

**Barnardo's - Republic of  
Ireland Limited**

**Directors' report and  
financial statements**

**Year ended 31 December 2012**

*Registered number: 141526*

*Charity number: CHY6015*

# Barnardo's - Republic of Ireland Limited

## Directors' report and financial statements

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# Barnardo's - Republic of Ireland Limited

## Directors' report

### SECTION 1 - REFERENCE AND ADMINISTRATIVE

#### 1.1 Reference Details

<b>Name</b>	Barnardo's - Republic of Ireland Limited
<b>Registered Office</b>	4 Christchurch Square Dublin 8
<b>Company Registration No.</b>	141526
<b>Charity No.</b>	CHY6015

Barnardo's - Republic of Ireland Limited is authorised to use the name Barnardos under licence from Barnardo's United Kingdom.

#### 1.2 Board Members

##### Current Members

Tony Crooks	
Alan Crosbie	
Sheila Greene	
John Lonergan	
Leonie Lunny	
Jim Mountjoy	Treasurer
Gerry Murphy	
Alan Wyley	Chairperson

##### Company Secretary

Dianne O'Kelly

#### 1.3 Executive Management Team

Chief Executive	Fergus Finlay
Director of Advocacy	Norah Gibbons (resigned 28 August 2012)
Director of Children's Services	Suzanne Connolly
Director of Finance	Dianne O'Kelly
Director of Fundraising and Marketing	Ruth Guy
Director of Support Services	Jacki Conway

# Barnardo's - Republic of Ireland Limited

Directors' report *(continued)*

## 1.4 Other Relevant Company Information

<b>Principal Bankers</b>	Allied Irish Bank 7/12 Dame Street Dublin 2
<b>Principal Solicitors</b>	Beauchamps Solicitors Riverside Two Sir John Rogerson's Quay Dublin 2
<b>Auditor</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
<b>Actuary</b>	Lane Clark & Peacock Ireland Grand Canal Wharf South Dock Road Dublin 4
<b>Insurance Brokers</b>	Willis Risk Services (Ireland) Limited Grand Mill Quay Barrow Street Dublin 4

The members of the Board hereby present their report and the financial statements for the year ended 31 December 2012.

These documents are prepared in accordance with the Companies Acts, 1963 to 2012 and, voluntarily in the absence of statutory reporting standards for charities in Ireland, in accordance with international best practice (Statement of Recommended Practice (SORP) (revised 2005)) as recommended by the Charity Commission for England and Wales. This Directors' Report contains the information required to be provided in the Trustee's Annual Report under the SORP guidelines.

# Barnardo's - Republic of Ireland Limited

Directors' report *(continued)*

## **SECTION 2 - STRUCTURE, GOVERNANCE AND MANAGEMENT**

Barnardo's - Republic of Ireland Limited ('Barnardos') is an Irish company incorporated under the Companies Acts, 1963 to 2012, on 1 April 1989. It is a company limited by guarantee and does not have a share capital. It is governed by a memorandum and articles of association, which were last amended at the Extraordinary General Meeting (EGM) on 6 December 2007.

The members of the Board, who are Directors of the charity for the purposes of the Companies Acts, are formally elected at the Annual General Meeting (AGM). Directors are invited to visit Barnardos services to get to know its work better.

### **2.1 Barnardos' Board, Officers and Management**

Barnardos is governed by members of the Board who are elected for three-year terms, which are renewable. The Directors, who are non-executive, represent a diverse range of relevant expertise. The Board meets at least five times each year and has responsibility for all the business of the organisation.

The Board is supported by a Board committee structure which deals effectively with specific aspects of the business of the company. Board committees that are in place are the Best Practice Advisory committee, Audit committee, Finance committee and Nominations committee. The Board members do not receive any remuneration in respect of their services to the charity. Expenses are reimbursed where claimed.

The Board delegates the day-to-day management of Barnardos to an executive management team, which comprises the Chief Executive, a senior management team and other management groupings, as set out in Section 1.3.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### **2.2 Internal Control and Risk Management**

Barnardos' Board has overall responsibility for the systems of internal control for the charity. These controls aim to safeguard Barnardos' assets and to maintain the integrity of operating and accounting procedures. These procedures are clearly documented in organisational policies covering all aspects of Barnardos from risk in relation to the work it does with children and families to its finances. The Board delegates authority to a number of committees, whose memberships consist of a minimum of one Board member and who report directly to the Board, and through the Chief Executive, to the rest of the organisation.

The Board considers the management of risk in the organisation as a key corporate governance priority and the Audit Committee meets at least quarterly to monitor and review. An annual process to identify and manage the top risks for Barnardos is in place and is reviewed regularly. An annual internal audit plan is in place to monitor implementation of control.

