary treasurers. We also worked with Volunteer Ireland on delivery of three webinars for community and voluntary organisations. These webinars were broadcast to live audiences in eight volunteer centres around the country with 165 people participating in the webinars.

"Thank you for the enlightening webinar on Key Issues for Boards. Very interesting and worthwhile attending." Volunteer Ireland participant, Webinar on Key Issues for Boards.

Chairs Network

We provided administrative backup for the peer learning network for the chairpersons of charities which now has over 70 members. The network met four times in 2018.

Collaboration

This year we collaborated with Pobal, Public Participation Networks (PPNs), County Councils, Partnership/LEADER programmes, Sport Ireland, County Childcare Committees, Volunteer Ireland and Drugs Task Forces on the delivery of training for their networks/funded organisations. We were also involved in the Charities Regulator's advisory group on the Charities Governance Code and we disseminated information on the code itself. We attended a meeting with the Governance Code Working Group to discuss ongoing developments in relation to the Governance Code for Community and Voluntary Groups. Discussions took place with Dublin Institute of Technology to develop the certification of our training programme for trustees. We collaborated with a number of organisations including the Charities Regulator on Trustee Week which took place in November. We scheduled a number of events during the week including two scheduled courses; six customised courses and one webinar.

Consultancy

This year we developed our consultancy service significantly. This work allows for a more in-depth analysis of issues that need to be addressed at board level. Work included reviewing of governance documents, meeting with boards to discuss and understand their governance challenges and provision of findings and action points to allow them to develop their own capacity to provide effective oversight. Work also included review and development of policies and procedures; data protection; GDPR; safeguarding; strategic planning and boundaries between governance and management. See case studies 1 and 3 below.

"Philipa has completed our audit. The process was excellent and very helpful. A lot to do – but very pleased with the process. Philipa is excellent". Cillian Russell, Shine GDPR audit.

Coaching

In the spring, Carmichael was commissioned by Pobal to provide business coaching to 13 Community Services Programmes. This was followed in the autumn by another coaching programme for 30 organisations. This work involved meeting with boards and management and advising on practical ways to enhance their business models. Work included developing websites, social media, marketing, HR, financial management and governance. See case study 2 below.

Mentoring

Seven new mentors and seven mentees joined the panel in December. An orientation meeting for new mentees was facilitated by the Training Manager on the 5th of December.

"This is the first time I've had the opportunity to be part of a Mentor Program. It came at a time where there were a lot of issues in the organisation and at the time I had nowhere to go to "bounce" things off. As a CEO, I have the support of my team, however, there are times when it may not be appropriate to discuss concerns / issues with them. I felt this Mentor Program gave me both "permission and space" to look at these and discuss with my mentor."

Communications

Carmichael Training participated in the rebranding of Carmichael in 2018, resulting in a strong emphasis on support and guidance, including the strapline: "Guiding Nonprofits". A key message on our website is that Carmichael is the leading specialist training and support body for nonprofits in Ireland. Clients can access details of our services and book courses online. A comprehensive proofreading and testing process was conducted before the new website went live in September. We also developed a new free online resources section and attended training on the website content management.

“Carmichael is an excellent training resource for charitable organisations. The training is timely, informative and in tune with the issues that cause concern to all organisations in this sector. I look forward to the schedule in my email”. Leonora Wilkinson, Ops Manager, Finglas Addiction Support.

Case studies

1. GDPR/Data Protection external audit for an organisation that supports people affected by mental health issues.

This consultancy started with a pre-interview questionnaire to capture relevant information. This was followed by meetings with management and staff directly responsible for data to clarify GDPR requirements. An examination was conducted of data management processes, noting responsibilities and liabilities. Discussions took place to clarify points that were not covered during the initial consultation. A full report of the organisation's current position with actionable steps towards compliance was then prepared. Management and staff went through the report with the consultant. Finally, actions were agreed to ensure GDPR compliance.

“It was absolutely brilliant. To date I have attended 6 or 7 different workshops on GDPR, some that were really expensive. Of all of them this was by far the best. William really got to understand what the needs are specifically for the ISCC and tailored the session around that.” - Lyndsey Cusack, Operations Manager, Irish Society for Colitis and Crohn's Disease.

2. Business Coaching for Community Services Programmes.

Commissioned by Pobal, this programme consisted of direct business coaching to 43 Community Services Programmes designed to improve financial sustainability. These programmes are spread right across the country, including offshore islands. Services are wide-ranging, including local tourism, community radio and care for the elderly. A sustainability action plan was drawn up for each programme. This included potential trading income, service development and marketing strategy. A significant amount of work revolved around improving communications. E.g. improving roadside signage for a heritage centre to attract more visitors, a new logo for a health and leisure centre, direct marketing to promote tourism on an offshore island. Plans to increase trading income included reconfiguring office and meeting room space in a community centre, development of fitness classes in a community gym and developing outdoor activities such as kayaking and coastal walking for a community based holiday cottage initiative. Plans were also developed to enhance online presence, produce flyers and improve governance and HR management.

3. Development of Draft Strategic Plan for a Housing Body

The development of a draft Strategic Plan for this organisation involved an initial meeting with a board sub-group to scope and understand the organisational needs. A second meeting was arranged with staff members to start the process. Meetings were facilitated with the Board for their input and guidance on the draft Strategic Plan. This involved identification and agreement on what other key stakeholders were to be consulted and involved. Finally, a draft Strategic Plan was drawn up and submitted to the board for completion.

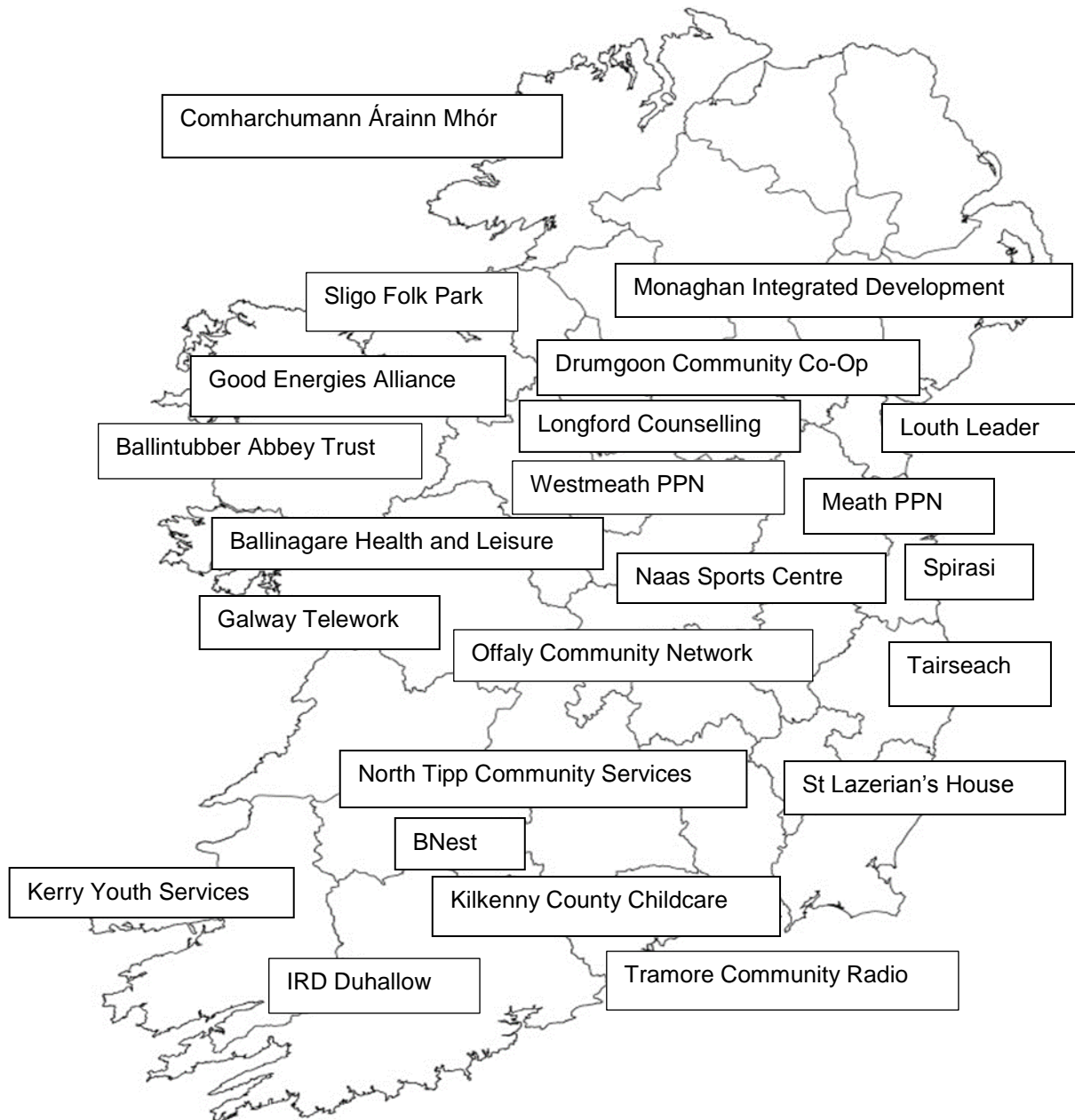
Looking ahead for Training and Consultancy

Our goal for 2019 is to provide a range of high quality, sector relevant and good value training and consultancy services to Irish nonprofits delivered through a range of effective and accessible delivery channels from classroom based to eLearning and live streaming.

Our plans for 2019 include the following:

- Our Spring Summer scheduled training programme kicks off on January 17th with a course for Designated Liaison Persons (DLPs)
- Our customised training starts on January 4th with a facilitated workshop in Dublin for Arthouse Co-operative
- We will run two Governance train-the-trainer programmes in Donegal and Monaghan
- We are planning a nationwide coaching programme for Community Services Programmes
- We will develop our eLearning, including a Social Enterprise Business Development Programme
- Develop our webinar service in collaboration with Volunteer Ireland
- We will develop an accredited trustee training programme in collaboration with DIT
- Develop training and support for the Charities Governance Code
- Provide high value practical supports through the Carmichael Mentoring scheme, Chairs Network and Good Governance awards
- Develop our network of contacts, partners, trainers, consultants and collaborative relationships
- Continue to provide informal support and guidance, including online resources

Carmichael Centre (sample) supports by county 2018



3.1.2 Carmichael Key Performance (non-financial) Metrics 2015-2019

Key Performance Indicator (KPI)	2015	2016	2017	2018	2019 (target)
Resident Members	48	48	48	45	45
Visitors/Users of the Centre	26,676	30,336	31,334	30,185	31,000
Meeting room bookings	1,373	1,414	1,263	1,442	1,500
Organisations using our meeting rooms	90	89	69	95	100
Attended our customised training	925	1,449	1,567	2,472	1,800
Attended our scheduled training and seminars	474	484	422	361	400
Informal supports provided	185	259	170	159	200
Payroll service clients	19	16	21	21	21
Management Accounts clients	6	5	8	9	8

3.2 Commentary on implementing our strategic plan

Significant progress was made in 2018 in achieving the objectives and targets set out in our 2016-18 strategic plan. We had 48 resident nonprofits over the course of the year and were completely full throughout the year. The training unit had a record year in terms of programmes delivered, participants and income earned. Most of our other service areas also performed very well in 2018. Our income from postal services has continued to decline as our resident members reduce their volume of posted items due to the increased charges for mail imposed by An Post and an increase in their usage of electronic communications.

As a leading provider of services and supports to the nonprofit sector, our performance and activities are largely impacted by the wider environment for the sector. In section 2.4 above, we have commented on some of the key developments in our wider environment and their impact on Carmichael. The overall positive external environment is reflected in the very strong performance achieved in 2018. We also commented on some of the potential external risks we face in 2019 and beyond in section 2.5 above, particularly the uncertainty being caused by Brexit. While the risks to the economy and the wider environment are outside our control, we need to make sure that the services we provide are relevant and meet the evolving needs of our clients. We will do this by constantly reviewing and evaluating our services and by communicating and seeking feedback from existing and target clients and from other key stakeholders such as funding agencies and regulators.