Barnardos prepares annual and multi annual budgets. Annual budgets are approved by the Board. A budget revision process is undertaken at least twice during the financial year. Both the Board and management are provided with regular financial reports which compare actual results against budget and budget revisions.

Barnardos is currently adopting The Governance Code – A Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland. The Code was launched in 2012 by Minister Phil Hogan and its aims to provide guidelines to help people on the boards of community and voluntary organisations on good governance.

Consultation is currently underway with the Department of Justice and Equality on the implementation of the Charities Act 2009. Most of the legal changes contained in the Charities Act have not yet been implemented. The Act provides for the establishment of a new independent regulator for charities – the Charities Regulatory Authority. This has been put on hold because of the need to reduce Government spending. The Department of Justice and Equality has since examined how best to advance the aims of the Charities Act in the current circumstances and Barnardos will input into the consultation.

Barnardos' policy is that all prospective staff and volunteers, including the Board and its committees, are subject to Garda vetting. Barnardos is aware of its obligations under the National Vetting Bureau (Children and Vulnerable Adults) Act 2012 and intends to comply with these requirements upon the commencement of the legislation. Barnardos applies Child Protection policies, which are based on Children First 2011 (national guidelines for the protection and welfare of children), and best practice recruitment policies and procedures. Barnardos continues to advocate externally for improvements in, and the expansion of, rigorous child protection procedures in the interests of child protection.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 2.3 Principal Risks and Uncertainties

Barnardos has the appropriate risk management policies in place and there is a risk management plan to support them. The Barnardos Executive Management Team is responsible for the preparation of the risk management process and internal audit plan for approval by the Board.

The top risks are reviewed on an ongoing basis and our current top risks are as follows:

1. Abuse of children within our services
2. Poor quality of service delivery
3. Funding
4. Financial Controls
  - Income and expenditure
  - Cash fraud/theft/systems
5. Loss of public credibility
6. Losing touch with stakeholders
  - Parents and children/funders/staff/Board
7. Business continuity
  - Loss of key personnel/IT related/health and safety
8. Failure to comply with law, regulations or to meet responsibilities

### SECTION 3 – 2012 OVERVIEW

2012 has been a difficult year financially with the effects of the recession and the public spending cutbacks really beginning to hurt across the sector. Barnardos has not been immune from this and 2013 is also shaping up to be another tough year for the charity and for the children and families Barnardos works with.

Similarly to last year, 2012 was a year in which demand for Barnardos services grew considerably, while the charity's capacity to respond was put under immense pressure. There are two main reasons for this. First, in 2012 cuts to statutory funding continued. While Barnardos continued to fight these, there is and has been a continuing squeeze on public funding which Barnardos does not see ending in the short to medium term. Second, the fundraising climate has continued to deteriorate. It is a hard fact that many of the people who support the work Barnardos does are themselves affected by the recession, and cannot for the moment support Barnardos to the extent they used to. This means that fundraising targets have been revised downwards by a considerable amount in 2012 and for the next few years, to reflect prevailing conditions in the fundraising market. This comes at a time when significant philanthropic funding is ending. This combination created a financial problem – with not enough income both through statutory sources and through fundraising to support the expenditure of the organisation. This has meant cutting costs and restructuring so Barnardos can carry on serving the needs of children and families to the best of its ability.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### SECTION 3 – 2012 OVERVIEW *(continued)*

The gravity of the financial situation faced in 2012 has meant taking a number of actions in order to put us on a secure financial footing for the longer term. During 2012 Barnardos closed and announced the closure or downsizing of some services and offered a voluntary redundancy programme. In tandem with these decisions Barnardos examined its property leases which resulted in rent reductions for a number of properties. Barnardos will also reduce mileage rates and allowances for 2013. In 2013 Barnardos will repeat some of the things it had to do this year - including the withholding of increments for a further year and the imposition of an unpaid week's leave. There will also be a small amount of further restructuring and reporting changes. As painful as all these decisions have been, they are essential in order to protect Barnardos into the future.

Barnardos looks forward in 2013 to the setting up of the new Child and Family Support Agency and will work closely as a key partner to face the challenges of providing high quality services in cost effective ways.

### SECTION 4 - OBJECTIVES AND ACTIVITIES

#### 4.1 Objectives

The main objectives of Barnardos are:

- To provide support for children, young people and families in need;
- To promote and provide assistance towards the education of children and young people in social or economic disadvantage; and
- To provide services for and promote and advance the welfare of children, young people and their families whose lives have been affected by economic, social or other disadvantage or loss.

The objectives were updated at an EGM on 6 December 2007.

The vision and mission statements of the organisation are:

#### **Barnardos' Vision**

Barnardos' Vision is an Ireland where childhood is valued and all children and young people are cherished equally.

#### **Barnardos' Mission**

Barnardos' Mission is to challenge and support families, communities, society and government to make Ireland the best place in the world to be a child, focusing specifically on children and young people whose well-being is under threat.



# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 4.2 Principal Activities

Established in Ireland in 1962 and becoming wholly independent in 1989, Barnardos is one of Ireland's largest charities. Barnardos provides a range of services to children, young people and their parents and advocates on their behalf for change to government policy and legislation which will positively impact on their lives. Barnardos Family Support and Early Years services are situated in the heart of local communities. Specialist services are also offered such as a Bereavement Counselling Service for Children, a Guardian Ad Litem Service (GAL), a Post-Adoption Service and a Tracing Service (Origins) for adults who were residents of former industrial schools in Ireland.

Barnardos key concerns are that the children with whom it works and on whose behalf the organisation advocates receive effective services that deliver positive outcomes in relation to their emotional well-being and their learning and development, and that Barnardos responds effectively to any concerns about their safety and well-being which come to the organisation's attention in the course of its work. Barnardos aims to ensure that all its services are delivered to the highest standard, informed by up to date research, both local and international, and that it regularly audits and monitors its work.

In spite of 2012 being a challenging year Barnardos direct services continued to work with over 6,343 (2011: 6,300) children and their parents. More than 5,300 children and parents accessed family support projects, while the GAL service worked with 703 children and young people. Approximately 301 children and their parents used the bereavement counselling service.

The Barnardos Training and Resource Service (BTRS) provided over 1,603 training sessions during 2012 and the service dealt with over 5,212 enquiries (2011: 5,200) from childcare professionals, parents and students. There were over 20,435 visits to Barnardos library website in 2012. The Post-Adoption Service dealt with over 480 enquiries, of which 125 were inter-country adoption queries (2011: 133). A total of 225 enquiries (2011: 389) were dealt with through the Bereavement Counselling phone lines and another 1,284 enquiry (2011: 1,230) were handled through the Origins service.

Barnardos' work is supported through a combination of statutory and voluntary funding. A substantial portion of the costs of family support services is funded by a variety of statutory sources, mainly the Health Service Executive and a number of government departments.

In addition to its statutory funding, Barnardos has invested in the provision of services for which no statutory income is currently available, and in management and professional support services which are, in the Board's view, critical to the achievement of effective and enduring outcomes for the children and families using our services. These investments are made possible through a diverse range of fundraising activities which, for the year ended 31 December 2012, included direct mail campaigns, legacies, donations from companies and individuals, trusts and foundations, the operation of charity shops, fundraising events and through the support of philanthropic partners.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### **SECTION 5 - BARNARDOS' ACHIEVEMENTS AND PERFORMANCE IN 2012**

Barnardos' achievements and performance in 2012 can be considered under a number of areas of activity:

- Direct Services to Children and Families (section 5.1);
- Advocacy (section 5.2);
- Fundraising (section 5.3); and
- Supporting Services (section 5.4).

These activities are guided by annual implementation plans under our 'Strategic Plan'. Performance is reported to the Board at each Board meeting and is measured in a number of ways including tracking against service level agreements.

#### **5.1 Direct Services to Children and Families**

Barnardos works with children from birth to age 18 years and their families. Barnardos works in the heart of disadvantaged communities around Ireland. Barnardos supports children and young people to achieve their developmental potential despite the adverse circumstances in which they live, and the fact that the children and families with whom it works experience complex and often inter-related difficulties in a range of areas;

- Their living circumstances are often poor and in areas deprived of social and community amenities, lack of transport facilities or employment opportunities.
- Their family and social relationships have been damaged as a result of poor or insecure attachments, poor parenting capacity, family conflict, domestic abuse or anti-social behaviour.
- Their behaviour and social participation may be impaired as a result of poor peer relationships, the presence of negative social networks or the lack of opportunity to meaningfully engage with community networks.
- Their physical and psychological health is often affected by addiction, loss and bereavement, ill-health or poor living conditions.
- Their learning and development opportunities may be limited as a result of lack of opportunity, poor previous experiences of learning and education, or literacy and numeracy difficulties.
- And their sense of identity and self-esteem have been damaged by poor family and social relationships and no sense of history or connection to their family or community.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.1 Direct Services to Children and Families *(continued)*