There have, however, also been some downsides to the improving economy. The unemployment rate has fallen dramatically from 15.1% in February 2012 to 5.3% in January 2019. While this is a most welcome development, it has made the task of filling vacancies in our Community Employment (CE) scheme much more difficult. As a result, a number of CE participant posts were unfilled for significant periods during 2018. This affects our ability to deliver a consistent quality service for our customers. In 2017 Carmichael had to recruit and fund staff directly to perform a number of job roles that would normally be performed by CE participants. However, in 2018 due to the pressure on our finances arising from directly funding these staff roles, we unfortunately had to make a decision not to renew the contracts for 2 of these posts and we did not replace the two persons who retired and left the organisation. This is creating some difficulties in maintaining staff rosters and is a situation that the management are monitoring and for which we are very appreciative of the cooperation and support of our staff.

3.3 Resident Members

Over the course of 2018, Carmichael was home to 48 different nonprofit organisations with 45 being resident at year end. These organisations are tackling major issues and providing invaluable supports every year. Each year over 40,000, people benefit directly and 100,000 people benefit indirectly from the services and supports provided by Carmichael's resident members through their staff and their 2,000 plus volunteers.

Carmichael Resident Members December 2018

1. Alcohol Action	23. Irish Motor Neurone Disease Association
2. An Saol	24. Irish Multiple Births Association
3. Anti-D Women	25. Irish Society for Colitis & Crohn's Disease
4. Aspire - Asperger Syndrome Association of Ireland	26. Irish Stammering Association
5. Blood Bikes East	27. Look Good Feel Better
6. Brain Tumor Ireland	28. Men's Health Forum in Ireland
7. CanTeen Ireland	29. Mental Health Reform
8. Care Alliance Ireland	30. Miscarriage Association of Ireland
9. Caring and Sharing Association	31. MOVE Men Overcoming Violence
10. Cats Protection Association of Ireland	32. National Association of Widows in Ireland
11. Centre for Independent Living	33. National Platform of Self Advocates
12. Chronic Pain Ireland	34. Neurological Alliance of Ireland
13. Coeliac Society of Ireland	35. Parentline
14. Dublin Community Games	36. Parkinsons Association of Ireland
15. Dyspraxia Association of Ireland	37. PSPA Ireland
16. Endometriosis Association of Ireland	38. Queen's Institute of District Nursing in Ireland
17. First Light (Irish Sudden Infant Death Association)	39. Rape Crisis Network Ireland
18. Hyperactivity Attention Deficit Disorder (HADD)	40. Royal Life Saving Society
19. Heart Children Ireland	41. Show Racism the Red Card
20. Huntington's Disease Association of Ireland	42. Smashing Times Theatre Company
21. Irish Association for Palliative Care	43. The Anne Fitzgerald Know Hope Foundation
22. Irish Fair Trade Network	44. The Hope Foundation
	45. The Men's Development Network

In 2018, one new group, Anti-D Women became Resident Members of Carmichael and three groups left the Carmichael – Irish Premature Babies, Wezesha and Young Horizons. There was demand from some of our existing members for additional accommodation space and the space vacated by the departing groups was allocated to some of these groups.

4. Financial Review

In 2018 total funds of €2,085,827 and total expenditure of €2,109,748 resulted in a net deficit of (€23,921). Included in the net deficit are strategic investment costs of €13,290 that were approved by the Board and consist of depreciation costs related to strategic capital investment such as expenditure on two new garden meeting rooms and an upgrade of Carmichael's website. Included in the funds and expenditure figures, is the deemed value and cost of €455,611 for the donated facilities of our two buildings, Carmichael House and Coleraine House, which have been donated to Carmichael by the HSE and Dublin City Council respectively. The donated facility figure is based on the imputed office rental income value of the donated buildings.

4.1 Income

The total incoming funds of €2,085,827 for 2018 is up €9,366 (+0.5%) on 2017. The funds consists of €14,814 from donations and legacies (up €2,094 or 16% on 2017); €18,524 income from other trading activities which covers income from fundraising and others events was down €9,091 or 33% on 2017. This was due lower income generated by our annual fundraising concert and no other fundraising event held in 2018. We received €2,051,378 from our largest funding source, charitable activities (up €15,788 or 1% on 2017). Our income from charitable activities can be grouped under four main categories – (1) Services, (2) Employment Supports, (3) Donated Facilities and (4) Government Grants & Other. Income generated from the delivery of services in 2018 was €695,642 and this represented an increase of €41,714 (+6%) on 2017 and which was mainly due to increases from our training services. Employment Supports income decreased by €24,971 (-3%). This was due largely to a reduction in the number on participants on our CE scheme which decreased from an average of 38 participants in 2017 to 34 participants in 2018 which consequently resulted in a decrease in the funding received from DEASP for the CE scheme. Government Grants and Other income category has decreased by €955. In 2018 compared to the previous year. Included in this category are grants received from the Department of Rural & Community Development (SSNO funding grant) and the HSE and once-off grants from Dublin City Council and the Ireland Funds. The breakdown of our 2017 and 2018 income is shown in Chart 1 below.

Chart 1:

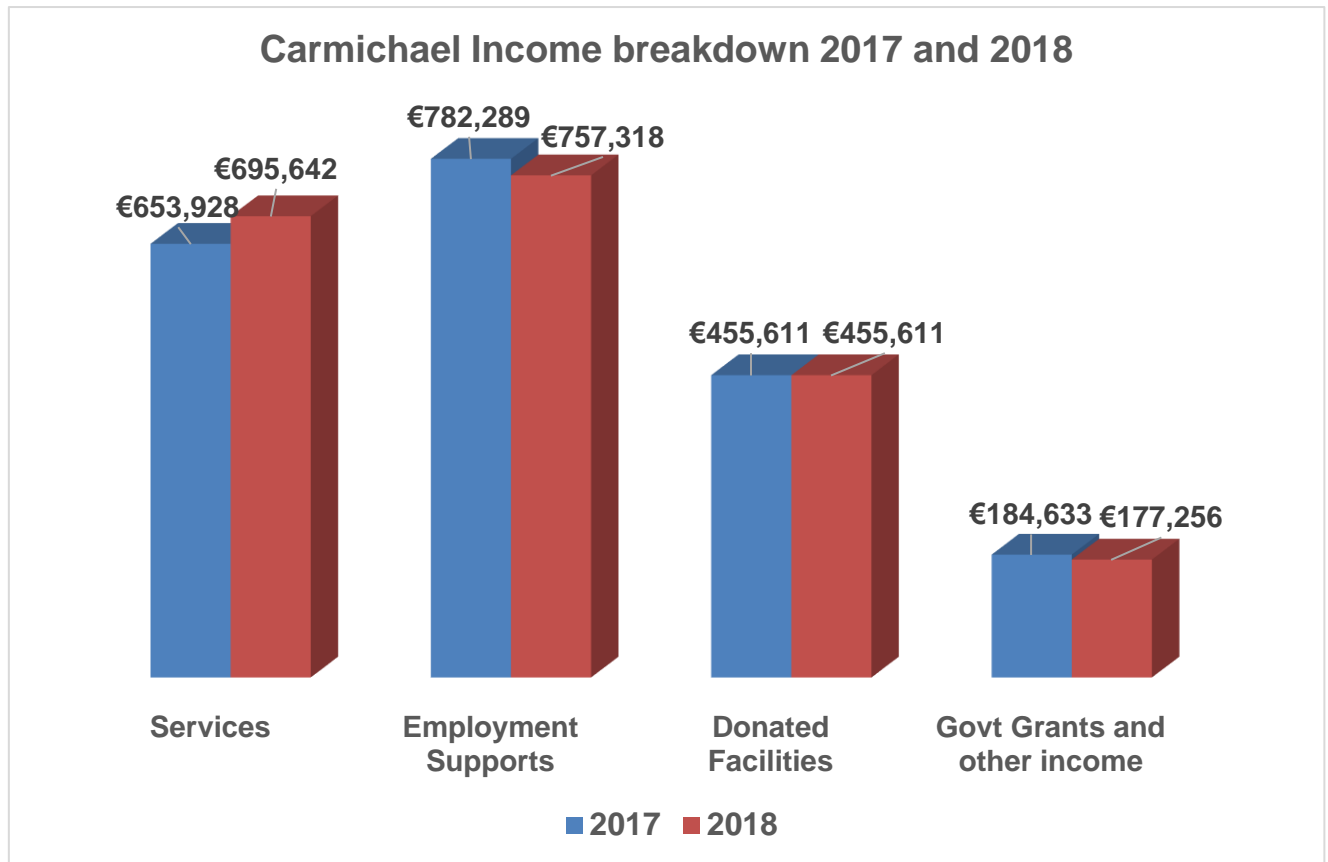


Chart 2 shows the percentage breakdown of the operating income categories in 2018. The deemed value of donated facilities has been excluded from commentary on the operating income and expenditure performance. The income received for employment scheme supports (CE & CSP) at 46% of total income was the biggest operating category in 2018. The next biggest income category was income from services at 43%. A breakdown and year-on-year comparison of our services income is given in Table 1 below.

Chart 2:

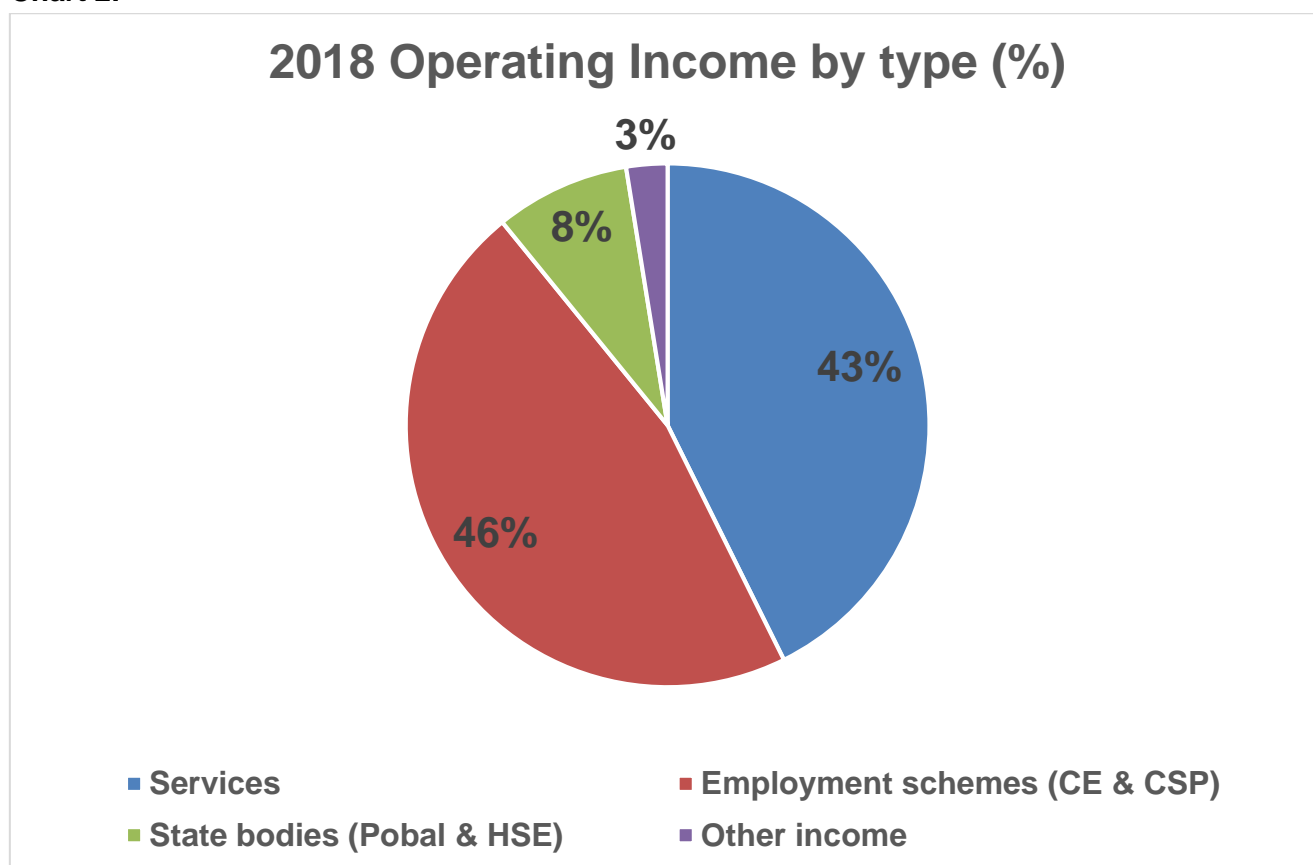


Table 2:

Services Income by type	2016	2017	2018	2017-18 Change +/- €	2017-18 Change +/- %
Training & consultancy	€85,352	€131,454	€181,944	€50,490	38%
Meeting room income	€63,546	€70,725	€62,630	-€8,095	-11%
Resident Members Accommodation fees	€271,826	€277,142	€280,080	€2,938	1%
Other service income	€38,660	€35,978	€29,274	-€6,704	-19%
Accountancy	€24,102	€32,812	€36,980	€4,168	13%
Postal services	€84,065	€62,495	€56,676	-€5,819	-9%
ICT support services	€8,110	€11,286	€9,544	-€1,742	-15%
Catering	€27,093	€32,036	€38,514	€6,478	20%
Total	€602,754	€653,928	€695,642	€41,714	6%

Services income grew by €41,714 (+6%) in 2018. It was another fantastic year for our training and consultancy service with our earned income increasing by €50,490 (+38%) over the 2017 performance. The strong performance from our training and consultancy service continues a growth trend that started in 2013 when training income was €41,026. An overview of the Training Unit's performance is contained in Section 3.1 Strategic Goal 2 above.

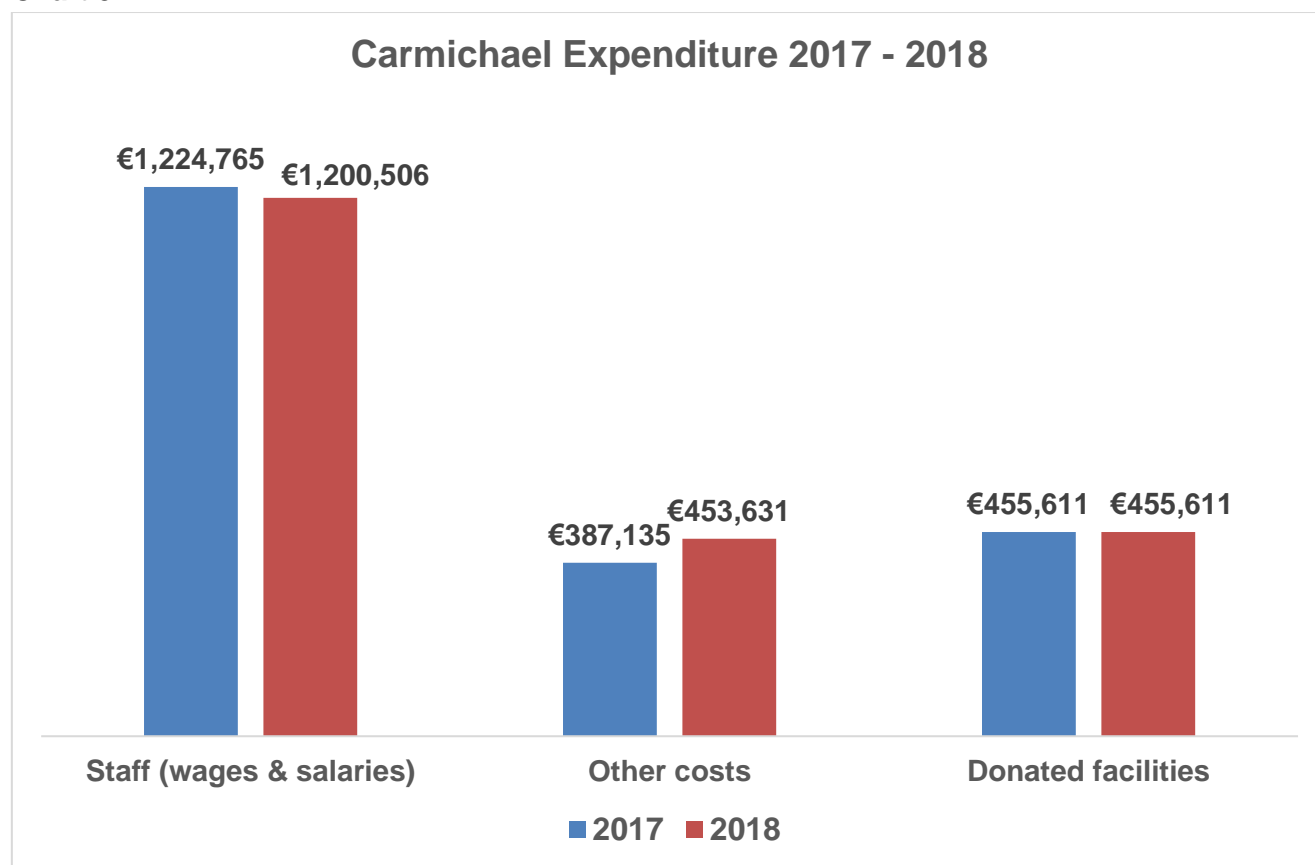
Income from meeting rental decreased by 11% to €62,630. This was due to a number of contributing factors; two of our top three users in 2017 did not use the meeting rooms in 2018 due to funding issues for their organisations; the Richmond room was unavailable for a number of weeks while it was being refurbished and the O'Sullivan and Brunswick rooms were out of action from October until early January while repair work to the ceilings was being done. There were also declines in the income earned from ICT Support (-15%), Postal services (-9%) and other service income (-19%) The decline in postal income has been a continuing trend over the last 5 years. Two main factors are contributing to this decline. An Post imposed a major increase in their postal charges in 2017 and Resident Members are significantly reducing their volumes of mail and increasingly using email and social media to communicate with beneficiaries, volunteers and supporters. We expect this downward trend in income from postal services to continue in 2019. The income decline in ICT support was due to reduced demand from Resident Members for these services in 2018. The other service income sub-category which includes services such as photocopying, maintenance, handyman, clerical support and equipment hire also declined in 2018 due to reduced demand.

However, we had growth in our Accountancy services (+13%) and Catering (+20%) in 2018. The biggest income sub-category in Services are the office accommodation fees from Resident Members which at €280,080 was 40% of our Services income. This was a €2,938 (+1%) increase on 2017. Occupancy was close to 100% throughout 2018.

4.2 Expenditure

Total resources expended in 2018 was €2,109,748 up €42,237 (+2%) on 2017. A key contributor to this increase is accounted for by the increased expenditure in ancillary services which was up €57,563 (+66%) on the 2017 expenditure. Chart 3 below provides a breakdown of our 2017 and 2018 expenditure.

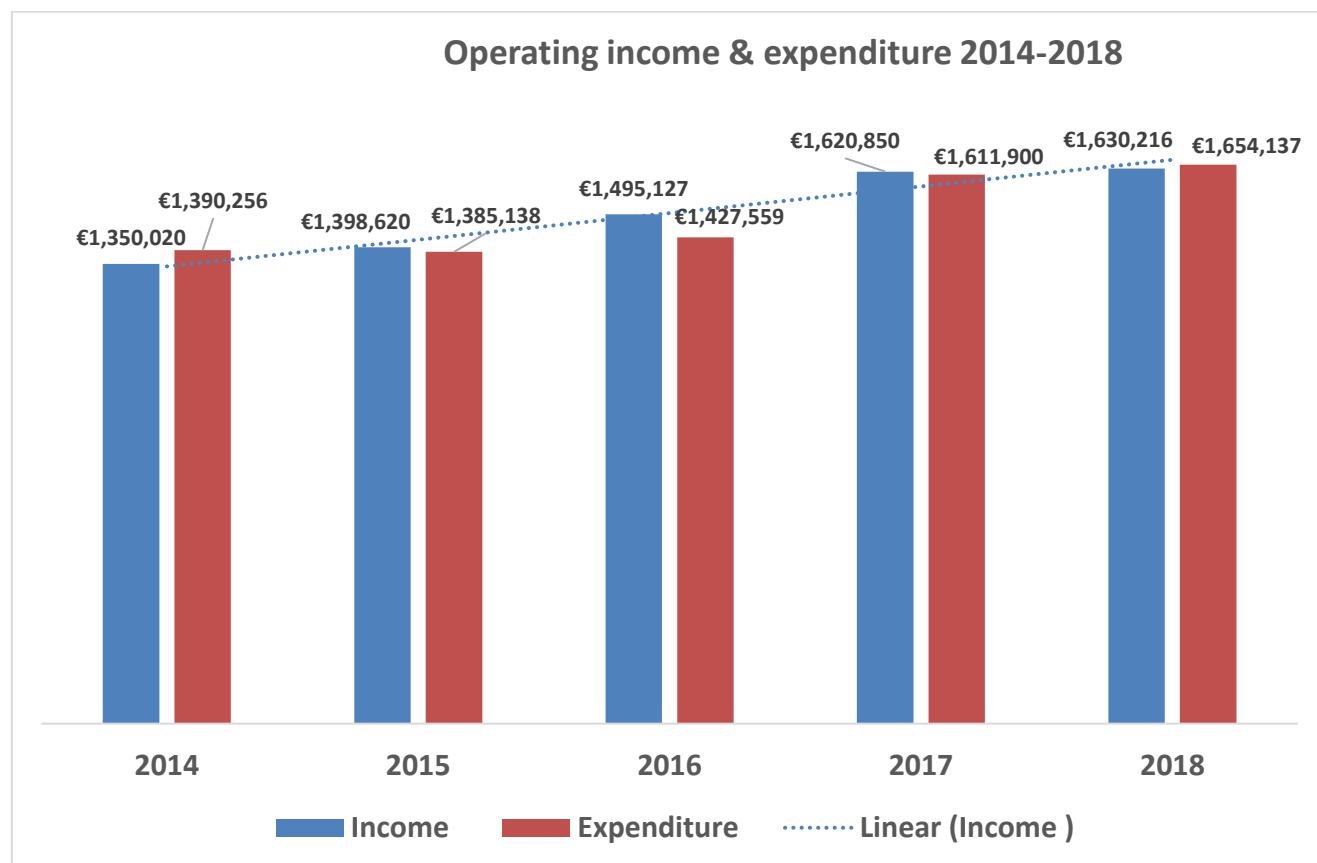
Chart 3:



Wages and salaries is the largest expenditure category. In 2018, wages and salaries were €1,200,506, a decrease of €24,259 (-2%) on 2017. The biggest contributor to this decrease was the reduction of €15,871 in the amount paid out in respect of our CE participants which had a lower number of participants in 2018 than in 2017. The total wage cost for CSP staff decreased by €14,975 which is mainly due to the reduction in the CSP staff headcount from April. The cost for other Carmichael staff in 2018 increased by €6,587.