#### Service Portfolio

Some of the key achievements in 2012 include -

- Barnardos continued to make significant progress on the design and implementation of **Partnership with Parents (PWP)**, an intensive parent support programme for parents with complex needs who have children aged 0 - 18 years. The pilot of the complete PWP programme took place from January to October 2012 in eight sites with 79 families. All participating staff and managers received four days training on the programme in January, March and April 2012. Towards the end of 2012 Barnardos began a review of the learning from the pilot which will be used to strengthen the overall programme. Dr. Crispin Day, Guys Hospital, London continues to provide expert advice on the design and development of the service.
- The **Tús Maith** programme (an early years programme for children aged 3 - 5 years, the focus of which is improved school readiness) continues to be delivered in 8 Barnardos' sites nationally. The Tús Maith coach role ceased in March 2012 and systems have been put in place to support the ongoing development of the programme and to ensure fidelity. For example, two programme manuals – the curriculum manual and the implementation manual – were completed and distributed to staff towards the end of the year. These manuals are useful tools to support staff in their work on a daily basis.
- The **Wizards of Words (WoW)** programme (a volunteer led literacy improvement programme) was delivered in ten schools during the academic year 2011-2012 in both Dublin and Limerick. 87 volunteers contributed over 4,000 teaching hours to participating children (204) in 10 schools. The evaluation of the WoW programme also concluded with positive results achieved (detailed in Research & Evaluation section).
- **Roots of Empathy** is an evidenced based programme that reduces levels of aggression among school children while raising social / emotional competence and increasing empathy. The implementation of Roots of Empathy continues to go well. During the 2011-2012 academic year 12 schools participated in the programme; 8 in Dublin and four in Athlone. The programme expanded for the 2012-2013 academic year and a total of 27 schools are now hosting the programme (in Dublin, Athlone, Tipperary and Waterford). Approximately 640 children participated in the intervention. The programme is mainly delivered to children in 1<sup>st</sup> class, although some schools have chosen to have the programme delivered to their 2<sup>nd</sup>, 3<sup>rd</sup> and 5<sup>th</sup> classes.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.1 Direct Services to Children and Families *(continued)*

- **Amplifying Voices (AV)** is a new initiative aimed at strengthening the voice of children and young people on issues affecting them. The aim of the AV project is to test, develop and demonstrate models of effective rights-based participation leading to better outcomes for children and young people. Throughout 2012 the project was operational in three pilot site communities (Tallaght, Finglas & Blanchardstown). Also during 2012 Barnardos developed an Amplifying Voices Service Outline which sets out the background to the AV initiative, discusses concepts and definitions of participation, describes the AV logic model, the guiding principles for the work, the role of the Children's Rights and Participation Co-ordinators, and the range of methods that might be used in engaging young people. Barnardos is fortunate to have Anne O'Donnell, Head of Citizen Participation in the Department of Children and Youth Affairs, as a member of the AV Steering Committee.
- The pilot **Child Contact Centres** projects, run in partnership with One Family, continue to progress well. The two centres serve the Tallaght/Clondalkin area and the Ballymun area. The contact centres began receiving referrals in October 2011 and up to June 2012 (most recent data available) more than 70 families have been referred to the service and more than 45 families have been provided with a service. In 2012 an evaluation of the pilot by an independent evaluator commenced and is due to finish in Summer 2013.
- The **Friendship Group** programme (a peer relationship and social skills programme) is now well integrated into Barnardos standard practice and continues to be implemented in a number of centres nationally. Discussions with colleagues in Pennsylvania State University (PSU) regarding the development of a train the trainer's programme are ongoing.
- During 2012, Barnardos was awarded a grant by the One Foundation to re-develop its children's services database. The **new database** will provide Barnardos with essential operational, commercial and strategic cross-functional information. A business and systems analysis was conducted during 2012 to inform the design and development requirements for the new system. The design and development of the new database commenced in the 4th quarter of 2012 and will be completed in the 1st quarter of 2013.
- **Growing Up Strong Together (GUST)** is a service for individual work with children. During 2012, Barnardos completed a review of the literature in the areas of resilience and child development with specific reference to emotional development in children.
- The literature review into **Transition to Secondary School** programmes, including information on possible intervention models and the importance of the parenting role, was completed during 2012. Barnardos plans to develop practice guidelines based on research and best practice, which will guide the delivery of all of Barnardos' transition to secondary work.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.1 Direct Services to Children and Families *(continued)*

- During 2012, Barnardos completed a service outline of the **Barnardos Community Hub Model**. This included a review of the literature in terms of effectiveness of this way of working, key components required for success, and learning from international hub models. The philosophy of the community hub model is that children aged 0-18 years and their families should have access to a range of services to meet their needs within a reasonable distance from where they live.
- Towards the end of 2012 we completed and published **Barnardos Child Development Guide**. The guide was developed as a resource to accompany the newly developed Child Development Training. It is a comprehensive guide for practitioners on developmental processes and all the dimensions of development namely, emotional, social, educational, physical and behavioural. The guide outlines children's development from birth to 18 years and contains the following information in relation to each area of development. In addition the guide contains development milestone charts for infancy, early childhood, middle childhood and adolescence.
- During 2012, Barnardos worked with some children and young people to develop and design **Information Booklets** for children attending its services. These booklets will help explain what Barnardos does, why Barnardos is working with them and their families, and how Barnardos will listen to anything they have to say. Three booklets have been designed for three different age groups (6-8 years, 9-12 years, and 13-17 years).

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.1 Direct Services to Children and Families *(continued)*

Barnardos' services were delivered in the following locations during 2012:

<p><b>Dublin North Region</b></p> <ul style="list-style-type: none"> <li>○ TESO, Church Road, Mulhuddart</li> <li>○ Barry Close, Finglas</li> <li>○ Church Road, Mulhuddart</li> <li>○ Buckingham Street, Dublin 1</li> <li>○ Mulhuddart/Corduff, Corduff, Dublin 15</li> <li>○ Finglas Teen Parents Support Programme, Finglas.</li> <li>○ Roots of Empathy, Finglas</li> </ul>	<p><b>Dublin South Region</b></p> <ul style="list-style-type: none"> <li>○ Tivoli Terrace South, Dun Laoghaire</li> <li>○ Loughlinstown Drive, Loughlinstown</li> <li>○ Patrick Street, Drugs Project, Dun Laoghaire</li> <li>○ Bray Drugs Project</li> <li>○ Cherry Orchard, Ballyfermot</li> <li>○ Labre Park, Ballyfermot</li> <li>○ Wizards of Words, Dublin</li> </ul>
<p><b>Dublin West</b></p> <ul style="list-style-type: none"> <li>○ Teen Parents, Newlands Cross</li> <li>○ YAP, Bawnlea Green, Tallaght</li> <li>○ Millbrook, Tallaght</li> <li>○ Special Needs, Jobstown</li> <li>○ Lorien, Fettercairn</li> <li>○ Rialto</li> <li>○ Roots of Empathy, Tallaght</li> </ul>	<p><b>Midlands &amp; North East</b></p> <ul style="list-style-type: none"> <li>○ Athlone, Westmeath</li> <li>○ Mullingar, Westmeath</li> <li>○ Tullamore and Edenderry, Offaly</li> <li>○ Family Welfare Conference, Navan, Cavan and Monaghan</li> <li>○ Roots of Empathy, Athlone</li> </ul>
<p><b>South East Region</b></p> <ul style="list-style-type: none"> <li>○ Ballybeg, Waterford</li> <li>○ Clonmel, Tipperary</li> <li>○ Dungarvan, Waterford</li> <li>○ Gorey, Wexford</li> <li>○ Waterford Student Mothers, Waterford City</li> <li>○ Waterford Family Welfare Conference</li> <li>○ Tullow Road, Carlow</li> <li>○ Roots of Empathy, Waterford &amp; Tipperary</li> </ul>	<p><b>Southern Region</b></p> <ul style="list-style-type: none"> <li>○ Mahon, Cork</li> <li>○ Knocknaheeny, Cork</li> <li>○ Islandgate, Limerick</li> <li>○ Moyross, Limerick</li> <li>○ Southhill, Limerick</li> <li>○ Thurles, Tipperary</li> <li>○ Wizards of Words, Limerick</li> </ul>

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.1 Direct Services to Children and Families *(continued)*

#### **Developing the Quality of Barnardos' Services**

Barnardos' strategy aims to ensure that all services are needs-led and result in measurable outcomes for children and families. The organisation remains committed to investing in the design, development and evaluation of new services, and to ensuring quality through auditing and monitoring of our practice. During 2012, Barnardos continued to develop its service portfolio.

During 2012, the following were undertaken as part of Barnardos' ongoing commitment to developing the quality of its services:

- In 2012 Barnardos completed an audit of supervision practice in Children's Services. The audit was completed using a standardised audit tool by project managers, Assistant Directors and the Director of Children's Services. The process involved a self-audit of thirteen questions requiring managers to review their supervision of the staff they line-manage.

Forty-five managers from across 37 services completed the audit. The findings of the audit clearly indicate that supervision is widely implemented within the organisation, with staff receiving it regularly, and the practice elements of supervision are very high on supervision agendas

- Barnardos has continued to review policies every three years to ensure they are in line with current research and promote best practice the following were revised in 2012:
  - Domestic violence
  - Diversity
  - Child protection and welfare – direct services to children and families
  - Child protection and welfare – for non-direct service members of staff
- Barnardos continued to progress work on the development of a Parent's Participation Policy.
- Barnardos continued to provide training aimed at enhancing the practice of staff and managers, e.g. Supervision, Child Protection, Assessment, Promoting Positive Behaviour, Shared Language Training, Case Management, Outcomes, and Child Development.
- Its Best Practice Advisory Committee continued to be an important resource and support in the development and evaluation of services.



# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.1 Direct Services to Children and Families *(continued)*

#### Research & Evaluation

Barnardos research and evaluation programme is shaped by the information needs of the organisation taken from two perspectives:

- Understanding the needs and circumstances of children and their families in Ireland, particularly those children and their families whose well-being is under threat.
- Delivering quality services to children and their families and demonstrating that these services achieve the outcomes that are intended.

Barnardos is committed to delivering high quality and methodologically robust research studies and service evaluations. Barnardos does this using both internal and external resources. Work to date in this area includes the following:

#### 1 Wizards of Words (WoW)

Barnardos commissioned the Child and Family Research Centre at NUIG to undertake an evaluation of the programme between 2008 and 2012. There were two strands to the evaluation:

- An outcomes study using a randomised control trial
- A process study assessing the success of programme implementation

The WoW programme had a positive impact on children's reading skills, their enjoyment of reading and their self-belief. The one-to-one reading sessions with highly trained volunteers helped to build a very strong bond and relationship with the participating children and the inter-generational dimension is key to the programme's success. Specifically, the outcomes evaluation has shown that WoW:

- Improves children's phonemic awareness and phonic knowledge
- Improves children's word recognition skills
- Improves children's enjoyment of reading
- Improves children's perceived competence in their reading ability

The programme was particularly effective for children who started with below average reading levels and the evaluation shows that WoW children made significantly greater gains in moving out of this below average group compared with the progress made by children in the comparison group.

The process evaluation shows that the WoW programme was viewed very positively by school principals and staff, volunteers, and children themselves.



# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.1 Direct Services to Children and Families *(continued)*

#### 2 Tús Maith

The Centre for Social and Educational Research at the Dublin Institute of Technology in partnership with the Geary Institute at UCD has been commissioned by Barnardos to evaluate Tús Maith, the early year's service. The evaluation which will measure the impact of the programme on the participating children's language and literacy development, social and emotional well-being and physical development, began in August 2011. To date baseline and post-programme assessments have been carried out with children attending the Tús Maith programme. The evaluation will be completed by September 2014.

### 5.2 Advocacy

Advocacy continued to be a key player in advocating for children at a national level in 2012.

#### Children at the Centre Conference

Barnardos' organised the Children at the Centre conference in Croke Park in February 2012. The aim of the conference was to tap into the ongoing national reform of the child welfare and protection services and to influence its shape by presenting the Barnardos' Community Hubs model as one possible way to progress the development of services. This model firmly places the child at the centre and espouses the benefits of prevention and early intervention services and the fundamental importance of interagency working.

Keynote Speakers included: President Michael D. Higgins; Ms Caroline Vink, National Youth Institute, the Netherlands who presented on the evolution and work of the Youth and Family Centres that operate in all municipalities in the Netherlands; Ms Katy Ball, Head of Early Intervention and Market Development, Children and Family, Nottingham City Council who reviewed the effectiveness and mainstreaming opportunities for early intervention projects and Mr Gordon Jeyes, National Director for Children and Family Services, HSE who outlined his vision for the new Child and Family Support Services Agency.

The conference brought together a wide range of professionals working with children and families across a broad spectrum of family support, social work, education, health and youth services. Key policy makers from the Department of Children and Youth Affairs and the HSE attended the conference, along with a huge range of policy influencers from the statutory and community and voluntary sector. The workshops were led by Barnardos' Children Services and demonstrated examples of their interagency working with HSE and other partners, provided good practice evidence and detailed the challenges inherent in collaborative practice.

The conference consolidated Barnardos' key relationships with decision makers both at the Governmental and statutory levels and significantly progressed the debate among key players in both the statutory and community and voluntary sectors. The conference received significant media coverage in the Irish Times, Irish Examiner, Sunday Times, Metro Herald and on Newstalk, Today FM, 2FM, FM104 and Shannonside.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.2 Advocacy *(continued)*

#### **Children at the Centre Conference *(continued)***

This debate was further advanced when Barnardos hosted an 'Early Intervention and Prevention' Roundtable with Graham Allen, MP in June 2012. Mr Allen has been a significant advocate for increased focus on early intervention and prevention models in the UK. Barnardos facilitated the roundtable discussion with Mr Allen with stakeholders from the community and voluntary sector before continuing the discussion when Mr Allen met with the Minister for Children and Youth Affairs and other TD's and policy makers during his short visit to Dublin.

#### **Aftercare Seminar**

The difficulties for young people transitioning from the care system to independent adulthood and the call to ensure that all these young people receive appropriate aftercare services was the focus of the Barnardos seminar 'Moving On: Aftercare Provision in Ireland'. This seminar was co-hosted with lawyers from the Public Interest Law Alliance (PILA) who presented on statutory aftercare provision in England and Wales, Northern Ireland and Scotland.