The other cost expenditure category increased by €66,496 (+17%) in 2018. This category covers the costs of our services provision and other non-staff costs in running Carmichael. In 2018, we had lower expenditure compared to 2017 in the following sub-categories; Primary Services (€9,064) due to lower postal volumes. Fundraising costs were €996 lower. Other staff costs were €4,671 higher in 2018, due primarily to the increased expenditure of materials for CE participants which is recoupable from DEASP. IT & Communications costs were €2,094 lower due mainly to reduced expenditure on website maintenance. Premises were €2,886 higher mainly due to increased depreciation charges compared to 2017. The biggest increase occurred in the cost of ancillary services which was €57,563 higher in 2018. This was mainly due to the increased use of external trainers from our training panel in response to the increased demand for training and consultancy services in 2018.

Chart 4:



The above chart shows the operating income and expenditure trend over the last 5 years. The operating deficits incurred in 2014 had been eliminated in the 2015-17 period. An operating deficit of €23,921 was incurred in 2018. Over the last 5 years, 2014-18, Carmichael has achieved a cumulative operating surplus of €25,843.

A number of board approved actions including headcount reduction has been taken during 2018 in order to achieve the objective of a balanced operating position in 2019. Carmichael's operating income has increased year on year.

5. Structure, Governance and Management

5.1 Structure

Carmichael Centre for Voluntary Groups Limited (the Company) is registered as a charitable Company limited by Guarantee (CLG). Its Companies Registration (CRO) Number is 205568. The members of the Company are the Resident Members of Carmichael and the Board members listed 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. It also has charitable status from the Revenue Commissioners (charity number CHY 8973). The Company is also registered with the Charities Regulatory Authority (CRA) and its CRA number is 20022464. The charity trustees are the same personnel listed as the board of directors on page 1.

5.2 Governance and Management

The Company is constituted under a Constitution. The Company's goals and strategic approach are guided by its charitable objectives as laid out in this document. The management of the Company is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

The Board of Directors has overall responsibility for the strategic development of the Company in close liaison with the Chief Executive Officer and the Management Team. Tony Kelly is the Board Chairperson and Michael Kavanagh is the Board Treasurer. Diarmaid Ó Corrbuí, the Chief Executive Officer and Company Secretary, manages the operation of the Company.

The Board is responsible for providing leadership, setting strategy and ensuring control. The Board at the end of December 2018 comprised of ten non-executive Directors. The Board's Directors are drawn from diverse backgrounds in business, nonprofit organisations and professions. They bring to board deliberations, the significant business and decision-making skills achieved in their respective fields, together with a broad range of experience and views. The role of Chairperson and Chief Executive Officer are separate and all Directors are independent of the management of the Company. The CEO is not a member of the Board.

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. These include;

- approval of changes to the constitution,
- appointment and remuneration of the CEO,
- approval of strategic plans,
- membership of the board,
- resident membership, and the
- appointment of the company secretary,
- governance policy,
- annual report and financial statements,
- the risk register,
- investment policy and
- expenditure in excess of specified levels.

The Chief Executive Officer is responsible for implementing strategy and policy within the authority delegated to him by the Board and is accountable to the board for the exercise of this delegated authority.

Carmichael has a comprehensive process for reporting management information to the Board. The Board meets regularly, as required, and met seven times during 2018. On appointment, Directors receive a formal induction programme and are provided with comprehensive briefing documents designed to familiarise them with the Company's operations, management and governance structures.

5.3 Board recruitment, induction and ongoing development

The constitution of Carmichael has set the maximum number of board members at twelve and the minimum at five. Each board member serves a three-year term and may if agreed, serve a second three-year term. The maximum term is six consecutive years, after which the board member must step down from the board. The constitution also provides for Carmichael's resident members to elect up to eight members of the board. The members elected to the board at the AGM by resident members do not necessarily have to be resident members. The board has the power under the constitution to co-opt four additional board members to address any skill, experience or representative gaps there might be in the board's membership.

A board skills audit tool is used by the board. This specifies the range of skills required by the board, assesses the range and depth of skills provided by the current board members and identifies any particular skill gaps or other needs for the board.

The Risk, Strategy and Governance Committee of the board has the responsibility for succession planning and board renewal. They assess the board's renewal and succession needs based on the completed board skill audit, the projected retirement of board members based on the appointment date and maximum term or an out-of-term retirement of a board member. When the need for additional/replacement board members is identified, a board role description with the specific skill requirements is prepared and a board member search process is initiated using a number of channels including Boardmatch, Volunteer Ireland and professional bodies such as CPA Ireland and the Chartered Accountants Ireland. Prospective new board members are interviewed and recommendations are put for approval. In April 2018, the board approved the appointment of Margaret Rogers to fill the Resident Members' representative vacancy on the board following the resignation of Niamh Clowry in March. Margaret's appointment to the board was confirmed by members at the AGM held in June.

Each new board member attends an induction programme which covers, the roles and responsibilities of board members, the governance policies of Carmichael, the business activities, strategy and finances. Each year, the board receives a collective training workshop on the role and responsibilities of the board. An annual board performance assessment is conducted and the specific and collective development needs of the board are identified. Examples of recent development topics covered by the board include, effective board culture and the implications and requirements of the 2014 Companies Act.

5.4 Board of Directors Profiles; December 2018

Tony Kelly (Chairperson) Start date: April 2015

Tony is a co-founder and a partner in Byrne Curtin Kelly, a Dublin based accountancy practice formed in 1998. Prior to the forming of Byrne Curtin Kelly, he acted as Technical Advisor to the Institute of Certified Public Accountants in Ireland for a number of years. Tony has also served on committees on behalf of CPA, including auditing practice and is a former Director of IAASA (Irish Auditing and Accounting Supervisory Authority) as a nominee of the accountancy profession. Tony has over 30 years' experience in the accounting profession working with clients to grow and develop their business and specialises in Audit and Business Consulting particularly in the Hotel and Leisure and nonprofit sectors. He is currently a member of the audit committee of The Irish Red Cross.

Skills: Accountancy, Finance, Audit & Business Consultancy.

Gerry Culligan (Vice Chairperson) Start date: April 2016

Gerry Culligan is Commercial Director, Iarnród Éireann / Irish Rail since January 2012 with responsibility for delivering profitable revenue growth and enhancing customer experiences. Gerry has over 25 years commercial and financial experience across a number of industries, holding senior Executive Director roles in Financial Services with Aviva, in Communications with Eircom and in Grocery with Mars Ireland. Gerry has previously held positions as non-executive Chairman of Eircom

PhoneWatch, Ireland's leading residential home security company and is a former Director of the Eircom Employee Share Ownership Trust. Gerry is an accountant (FCMA), a member of the Institute of Taxation in Ireland (AITI) and a member of the Marketing Institute of Ireland (MMII). Also, he holds a Non-Executive Directorship at Trócaire.

Skills: Strategic Development and Implementation, Business Transformation, Commercial Acumen and General Management.

Michael Kavanagh (Treasurer) Start date January 2018

Michael is currently Director of the Department of Professional Practice with KPMG Ireland. Prior to that he acted as Chief Executive and was Head of Financial Reporting Supervision with IAASA (Irish Auditing and Accounting Supervisory Authority). He established Ireland's statutory accounting enforcement function and oversaw the establishment of Ireland's statutory Audit Inspection regime. He was the Irish Observer at the Corporate Reporting Council of the FRC which produces UK and Irish accounting standards. He was also Ireland's representative at ESMA's European Enforcers Co-ordination Sessions which is tasked with coordinating accounting enforcement across Europe. In the past he was also a member of the Accounting Consultative Committee of CCAB-I and chair of the CPA Institute's Financial Reporting Committee. Michael is a qualified accountant and a member of the Institute of Certified Public Accountants (CPA Ireland) and the Institute of Chartered Accountants Of England and Wales (ICAEW).

Skills: Accountancy, Senior Management, public sector governance.

Laurie Knell Start date: April 2016

Laurie is a Director with Strategic Innovation Partners. Key areas of professional activity and interest include: organisational performance, strategy development and implementation, creativity and innovation. He specialises in working with senior teams and leaders, and has extensive experience as a Leadership, Management and Team Building facilitator, and Management Coach. Prior to becoming a consultant, Laurie spent over 10 years working in the technology and transportation sectors in Ireland, Europe and Australia. Laurie is an Associate Lecturer with the Open University Business School's MBA programme, focusing on the key areas of Creativity & Innovation and Management Practice. He holds a BA (Hons) in Russian Studies from the University of Queensland and an MSc (Mgmt) in Organisational Behaviour from the IMI & Trinity College Dublin.

Skills: Consultancy, Strategy, Innovation, Leadership Development, Creativity, Organisational Performance, Project & Change Management.

Elaine McGauran Start date: October 2014

Elaine is an experienced HR expert across the Banking & Financial Services, Pharmaceutical and the nonprofit sectors. Her managerial experience includes; Strategic HR Planning, Organisational Development, Change Management, Talent Management, Corporate Social Responsibility, and Project Management. Elaine has a lifelong interest in social inclusion and a commitment to the wider community. She is a Chartered Member of CIPD and has a Masters in Management and Innovation in Social Enterprise from DCU.

Skills: Strategic HR Planning, Organisational Development, Talent Management and Project Management.

Christina Donnelly Start date February 2017

Christina is the National Coordinator of Chronic Pain Ireland, the national support group for people living with chronic / persistent pain campaigning for greater education of chronic pain amongst healthcare providers and the general public while providing a range of support services throughout Ireland. She has ten years' experience working and volunteering in the Charity Sector in Ireland. Christina holds a BA (Hons) in Business Studies and previously worked within the third level education sector in a variety of senior administrative and managerial roles over a seventeen year period.

Skills: Project & Change Management, Event Management, Communications.

Gerry Egan Start date April 2017

Gerry is an independent consultant working with commercial and nonprofit clients to improve their governance and compliance structures, processes and culture (including data protection) while also providing support to enhance relations with Government, develop and implement compelling strategies and improve strategic communications. Previously Gerry held a number of senior leadership roles in Coillte, the State forestry company and was Group Director of Strategy and Governance until September 2016. Gerry is a Board member of Dóchas. He holds a M.Sc. (Mgmt.) degree from Trinity College and is Chartered Director.

Skills: Corporate Governance, Strategy, Data Protection, Business Development, Change Management, Environmental, Social and Governance (ESG) Reporting and Strategic Communications.

Clodagh O'Brien Start date January 2018

Clodagh is a partner in Crowe's Consultancy department and over 20 years' experience working with organisations in the commercial, nonprofit and public sectors. Her expertise is in working with organisations experiencing challenges where creative solutions make the difference. Clodagh believes that client relationships work best when people share the same passions and interests. Her particular interests are arts and culture, the creative sector, education, health and social care, and tourism. She has worked in multi-national and owner-managed environments, in national and international contexts. Prior to joining Newmarket, she worked in a marketing capacity in the media, leisure and electronics sectors in Ireland and the UK. Clodagh graduated from Dublin City University in 1993 with an honours degree in International Marketing and Languages (German and Spanish) and graduated from NUI Maynooth in 2010 with a Masters in Sociology.

Skills: Marketing and digital marketing, strategy, organisation development, business planning and innovation.

Joe Ritchie Start date January 2018

Joe is the Principal of Donal M Gahan, Ritchie & Company Solicitors which is a general legal practice based in Dublin 2. Joe has over 20 years' experience of dealing with a variety of legal matters. Joe is a qualified solicitor and was admitted to the Roll of Solicitors in 1998.

Skills: Legal Compliance, commercial and general management.

Margaret Rogers Start Date June 2018

Margaret is the CEO of Heart Children Ireland, a support group for parents and families of children with a Congenital Heart Disorder. Heart Children also supports those with acquired heart disease. She has over 18 years' experience as the CEO of a charity. Margaret is also the Vice Chair and a Trustee of the Grant Making Committee of the Hospital Saturday Fund. She also has over 20 years' experience working in credit control at EBS Building Society.

Skills: Fundraising, Event Management, Project Management, Public Speaking and nonprofit management.