Barnardos' partners in the Action for Aftercare Alliance, namely Focus Ireland and EPIC also made presentations at the seminar. The seminar was beneficial in reinforcing the recognition among policy makers, politicians and media that young people leaving care need additional supports beyond the age 18. The seminar was part of a successful lobby to keep statutory aftercare on the Minister for Children and Youth Affairs' agenda and Barnardos is continuing to push for legislation on this. The seminar also raised the issue of aftercare in national media, with coverage in the Irish Examiner, Q102 and Newstalk.

#### **Educational Disadvantage**

The high costs associated with sending children to school and its impact on children's education continued to be a priority for Barnardos in 2012. In response to its ongoing lobbying on the issue, Barnardos was invited to participate in a meeting with the Minister for Education and Department of Education officials in May. The roundtable meeting discussed how the Department and schools were addressing the costs of school books and proposals for school book rental schemes. Barnardos contributed to the development of the Department's preparation of guidelines for schools on this issue at the meeting and through a follow up submission.

Barnardos conducted its annual School Costs Survey in July 2012. It was widely publicised and almost 1,000 parents completed the online survey, up from 600 in 2011. Again the survey was very effective in capturing the extent of financial pressure on parents sending children to school in September. The Survey received widespread media coverage in the Irish Times, Irish Examiner, Irish Independent, Irish Daily Mail, Irish Daily Star, TV3 Ireland AM, Evening Herald, Morning Ireland and Drivetime on RTE Radio 1, RTE News at 1, Drivetime Newstalk, 2FM, Q102, Today FM, thejournal.ie and a large number of regional radio and print media. Coverage extended throughout August and into September, with reference continuing to be made to it in relevant media debates during the rest of the year. The Survey was also mentioned during a number of Dail debates on the issue of school costs.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.2 Advocacy *(continued)*

#### **Children's Referendum**

Barnardos' long standing call to insert children's rights into the Irish Constitution became a reality in November 2012. Given its continued lobbying for this reform, Barnardos was actively engaged with the Minister for Children and Youth Affairs and her Department ahead of the announcement of the wording and date of the Referendum. As a result of this Barnardos was seen as a key ally to the Minister throughout the campaign. Numerous polls identified Barnardos as a leading voice on the Referendum in the public domain.

Ahead of polling day, Barnardos worked collaboratively with Children's Rights Alliance, ISPC and Campaign for Children under the Yes for Children campaign. Barnardos was a key player in the campaign, with both the Advocacy and Communications teams contributing significant expertise and time to the campaign, particularly in the development of policy and communications materials. Barnardos also took a leading role in the development of key messages, media coverage and event planning.

Barnardos was also heavily represented in national TV debates as well as public speaking events to a range of audiences including politicians, councillors, community groups and student groups. The Advocacy team actively participated in the Yes for Children bus tour of the country meeting the public and explaining the issues involved and in canvassing on the Referendum in Dublin. Barnardos also received significant media through opinion editorials, print and broadcast coverage.

In addition to the collaborative work, Advocacy devised and implemented its own digital strategy ahead of the Referendum, specifically targeting Barnardos online supporters as well as the wider online community. Working closely with the Communications team and Children's Services, a series of Barnardos' videos were developed. These explained what the Referendum was about and what it would mean to the children Barnardos works with. A third set of videos featured well know comedians talking about childhood experiences. The videos, along with other content, including ongoing updates from the Advocacy team and infographics created by the Communications team, were disseminated through Barnardos' Facebook and Twitter account and weekly emails to Barnardos' campaigns database.

The success of the digital strategy was evident in the high volume of traffic on Barnardos' website and Facebook page during the campaign. The final infographic, developed by the Communications team, summarised the key aspects of the Amendment and was Barnardos biggest viral success to date. Polling day itself saw the largest number of visitors to the Barnardos website ever recorded. The achievement of a successful amendment placing children at the centre of the Irish Constitution is an historic win for everyone involved in children's rights in Ireland. Advocacy will continue to campaign for legislation to enact Article 42(A) in 2013.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.2 Advocacy *(continued)*

#### **Child Poverty**

Barnardos continued its efforts to highlight the extent and experiences of children living in poverty throughout 2012. Barnardos met with Minister for Social Protection, Joan Burton, and her advisors during the year to discuss concerns about cuts to income supports and presented to a number of committees, including the Joint Oireachtas Committee (JOC) on Public Expenditure and Reform on the issue of child poverty.

In April, Barnardos worked with OPEN and the National Women's Council of Ireland on the '7 Is Too Young' campaign, to oppose changes to the One Parent Family Payment introduced in Budget 2012. The launch of the campaign received significant media coverage and the resulting pressure saw Minister Burton, commit to delay changes to the payment unless she received a "credible and bankable commitment" by the time of Budget 2013 that the Irish Government would put "a system of safe, affordable and accessible child care in place, similar to what is found in the Scandinavian countries to whose systems of social protection we aspire".