5.5 Board member meeting attendance in 2018

Board Member	2018 Board meeting attendance
Tony Kelly	7/7
Michael Keegan (completed 6 year term 11 December)	6/7
Gerry Culligan	3/7
Elaine McGauran	7/7
Michael Kavanagh (appointed 30 January 2018)	6/7
Laurie Knell	5/7
Clodagh O'Brien (appointed 30 January 2018)	7/7
Christina Donnelly	5/7

Gerry Egan	6/7
Joe Ritchie (appointed 30 January 2018)	4/7
Margaret Rogers (appointed 26 June 2018)	3/4
Niamh Clowry (resigned 27 March 2018)	0/1

5.6 Board Sub Committees

Board sub-committees are established for good governance practice. Carmichael has three board sub-committees, Audit & Finance, Risk, Strategy & Governance and Marketing & Communications.

5.6.1 Audit & Finance Committee

The role of the Audit & Finance Committee is to oversee the efficient financial management of Carmichael, including the raising, collection, investment, borrowing and outlay of all monies required (including fundraising for Carmichael). It liaises with the external auditors and reports directly to the Board. The Committee's terms of reference were reviewed by the Board in January 2018. The Committee met seven times in 2018.

5.6.2 Risk, Strategy & Governance Committee

The Committee's terms of reference were reviewed by the Board in June 2016. The Committee oversees the Company's compliance with the Governance Code, the assessment of risk, health and safety and the development and implementation of the Company's strategy. The Committee met three times in 2018.

5.6.3 Marketing & Communications Committee

The role of the Marketing & Communications Committee is to provide oversight and guidance to the CEO and Management Team on the development, implementation and evaluation of Carmichael's marketing and communications, i.e. awareness raising, positioning, external relations, stakeholder management and fundraising strategies. A special joint board-management team project group was established in October 2017 to oversee the branding and new website projects which were completed in June 2018. The Committee met only once in 2018 as the focus of a number of the committee members was on the branding & website projects and the Strategy 2019-21 task group. The Committee will be reconvened in 2019.

5.7 Compliance with the Governance Code

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. At its January 2017 meeting, the Board formally reconfirmed its adoption of the Governance Code for Community, Voluntary and Charitable Organisations. In line with the compliance requirements of the Governance Code, the Directors wish to make the following confirming statement.

"We comply with the Governance Code for Community, Voluntary and Charitable Organisations in Ireland. We confirm that a review of our organisation's compliance with the principles in the Code was conducted in October 2016. This review was based on an assessment of our organisational practice against the recommended actions for each principle. The review sets out actions and completion dates for any issues that the assessment identifies as needing to be addressed."

5.7.1 Explanations of variances from the Governance Code

Principle 2.1(b) of the Governance Code states that if the organisation is a company limited by guarantee, that a board member should be appointed to act as Company Secretary. It goes on to state that a non-board member, including a member of staff, but not the CEO, may be considered for the Company Secretary role. This is because one of the two main roles of the Company Secretary is to act as one of the 'custodians of governance' within the organisation. If the CEO is the Company Secretary,

then one of the necessary checks and balances which ensure best practice in governance is removed. The Governance Code operates on a “comply or explain” basis. The Board having reviewed this requirement in light of the CEO also performing the Company Secretary role, is happy that it has sufficient governance checks and balances in place. It has a board sub-committee with specific responsibility for the adherence to good corporate governance and it has board members with strong governance expertise and experience. The board also took into account the practical needs of having the CEO as the Company Secretary for the purpose of its management of Carmichael’s Community Employment scheme. The board is satisfied that it has sufficient ‘custodians of governance’ within the organisation and is, therefore, in compliance with the principles of the Code.

Principle 2.2 (e) Appoint an audit committee of three or more directors.

Following the retirement of one of the board members who was also a member of the audit committee, after completing a maximum term of six years on the board, the Audit & Finance Committee had two directors who are qualified accountants as members of the committee. The board is satisfied that they have the capacity, skill and experience to effectively perform the monitoring and review functions of the Committee.

5.8 Risk Management

The Board recognises and regularly reviews the major risks to which the Company could be exposed. It has developed a Risk Management Statement. The Risk Management statement consists of two main parts.

- The first part identifies and documents the potential risks under each of the five key risk areas for Carmichael, the potential impact of those risks and the steps to be taken to mitigate those risks.
- The second part of the statement is an assessment of the risks and the risks are scored and categorised on the basis of (1) the likelihood of the risk occurring and (2) the impact on Carmichael if the risk event was to occur. From this a heat map or “traffic lights” is generated to highlight the critical risks that need to be managed.

Our risk management statement is based on the risk management policy approach for charities developed by the Charities Commission for England and Wales. The assessment of risk is based on five key risk areas. These are;

- 1. Governance**
- 2. Operational**
- 3. Financial**
- 4. External**
- 5. Compliance (legal & regulatory)**

The Risk Management Statement is prepared by the management team, reviewed and assessed by the Risk Strategy and Governance (RSG) Committee and submitted to the board for approval. The RSG Committee conducts regular reviews of the key risks to ensure that the management and the actions being taken to mitigate the risks are appropriate and effective. The Directors are satisfied that policies and procedures are in place to mitigate exposure to major risks.

Forty five different risks across the five risk areas have been identified, assessed and documented in the Risk Management Statement. Following a review of the Risk Register by the RSG Committee in 2017, the board has determined the following as being the top 20 risks to be proactively managed.

Top 20 Risks for Carmichael

Rank	Risk Register Ref	Risk description
1	2.3	Loss of our employment schemes (CSP/CE), SSNO/HSE funding, available skills/capacity, condition of our buildings, limitations on available funds or staffing and as a result we are unable to fully meet the service requirements of our Resident Members and external clients
2	2.8	Competition from similar nonprofit and for profit organisations
3	3.9	Fraud or error
4	3.4	Dependency on a limited number of income/funding sources
5	1.6	Loss of key staff/staff retention
6	5.1	Compliance with legislation and regulations appropriate to the activities, size and structure of the charity (see also Risks 3.8 & 5.2)
7	2.1	Unable to meet client commitments/contracts, service level and grant agreement obligations entered into by CCVG (see also Risks 2.3, 2.2 & 4.3))
8	5.2	Regulatory reporting requirements are not adequately met (see also Risk 5.1)
9	4.2	Adverse publicity – generated by Carmichael itself or by one of our Resident Members
10	3.8	Ability and capacity to comply with funder imposed restrictions (see also Risk 5.1)
11	2.2	Poor service provision leading to poor customer satisfaction
12	4.3	A poor relationship with funders
13	2.16	Inadequate Disaster Recovery & Business Continuity planning
14	2.10	Capacity and use of resources including tangible assets
15	2.11	Security of assets
16	2.18	IT systems that are not fit for purpose
17	3.3	Poorly managed cash flow
18	3.2	Poor Health & Safety
19	1.7	Quality of reporting to Board (accuracy, timeliness & relevance)

The Committee will continue its review of key risks in 2019.

5.9 Reserves Policy

The Audit and Finance Committee (AFC) reviewed Carmichael's reserves policy in Q4 2018 and the Board at its October meeting set a reserves policy that requires reserves to be maintained at a level that ensures that the charity can continue to provide a stable and quality service to those who need them. The Board seeks to maintain reserves to cover the following:

1. A minimum reserve
2. Capital and development fund
3. Other contingencies fund
4. Designated funds (when applicable)

5.9.1 Minimum Reserves

The AFC calculated the requirements of the minimum reserve for 2018 as follows;

■ 5 month average unrestricted expenditure in 2017	€239,515
■ Staff redundancy cost provision	€150,000
■ Total	€389,515

This equated to around 13 weeks' expenditure based on the 2017 annual accounts.

The minimum reserves for 2019 will be calculated and updated once the 2018 audit process has been completed.

5.9.2 Capital and development fund

Carmichael in order to continue to deliver on its mission and strategic objectives, needs to make on-going strategic capital investments in facilities, services and staff to ensure the future sustainability of Carmichael. The board identified and approved a number of important capital and staff development initiatives for 2017 and 2018. These include a new meeting room facility, upgrades to office and meeting room accommodation, a new website and the development of a suite of eLearning governance modules to enhance and complement our training services offer.

The AFC have projected the 2019 capital and development fund requirement to be €8,000.

5.9.3 Other Contingencies Fund

Carmichael is located in two buildings, Carmichael House and Coleraine House. Both of these buildings are over 150 years old. The Board has considered it prudent to have a specific reserve fund to cover contingencies in relation to maintenance and upkeep of these buildings. Examples of risk areas include the lift systems and roofing in both buildings. Any large unexpected costs, such as the breakdown of essential office machinery, repairs to the buildings, staff cover, maternity leave and legal costs defending the charity's interests are factored in to the other contingencies fund.

The AFC projected that the 2019 other contingencies fund should be €202,180.

5.9.4 Designated funds

Carmichael may be required by a funder or donor to create a designated fund for a specific purpose and the funds may only be used for that purpose. Carmichael currently does not have a designated fund and therefore, there is no fund provision under this heading in our 2018 reserves.

Carmichael has sufficient reserves to comply with the minimum target required under its reserves policy. The board plan to review its update reserves policy in Q2 of 2019.

5.10 Investment Policy

Carmichael's investment policy was reviewed in 2015 and the Board approved the continued appointment of Finance One to act as advisors to Carmichael to ensure that the Company gets the best return on its deposit funds and that it operates within the approved investment objectives and risk appetite set out in Carmichael's investment policy. The cash-flow requirement for funding the charity's activities has necessitated Carmichael confining its investments to short-term deposits providing a competitive market rate of interest. The current low interest rate environment for short-term deposits has meant that our deposit interest income has fallen significantly in recent years. The next review of the investment policy will take place in 2019.

5.11 Conflict of Interest and Loyalties

Carmichael has a formal policy on conflict of interest and loyalty. All board members are required to sign a Conflict of Interest Compliance Statement in which they state that they are aware of their obligations as a member of the Board of Directors of Carmichael to comply with the conflict of interests requirements as set out in the company's Constitution.

They also undertake to furnish to the Company Secretary full particulars of their interests which, include their employment, all business interests and community involvement, including voluntary work for charities that might involve a conflict of interest or might materially influence them in relation to the performance of their functions as a member of the Board or their partiality. They also undertake to notify the Company Secretary of any changes to these interests.

Board members are also asked to declare at the start of each board meeting, the nature of any interests they may have in:

- any initiative taken by the Company; or
- any contract or proposed contract with the Company in which they or a person connected with them is directly or indirectly involved; or
- any matter from which they or a person connected with them may stand to benefit directly or indirectly from their position as a Director or from the operation of the Company.

5.12 Engagement with stakeholders

Carmichael has regular engagements with its resident members and the members are invited to participate in Carmichael's strategic planning processes. We conduct regular surveys of our resident members to gain a better understanding of their satisfaction levels with the quality of the services we provide and to identify their views on the value for money of our services and on any new or additional services that they would like Carmichael to provide. The information gained from these resident member surveys is an important input to our operational planning processes.

We also conduct market surveys twice a year on our training services to assess customer satisfaction and relevance and also to identify new training needs that may be emerging. This feedback is used to inform the design of forthcoming training programmes and development of new or enhanced training solutions.

We have a number of review meetings over the year with our key funders (Department of Employment Affairs and Social Protection (DEASP), Pobal and the HSE) where we provide updates on Carmichael's activities, the achievement of our strategic objectives and compliance with funder requirements.

We also submit an annual return to the Charities Regulatory Authority setting out the progress made in achieving our charitable objectives together with our audited financial statements.

5.13 Staff profiles at 31 December 2018 (excluding CE participants)

Age band	Number of staff	% of staff
60+	8	35%
50-59	9	39%
40-49	4	17%
30-39	2	9%
18-29	0	0%
Length of service (years)	Number of staff	% of staff
14	1	5%
10-13	11	48%
6-9	3	13%
3-5	4	17%
1-2	4	17%
< 1	0	0%
Gender	Number of staff	% of staff
Male	12	52%
Female	11	48%

- At year end 31 December 2018, Carmichael had 23 staff (excluding our participants on the Community Employment - CE scheme).
- Of these 23 staff, 11 were full-time staff and 12 were part-time staff. (All CE participants are part-time - 19.5 hours per week)
- The average age of these staff was 54. We had no staff member under the age of 30.
- The average length of service was 8 years. No staff member had more 15 years of service in Carmichael.
- In 2018, 1 staff member retired, 3 left the organisation, 1 staff redundancy and no new joiners.
- When our CE participants are included we had an average of 34 FTE (full-time equivalents)
- The average number of sick days (certified and uncertified) per staff (including CE) was 7.5 days, down from 8.4 days in 2017. 72% of sick leave taken was certified sick leave.

5.14 Remuneration and performance management policy

Carmichael's remuneration policy was reviewed and updated at the December 2017 board meeting. From 2008 to 2016, Carmichael had applied a general pay freeze for staff given the difficult economic environment and the reduction in statutory funding that Carmichael received. A major piece of market research on pay and conditions in the community and voluntary sector commissioned by Community Foundation Ireland in 2015 and updated in 2017, revealed that Carmichael's pay rates were in many cases below the average for the sector. The research also revealed a growing trend for nonprofit organisations to award modest pay increases for staff. The Board, following recommendations from the CEO, decided to award a general pay increase of 2.5% from January 2017. There was no general pay increase awarded for 2018. Given the operating deficit incurred in 2018, the board decided that there would be no wage or salary increase in 2019 but that they would keep the issue under review.

Carmichael also operates a Community Services Project (CSP) which receives a contribution from Pobal to the payroll costs of the 16 CSP staff employed under the programme.

A number of our CSP staff were paid the minimum wage. The minimum wage rate has been increased three times in recent years increasing from €8.65 an hour in 2015 to €9.25 in 2017, to €9.55 in 2018 and increased again from 1 January 2019 to €9.80. The Pobal contribution to CSP staff wages has remained unchanged. Pobal have also communicated a policy objective that staff employed under the CSP should be paid at the market rate and that employers should be aiming to pay staff at the living wage rate of €11.90 hour. All of these factors are resulting in higher staff costs for Carmichael and will require prudent financial management. The Board has committed to the principle of the living wage and to paying all Carmichael staff whose pay and conditions are determined by Carmichael, at the living wage hourly rate which is in excess of the minimum hourly rate. It is hoped to achieve this objective on a phased basis over the next 3 years, 2018-2020, subject to Board approval and that any adjustments to the hourly rate must be done within annual budget approval process. As part of this commitment to aim to have the living wage as our minimum pay rate, the minimum hourly rate for 2018 was increased to €10. Due to our operating deficit, we unfortunately were not able to increase this for 2019.

The Risk, Strategy and Governance Committee (RSG) conducts regular reviews of the achievement of the goals and targets set out in Carmichael's strategic plan. The CEO co-ordinates the preparation of strategy implementation status report with the management team. The CEO presents the strategy implementation report to the RSG Committee. The Chair of the RSG presents the report to the board. Line managers and the CEO also prepare an annual operational plan based on the 3-year strategic plan for their areas of responsibility. These are communicated to the RSG for review at the next GRS meeting. A CEO report is prepared for each board meeting. This report includes operational updates from each line manager/supervisor – Finance, Training, IT, CSP, CE, Marketing and Health & Safety. The report sets out activities and operational performance for the period covered and identifies matters requiring consideration/decision by the board.

The management team also prepares a Quarterly Key Performance Indicator (KPI) Dashboard which tracks the performance of Carmichael under a range of KPIs.

The Finance Manager in conjunction with the CEO and the management team, prepares an annual budget for the organisation. This is prepared in Quarter 4 with the final budget submitted to the board for approval in December. The Finance Manager presents the draft annual budget to the Audit and Finance Committee (AFC). The Treasurer presents the budget to the Board. The Board may request that the Finance Manager attends the meeting for the discussion on the annual budget. A mid-year budget review is prepared by the Finance Manager. Updated projections for end-of-year out-turn are made in light of actual year-to-date performance and any new information that may have come to light since the preparation of the original budget. The Finance Manager presents the mid-year budget review and year-end projections to the AFC. The Treasurer presents the projections to the board. The board may request that the Finance Manager attends the meeting for the discussion on the mid-year budget review.

An annual performance review process is conducted by all Carmichael line managers and supervisors for all their direct reports Q1 each year. The performance review assesses the achievement of agreed goals and outputs in the previous year, overall general performance, areas for improvement/development and sets goals and targets for the coming year. The goals are aligned with the organisation's strategic plan. The board chairperson conducts the performance review of the CEO. An informal mid-year performance review is also conducted by line managers with their direct reports.

5.15 Fundraising

Carmichael conducted a number of fundraising events over the course of the year. Our main fundraising initiative is our annual concert in St. Patrick's Cathedral. Tickets are sold to the public for the event. We also approached a number of businesses seeking sponsorship and donations to help defray the costs of staging the concert.

Carmichael has signed up to the Statement of Guiding Principles for Fundraising.

5.16 Political Contributions

The Company did not make a political contribution to any political party in 2018.

5.17 Plans for the future

The board has approved a new strategic plan for the 2019-21 period. The plan has three key strategic objectives and these are:

- 1. To support and guide nonprofits through the delivery of a range of high quality, relevant and accessible services and supports.**
- 2. To ensure that we have an operating model that is effective, well governed and sustainable.**
- 3. To ensure we have the necessary and effective infrastructure, people, systems and support functions in place to deliver on our purpose and strategic objectives.**

Strategic objective 1; To support and guide nonprofits through the delivery of a range of high quality, relevant and accessible services and supports.

The achievement of this objective is delivered through our three key focus areas. They are the provision of;

- 1.1 Office accommodation and back-office supports
- 1.2 Training and consultancy support services to nonprofits nationwide
- 1.3 Sector Supports

Strategic objective 2; To ensure that we have an operating model that is effective, well governed and sustainable.

Goal;

To plan, design and organise the delivery of our services and supports in ways that optimise the benefit and value to our nonprofit clients and that are sustainable in terms of our resources and capacity.

To achieve this we will;

- Have robust and effective financial management and control systems in place to ensure that we have the necessary financial resources available and that our expenditure is appropriate, effective and in line with approved board policy and financial controls.
- Ensure that on a rolling three year basis, our operating income and expenditure are in balance.

-
- Have an appropriate reserves policy that is reviewed annually with specified targets and plans to achieve our reserves target or to utilise surplus cash in excess of our reserves target that is in line with our charitable purpose.
 - Make timely and appropriate strategic investments in our infrastructure (buildings & facilities), people and systems (e.g. IT, Marketing) to protect and enhance our ability to provide services and generate income.

Strategic objective 3; To ensure we have the necessary and effective infrastructure, people, systems and support functions in place to deliver on our purpose and strategic objective.

Goal

To have the necessary infrastructure, people and systems in place that are effective and deliver our services and supports to our clients in an optimal and efficient manner that meet real needs, are valued and make best use of our resources and capacity.

The Board will oversee a process to monitor the implementation of the 2019-21 strategic plan for Carmichael. The strategy builds on Carmichael's overall objective of helping to build stronger and more effective charities and nonprofit organisations.

Carmichael will continue to aim to be an exemplar and promoter of good practice, particularly, in the areas of corporate governance, fundraising and accounting standards. We will, through our CEO and Training Manager continue to play an active role at a national level in the promotion of the Charities Governance Code and the Governance Code for Community Voluntary and Charitable organisations. We also plan to work in collaboration with relevant organisations and bodies to promote good practices and improve the effectiveness and transparency of the sector.

We wish, in addition to maintaining our strong position as a provider of quality training and advice, to continue to build our presence as a provider of capacity building supports to new and existing social enterprises.

One of the greatest needs of the nonprofit sector after funding, is the need for support and guidance. This need is confirmed in our regular needs analysis of service user requirements using a range of feedback mechanisms including customer surveys (questionnaires and interviews), market research, direct feedback and from daily informal contacts and support requests we receive each year from nonprofit organisations both within Carmichael and externally. The need is due to the increasing challenge and requirements being placed on nonprofit organisations to deliver effective corporate governance and financial management of their organisations and to meet the compliance requirements of funders and regulatory agencies. In response to this need, the planned improvements to our services over the next 3-5 years are:

(1) Accommodation Facilities: We will continue our investment in maintaining and upgrading the office accommodation in Carmichael House and Coleraine House.

(2) Training and Consultancy: We will continue to develop and deliver relevant training and capacity development programmes to the sector based on assessed need and demand. A significant growth area will be the provision of charity trustee training for charities. We will continue with the implementation of our eLearning strategy and develop additional modules to complement and enhance our training offer. We will leverage our growing panel of trainers to increase our geographical and

subject matter/skill topic reach.

(3) Governance Services: We will also continue to organise relevant seminars and training on best practice governance. We will continue to develop and enhance our Good Governance Awards initiative and our Board Chairs Network. We will continue to provide our informal support service where we respond free of charge to queries from nonprofits on a range of topics and issues – governance, planning, HR, Finance & Communications. In 2018, we responded to 159 informal queries.

(4) Accountancy Services: Carmichael is aiming to grow its accounting and payroll clients both internally and externally. We have secured a 13% increase in our 2018 income which followed a 44% increase in income in 2017. We are projecting further, but more modest, growth in 2019-21. An increase of 4% has been budgeted for 2019.

(5) Staff training and development: We will continue our programme of training and developing the skills of our staff to enable them deliver quality services and improve customer satisfaction.

Specifically in 2019, we plan to deliver the following key initiatives as part of our 2016-18 strategic plan;

- Conduct the 2019 Good Governance Awards and develop a business plan for the future development of the awards post 2019
Deliver a range of scheduled and customised training and supports to nonprofit organisations nationwide
- Develop new eLearning resources
- Provide our accommodation and other support services to our resident members and other nonprofits
- Continue to provide a range of capacity development supports to the sector. For example our Board Chairs Network and our mentoring programme
- Comply with the data protection practices and requirements under GDPR
- Conduct a process for the implementation of our a new strategic plan for 2019-21

5.18 Accounting records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are through the;

- implementation of necessary policies and procedures for recording transactions,
- the employment of competent accounting personnel with appropriate expertise and
- the provision of adequate resources to the financial function.

The accounting records of the company are located at Carmichael House, 4 North Brunswick Street, Dublin 7.

5.19 Relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

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

5.20 Independent Auditor

RSM Ireland Business Advisory Limited Ireland have expressed their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

This report was approved by the board of directors on 26 March 2019 and signed on behalf of the board by:

Tony Kelly
Director

Michael Kavanagh
Director

Directors' Responsibilities Statement

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the charitable company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARMICHAEL CENTRE FOR VOLUNTARY GROUPS

Report on the audit of financial statements

Opinion

We have audited the financial statements of Carmichael Centre for Voluntary Groups for the year ended 31 December 2018 which comprise of the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including the summary of significant accounting policies set out in the notes to the financial statements. The financial reporting framework that has been applied in their preparation applicable Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and if its loss for the year then ended; and
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- 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 described below in the *Auditor's Responsibilities for the Audit of the Financial Statements section of our report*. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) 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 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.

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARMICHAEL CENTRE FOR
VOLUNTARY GROUPS**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- 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 any material misstatements in the directors' report.

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

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARMICHAEL CENTRE FOR VOLUNTARY GROUPS

Respective responsibilities

Responsibilities of trustees for the financial statements

As explained more fully in the directors' responsibilities statement set on page 46, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARMICHAEL CENTRE FOR
VOLUNTARY GROUPS**

- Conclude on the appropriateness of the director'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 Company's ability to continue as going concerns. 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 our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Patrick Keegan
For and on behalf of
RSM Ireland Business Advisory Limited
Statutory Audit Firm
Trinity House
Charleston Road
Ranelagh
Dublin 6

Date: _____

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Restricted funds 2018 €	Unrestricted funds 2018 €	Total funds 2018 €	Total funds 2017 €
Incoming resources					
Donations and legacies	3	14,694	120	14,814	12,720
Fundraising events	4	-	18,524	18,524	27,615
Income from investments	5	-	1,111	1,111	536
Income from charitable activities	6	900,125	1,151,253	2,051,378	2,035,590
Total income and endowments		914,819	1,171,008	2,085,827	2,076,461
Resources expended					
Expenditure of raising funds	7, 8	2,000	9,312	11,312	12,308
Expenditure on charitable activities	7, 8	1,018,435	1,080,001	2,098,436	2,055,203
Total resources expended		1,020,435	1,089,313	2,109,748	2,067,511
Net (expenditure) / surplus		(105,616)	81,695	(23,921)	8,950
Transfers between funds	14	97,452	(97,452)	-	-
Net movement in total funds for the year		(8,164)	(15,757)	(23,921)	8,950
Total funds at 1 January 2018		38,131	599,695	637,826	628,876
Total funds at 31 December 2018		29,967	583,938	613,905	637,826

The notes on pages 54 to 68 form part of these financial statements.

(A company limited by guarantee)

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Notes	2018 €	€	2017 €	€
Fixed Assets					
Tangible assets	11		153,901		127,707
Current Assets					
Debtors	12	117,319		170,148	
Cash at bank		<u>524,448</u>		<u>527,095</u>	
		641,767		697,243	
Creditors: amounts falling due within one year	13	<u>(181,763)</u>		<u>(187,124)</u>	
Net current assets			<u>460,004</u>		<u>510,119</u>
Total assets less current liabilities			<u>613,905</u>		<u>637,826</u>
Creditors: amounts falling due after more than one year			-		-
Net assets			<u>613,905</u>		<u>637,826</u>
Restricted funds	15		29,967		38,131
Unrestricted funds	15		<u>583,938</u>		<u>599,695</u>
			<u>613,905</u>		<u>637,826</u>

The financial statements were approved by the Directors and authorised for issue on 26 March 2019:

Tony Kelly

Director

Michael Kavanagh

Director

The notes on pages 54 to 68 form part of these financial statements.

(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 €	2017 €
Cash flows from operating activities	16	68,884	43,560
Net cash flows from operating activities		<u>68,884</u>	<u>43,560</u>
Cash flows from investing activities			
Purchase of tangible assets		(72,642)	(67,750)
Interest received		1,111	536
Net cash flows from investing activities		<u>(71,531)</u>	<u>(67,214)</u>
Cash flows from financing activities			
Finance lease interest paid		-	(621)
Capital element of finance lease rental payments		-	(5,707)
Net cash flows from financing activities		<u>-</u>	<u>(6,328)</u>
Net (decrease) in cash and cash equivalents		(2,647)	(29,982)
Cash and cash equivalents at beginning of financial year		527,095	557,077
Cash and cash equivalents at end of financial year		<u>524,448</u>	<u>527,095</u>

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION

The financial statements comprising the statement of financial activities, the balance sheet, statement of cash flow and related notes constitute the individual financial statements of Carmichael Centre for Voluntary Groups for the financial year ended 31 December 2018.

Carmichael Centre for Voluntary Groups is a company limited by guarantee incorporated in the Republic of Ireland. The registered number of the company is 205568. The Registered Office is Carmichael House, North Brunswick Street, Dublin 7. The nature of the company's operations and its principal activities are set out in the directors Report.

Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014. The entity financial statements comply with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014. The financial statements have also been prepared with reference to the Charities SORP.

Currency

The financial statements have been presented in euro (€) which is also the functional currency of the company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014. The financial statements have also been prepared with reference to the Charities SORP.

Carmichael Centre for Voluntary Groups meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 2.14.

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors and management are committed to continuing to manage the cost base and explore opportunities for income growth and funding to ensure that the company can continue to provide a stable and quality service to those who need them.

2.2 Incoming resources

Donations and legacies including donations, gifts, income arising from fundraising events and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities, including income received under contract and grants where entitlement to funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Income is deferred when the donor has imposed conditions which must be met before the company has unconditional entitlement or where the funds can only be utilised in future accounting periods.

Gifts in kind, including donated services or facilities, are accounted for in the Statement of Financial Activities. The donation of services or facilities provide an economic resource for use by the company to further its aims and objectives. The value to Carmichael Centre for Voluntary Groups is the amount that it would pay in the open market for an alternative item that would provide a benefit equivalent to the donated service or facility. Services and facilities donated for the Carmichael Centre for Voluntary Groups own use which it would otherwise have purchased, are recognised when received, provided the value of the gift can be measured reliably. The donated services or facilities are valued by the donor or by the value to the company where this can be quantified.

Interest Income is recognised in the period in which it is earned.

2.3 Resources expended

Expenditure is recorded in the financial statements in the period in which it is incurred and is inclusive of VAT which cannot be reclaimed.

Charitable activities include direct costs, salaries and overhead costs of the running of the Carmichael Centre for Voluntary Groups as well as the provision of services to member organisations.

Expenditure on raising funds include costs related to fundraising activities.

Support costs comprise staff and office costs. The majority of these costs support charitable activities and are so allocated. Support costs that are fully attributable to that activity are charged directly to that activity.

2.4 Fund accounting

Unrestricted funds are monies that have been received or earned and are available for use at the discretion of the Directors in furtherance of the general objects of the Carmichael Centre for Voluntary Groups.

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Restricted funds represent income, which has been received and recognised in the financial statements, which is subject to specific conditions imposed by the donor or grant making institution. The grant making authority reserves the right to disallow expenditure in the event that conditions of the related agreements are not adhered to.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. 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:

Plant & machinery	-	20% straight line
Fixtures & fittings	-	20% straight line
Computer equipment	-	33% straight line
Leased equipment	-	Over term of lease

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and demand deposits.

2.7 Trade and other debtors

Trade and other debtors are recognised initially at transaction price (including transaction costs). A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of debtors. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. All movements in the level of provision required are recognised in the profit and loss.

2.8 Trade and other creditors

Trade and other creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2.9 Leasing

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet and are depreciated over their useful lives with the corresponding lease or hire purchase obligation being recognised as a liability. The interest element of the finance lease rentals are charged to the statement of financial activities over the period of the lease and represent a constant periodic rate of interest on the balance of capital repayments outstanding.

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the lease term.

2.10 Taxation

No charge to taxation arises as the charity has been granted charitable status, CHY Number 8973. The charity is eligible under the "Scheme of Tax Relief for Donations to Eligible Charities and Approval Bodies under Section 848A Taxes Consolidation Act 1997", therefore income tax refunds arising from sponsorships exceeding €250 per annum are included in unrestricted funds.

2.11 Government grants

All grants are recognised based on the performance model. Grants that do not impose future performance-related conditions are recognised in income when the grant is received or receivable. Grants that have future performance-related conditions on receipt are recognised in income when the performance-related conditions are met.

2.12 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. The assets are held separately from those of the company in an independently administered fund. Differences between the amounts charged in the profit and loss account and payments to the retirement benefit scheme are treated as assets or liabilities.

2.13 Reserves policy

The Audit and Finance Committee (AFC) reviews the company's reserves policy annually and sets a reserves policy that requires reserves to be maintained at a level that ensures that the charity can continue to provide a stable and quality service to those who need them. The Board seeks to maintain reserves to cover the following:

1. A minimum reserve
2. Capital and development fund
3. Other contingencies fund
4. Designated funds (when applicable)

Details of 2018 reserves requirements are contained in section 5.9 of the Directors' Report on pages 37 to 38 above.

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2.14 Key estimates and judgements

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key estimates and judgements include:

Going concern

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

Impairment of trade debtors

The company uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis. The total amount of trade debtors is €30,600 (2017: €29,561).

Donated Properties and Services

The value of donated properties and services amounted to €455,611 (2017: €455,611). The accounting policy in respect to donated services and facilities is set out above at 2.2 Incoming resources.

(A company limited by guarantee)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****3. Donations and legacies**

	Restricted funds 2018 €	Unrestricted funds 2018 €	Total funds 2018 €	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €
Donations and legacies	14,694	120	14,814	12,100	620	12,720
	14,694	120	14,814	12,100	620	12,720

4. Fundraising events

	Restricted funds 2018 €	Unrestricted funds 2018 €	Total funds 2018 €	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €
Fundraising events	-	18,524	18,524	1,500	26,115	27,615
	-	18,524	18,524	1,500	26,115	27,615

5. Income from investments

	Restricted funds 2018 €	Unrestricted funds 2018 €	Total funds 2018 €	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €
Bank deposit interest received	-	1,111	1,111	-	536	536
	-	1,111	1,111	-	536	536

(A company limited by guarantee)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****Income from charitable
6. activities**

	Restricted funds 2018 €	Unrestricted funds 2018 €	Total funds 2018 €	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €
Health Service Executive	47,098	-	47,098	47,098	-	47,098
Income from services	-	695,642	695,642	-	653,928	653,928
Income from donated facilities	-	455,611	455,611	-	455,611	455,611
Department of Employment Affairs and Social Protection (DEASP) – Community Services Program (CSP)	222,680	-	222,680	225,305	-	225,305
Department of Employment Affairs and Social Protection (DEASP) – Community Employment (CE) Scheme	534,638	-	534,638	556,984	-	556,984
Department of Rural and Community Development (DRCD) – Scheme to Support National Organisations (SSNO)	88,709	-	88,709	88,709	-	88,709
Income from SEAI Grant	-	-	-	7,955	-	7,955
Income from DCC	1,000	-	1,000	-	-	-
Income from Ireland Fund	6,000	-	6,000	-	-	-
	900,125	1,151,253	2,051,378	926,051	1,109,539	2,035,590

See appendix for further information on these categories of income.

(A company limited by guarantee)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****7. Expenditure on raising funds**

	Restricted funds 2018 €	Unrestricted funds 2018 €	Total funds 2018 €	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €
Fundraising Events	2,000	9,312	11,312	-	12,308	12,308
	2,000	9,312	11,312	-	12,308	12,308

8. Expenditure on charitable activities

	Restricted funds 2018 €	Unrestricted funds 2018 €	Total funds 2018 €	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €
Training & Other staff costs	15,199	16,158	31,357	14,034	12,652	26,686
Premises & Maintenance	32,232	114,499	146,731	23,593	120,252	143,845
Deemed cost of donated facilities	-	455,611	455,611	-	455,611	455,611
Professional fees	10,656	31,093	41,749	2,533	24,337	26,870
Provision of Primary Services	-	51,119	51,119	-	60,183	60,183
Provision of Ancillary Services	300	143,943	144,243	3,368	83,312	86,680
IT and Communications	4,050	19,903	23,953	5,418	20,629	26,047
Printing and Postage costs	-	3,167	3,167	1,100	3,416	4,516
Wages and Salaries	955,998	244,508	1,200,506	987,019	237,746	1,224,765
	1,018,435	1,080,001	2,098,436	1,037,065	1,018,138	2,055,203

(A company limited by guarantee)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****9. Expenditure**

This is stated after charging:

	2018	2017
	€	€
Depreciation of tangible fixed assets:		
- owned by the charity	46,448	42,652
Auditor's remuneration	7,179	7,303

10. Staff costs

Staff costs were as follows:

	2018	2017
	€	€
Wages and salaries	1,113,278	1,137,639
Social welfare costs	70,306	70,984
Pension costs	16,921	16,142
	<u>1,200,505</u>	<u>1,224,765</u>

The average number of employees during the year was as follows:

	2018	2017
	Number	Number
Carmichael Centre	10	9
Department of Employment Affairs and Social Protection (DEASP)		
– Community Services Program (CSP)	15	18
Department of Employment Affairs and Social Protection (DEASP)		
– Community Employment (CE) Scheme	36	38
	<u>61</u>	<u>65</u>

Number of higher paid staff

	2018	2017
	Number	Number
€60,000 - €69,999	-	-
€70,000 - €79,999	-	-
€80,000 - €89,999	<u>1</u>	<u>1</u>

The CEO was paid a salary of €82,000 in 2018 and an employer's pension contribution of 6% of salary. No other staff member was in receipt of salary in excess of €60,000 in 2018.

(A company limited by guarantee)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****11. Tangible fixed assets**

	Plant and machinery €	Fixtures and fittings €	Computer equipment €	Total €
Cost				
At 1 January 2018	108,101	127,355	94,871	330,327
Additions	-	27,617	45,025	72,642
Disposals	-	-	-	-
At 31 December 2018	<u>108,101</u>	<u>154,972</u>	<u>139,896</u>	<u>402,969</u>
Depreciation				
At 1 January 2018	52,574	64,614	85,432	202,620
Charge for the year	14,832	21,574	10,042	46,448
At 31 December 2018	<u>67,406</u>	<u>86,188</u>	<u>95,474</u>	<u>249,068</u>
Net book value				
At 31 December 2018	<u>40,695</u>	<u>68,784</u>	<u>44,422</u>	<u>153,901</u>
At 31 December 2017	<u>55,527</u>	<u>62,741</u>	<u>9,439</u>	<u>127,707</u>

Included in the total net book value of tangible fixed assets held at 31 December 2018 was Nil (2017 - €461) in respect of assets held under finance leases. The depreciation charged in the period was €461 (2017 - €5,565).

12. Debtors

	2018 €	2017 €
Trade debtors	30,600	29,561
Prepayments	19,679	29,569
Other Debtors	5,388	3,411
Grants Receivable	61,652	107,607
	<u>117,319</u>	<u>170,148</u>

(A company limited by guarantee)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****13. Creditors*****Amount falling due within one year***

	2018	2017
	€	€
Trade creditors	22,096	26,037
PAYE/PRSI	23,609	29,142
Other creditors	4,489	7,682
Accruals	21,861	22,005
Deferred Income	109,708	102,258
	<u>181,763</u>	<u>187,124</u>

Deferred income comprises grant income, training and membership income relating to a future period.

	2018	2017
	€	€
Total funds as at 1 January 2018	102,258	83,336
Amount released to incoming resources	(102,258)	(83,336)
Amount deferred in the year	109,708	102,258
Balance as at 31 December 2018	<u>109,708</u>	<u>102,258</u>

Amount deferred in the year

Department of Employment Affairs and Social Protection (DEASP)	100,582	99,043
Other	9,126	3,215
	<u>109,708</u>	<u>102,258</u>

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14. Statement of funds

	Brought forward €	Incoming resources €	Resources expended €	Transfers in/out €	Carried forward €
Unrestricted funds					
CCVG unrestricted	599,695	1,171,008	(1,089,313)	(97,452)	583,938
Restricted funds					
Department of Employment Affairs and Social Protection (DEASP) – Community Employment (CE) Scheme	-	534,638	(540,738)	6,100	-
Department of Employment Affairs and Social Protection (DEASP) – Community Services Program (CSP)	-	222,680	(314,027)	91,347	-
Department of Rural and Community Development (DRCD) – Scheme to Support National Organisations (SSNO)	-	88,709	(88,714)	5	-
Dublin City Council	2,790	1,250	(1,212)	-	2,828
Health Service Executive	-	47,098	(47,098)	-	-
Hospital Saturday Fund	2,700	-	(1,597)	-	1,103
Tomar Trust	5,570	-	(2,723)	-	2,847
SEAI	27,071	-	(7,007)	-	20,064
St. Patrick Cathedral	-	10,000	(6,876)	-	3,124
The Ireland Fund	-	6,000	(6,000)	-	-
Other Restricted Funds	-	4,444	(4,444)	-	-
	38,131	914,819	(1,020,435)	97,452	29,967
	637,826	2,085,827	(2,109,748)	-	613,905

(A company limited by guarantee)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****Statement of funds (continued)**

	Brought forward	Incoming resources	Resources expended	Transfers in/out	Carried forward
	€	€	€	€	€
Unrestricted funds	599,695	1,171,008	(1,089,313)	(97,452)	583,938
Restricted funds	38,131	914,819	(1,020,435)	97,452	29,967
	637,826	2,085,827	(2,109,748)	-	613,905

The transfers noted above relate to contributions made by the CCVG to restricted funds in excess of funding received in respect of the project.

15. Analysis of net assets between funds

	Restricted funds 2018	Unrestricted funds 2018	Total funds 2018	Total funds 2017
	€	€	€	€
Tangible fixed assets	-	153,901	153,901	127,707
Current assets	29,967	611,800	641,767	697,243
Creditors due within one year	-	(181,763)	(181,763)	(187,124)
	29,967	583,938	613,905	637,826

16. Net cashflow from operating activities

	2018	2017
	€	€
Operating (deficit) / surplus before interest	(23,921)	8,950
Depreciation of tangible fixed assets	46,448	42,652
Decrease/(increase) in debtors	52,829	(58,030)
(Decrease)/increase in creditors	(5,361)	49,903
Finance lease interest paid	-	621
Interest received	(1,111)	(536)
Net cash inflow operations	68,884	43,560

17. Transactions with directors

No member of the Board of Directors received any remuneration for services provided during the year (2017: €Nil). No Directors requested any reimbursements for expenses incurred for services provided during the year (2017: €Nil).

(A company limited by guarantee)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****18. Related party transactions**

There were no related party transactions during the year.

Key management compensation

The key management personnel of the charity comprise of the CEO and the employee benefits of the key management is disclosed in Note 10.

19. Post balance sheet events

In Quarter 4 of 2018, there was a ceiling collapse in one of the meeting rooms in Carmichael House. Following this incident, a Health and Safety review was undertaken by the HSE, who are responsible for the insurance of the building, of all ceilings in Carmichael House. This resulted in the closure of 2 of our meeting rooms between October and December 2018, while work was carried out to repair the ceilings. This repair work was organised and funded by HSE who engaged and paid the building contractors directly. Due to the loss of meeting room income for Carmichael arising from the closure of the 2 meeting rooms, an insurance claim in respect of this loss of income under its business continuity insurance policy cover was submitted in January 2019 by Carmichael for €4,935. This figure was based on the average income earned for the 2 affected meeting rooms over the same period in the previous 3 financial years. On the 11th of March 2019, the insurance company confirmed settlement of the claim less an excess of €100.

No other material events have occurred since the balance sheet date which would affect the financial statements of the company.

20. Guarantees and other financial commitments*Capital commitments*

At the financial year-end date, the company had the following financial commitments:

	2018	2017
	€	€
Website and branding	-	30,000
Computer equipment	12,500	-
E-learning	8,000	-
Fixtures and fittings	12,000	10,000
	<u>32,500</u>	<u>40,000</u>

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	€	€
Not later than 1 year	-	9,338
Later than 1 year and not later than 5 years	-	-
	<u>-</u>	<u>9,338</u>

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. Legal status of company

The company is limited by guarantee and has no share capital.

At 31 December 2018, there were 45 members whose guarantee is limited to €1 each. This guarantee continues one year after membership ceases.

22. Contingent liabilities

There were no contingent liabilities for the financial year ended 31 December 2018.

23. Approval of financial statements

The board of directors approved and authorised for issue the financial statements on 26 March 2019.

(A company limited by guarantee)**Appendix to the financial statements for the year ended 31 December 2018****Restrictions**

As set out in note 6 to the financial statements, the company received restricted income during 2018 totalling €900,125. A breakdown and description of this restricted income is as follows:

	Restricted funds 2018 €	Restricted funds 2017 €
Income from Charitable Activities		
Department of Employment Affairs and Social Protection (DEASP) – Community Services Program (CSP) (note 1)	222,680	225,305
Department of Employment Affairs and Social Protection (DEASP) – Community Employment (CE) Scheme (note 2)	534,638	556,984
Department of Rural and Community Development (DRCD) – Scheme to Support National Organisations (SSNO) (note 3)	88,709	88,709
Income from SEAI grant (note 4)	-	7,955
Health Service Executive (note 5)	47,098	47,098
Income from Ireland DCC (note 6)	1,000	-
Income from Ireland Funds (note 7)	6,000	-
	900,125	926,051

Note 1

Carmichael Centre for Voluntary Groups was awarded a total grant of €667,340, the term of which was from the 1st of January 2018 to the 31st of December 2020 in respect of a Community Service Programme Grant Agreement between POBAL and the company. The amount of the grant taken in as income in 2018 was €222,680. The purpose of the grant is to support the operation of the Carmichael Centre and delivery of shared services to community and voluntary organisations. €0 in relation to this grant was deferred at the year end.

Note 2

Carmichael Centre for Voluntary Groups was awarded two grants over the 2018 period. Unlike all the other grants listed, there is no grant amount awarded up front on the grant agreement as this grant is paid retrospectively. A total grant of €515,095 was received for the first grant, the terms of which was from the 27th of November 2017 to the 23th of November 2018. As at the 31st of December 2018, a total grant of €73,554 was received for the second grant. The terms of the second grant was from the 24th of November 2018 to the 24th of November 2019. Both grants are in respect of a Community Employment Grant Agreement between the Department of Employment Affairs and Social Protection and the company. The total amount of the grant taken in as income in 2018 was €534,638. The purpose of the grant is to enhance the employability and mobility of disadvantaged and unemployed persons by providing work experience and training opportunities for them within their communities. €100,582 in relation to these grants was deferred at the year end.

(A company limited by guarantee)

Appendix to the financial statements for the year ended 31 December 2018

Note 3

Carmichael Centre for Voluntary Groups was awarded a total grant of €266,126, the terms of which was from the 1st of July 2016 to the 30th of June 2019 in respect of a Scheme to Support National Organisations in the Community & Voluntary Sector between POBAL and the company. The total amount of the grant received and taken in as income in 2018 was €88,709. The purpose of the grant is to provide the organisation with the resources to enhance and strengthen the effectiveness, learning and application of best practice within the community and voluntary sector. €0 in relation to this grant was deferred at the year end.

Note 4

In the previous year, the company received a capital grant in full for the sum of €7,955 from SEAI in relation to energy efficiency retrofitting works. The total cost incurred in the prior year was €15,229. The company confirms that the State's investment is protected and will not be used as security for any other activity without prior consultation with the parent Department and sanction of DPER.

Note 5

Carmichael Centre for Voluntary Groups was awarded a total grant of €47,098 from the HSE, the terms of which was from the 1st of January 2018 to the 31st of December 2018. The purpose of the grant is to contribute towards the cost of salaries for the core team working in the Carmichael Centre. The amount of the grant taken in as income in 2017 was €47,098. €0 in relation to this grant was deferred at the year end.

Note 6

During the year, the company received a grant in full for the sum of €1,000 from Dublin City Council under The Dublin City Community Enhancement Programme. The grant was obtained in relation to the installation of a water irrigation system and ancillary works. No expenditure was incurred in 2018 in relation to this work and the installation will take place in 2019.

Note 7

During the year, the company received a grant in full for the sum of €6,000 from Ireland Funds to co-fund a feasibility assessment of the Good Governance Awards ("GGA") and the development of a business plan to establish how the GGA's could be evolved, enhanced and sustained. The consultants appointed to conduct the feasibility assessment will complete their work in 2019. The total cost incurred in 2018 was €8,948.

Tax clearance

The company is compliant with relevant Circulars, including Circular 44/2006 "Tax Clearance Procedures Grants, Subsidies and Similar Type Payments".