In light of this commitment, Barnardos worked in partnership with Start Strong ahead of Budget 2013. At the launch of Barnardos Children's Budget 2013, Advocacy presented a joint paper, 'Towards a Scandinavian Childcare System for 0-12 year olds in Ireland', with Start Strong, emphasising the need for investment in quality childcare and afterschool care provision. Barnardos' Children's Budget and commentary following Budget 2013 received significant media coverage including the Irish Times, Irish Examiner, Irish Independent, Irish Daily Mail, Irish Daily Star, TV3 Ireland AM, RTE Prime Time, Morning Ireland and Drivetime on RTE Radio 1 and a range of regional print and radio. The Barnardos and Start Strong briefing paper received significant political and policy attention and was referred to in numerous Dail debates ahead of the Budget. Barnardos is continuing to work with all partners on the issue of childcare and afterschool care.

#### **Submissions**

Barnardos continued to build on its reputation as thought leader across the sector through ongoing action across a broad spectrum of issues. The following submissions were made to various statutory and political bodies over the year:

1. Submission to JOC on Health and Children on the Children First Bill
2. Submission into the Institute of Guidance Counsellors, January 2012
3. Submission into the Regulation of Lobbying in Ireland, February 2012
4. Advisory Group on Tax and Social Welfare on the Domiciliary Allowance, February 2012
5. Sustainable Development for Ireland submission, February 2012
6. HIQA consultation on Draft National Standards for the Protection and Welfare of Children – For HSE Children and Family Service, May 2012
7. Submissions on Ireland's 4th Periodic Report under the International Covenant on Civil and Political Rights (ICCPR), May 2012
8. Submission into HSE National Consent Policy June 2012 – specific questionnaire
9. Submission into the Terms of Reference of the Family Law Court Development Committee June 2012
10. Submission into Bullying June 2012

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.2 Advocacy *(continued)*

#### Submissions *(continued)*

11. Submission into Framework for Improving the Lives of Children and Young People July 2012
12. Submission into Mental Health Commission on Seclusion and Physical Restraint Reduction Strategy Sept 2012
13. Submission into review of legislation on prostitution Sept 2012
14. Submission on pre-budget audits for JOC Education and Social Protection Oct 2012
15. Submission on National Vetting Bureau Bill 2012 with ISPC during Dail debate on the Bill Oct 2012
16. Submission to JOC Finance on our Children's Budget 2013 Oct 2012
17. Submission into Law Reform Commission on proposed new programme of law reform Nov 2012
18. Submission into Advisory Group on Tax and Social Welfare on Working Age Payments Dec 2012

### 5.3 Fundraising

#### Donations and Fundraising Campaigns

In 2012 the Fundraising environment became even more challenging. In a very tough economic environment, the whole sector saw a decline in voluntary and statutory income early in the year and the competition for funds in the market place was acute.

The strategy of investing in the growth of the individual donor database over the last few years stood Barnardos in good stead in 2012 with donors responding to Barnardos appeals for vital extra support during the year. Barnardos investment in donor recruitment in 2011 was a critical factor in supporting the organisation in 2012 as those donors continued to donate to Barnardos.

Fundraising activities for the year generated €5.2m (2011: €5.2m): Unrestricted Trusts, Legacies & Donations income generated €0.1m (2011: €0.1m): and Restricted Trusts & Donations income was €1.7m (2011: €1.5m). Fundraising income of €6.9m (2011: €6.7m) in the year.

Fundraising recruited over 5,703 new individual donors who committed to give a regular donation to support Barnardos work. Events and Campaigns grew significantly in terms of the number of people taking part in events for Barnardos - however the average amount raised continued to fall in 2012 thus impacting income. The growth in community fundraising that Barnardos saw beginning in 2009/2010 continued into 2012, which can be directly attributed to the organisation's increased supporter database, profile and awareness.

In a year where corporate support for the sector tightened considerably due to the economic downturn, Barnardos corporate income remained steady as a result of many strong partnerships that have been fostered over the years.



# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.3 Fundraising *(continued)*

#### **Donations and Fundraising Campaigns**

2012 was the second year of the 2FM Dress Up for Barnardos campaign – with more people than ever before getting involved and dressing up in fancy dress for money. Fundraising also saw the Barnardos Buggy Push take place in the Phoenix Park, sponsored by Dettol and the first ever Santa Stroll down Dun Laoghaire pier in December.

2012 was a stellar year in terms of awareness and understanding thanks to the activity of Barnardos fundraising, communications and advocacy work. Barnardos is now firmly established in the public's mind, in the ICEM (Irish Charity Engagement Monitor) survey November 2012 shows Barnardos ranked as the fourth best known charity in Ireland in Spontaneous Awareness, making it the second best known Irish (domestic) charity. Spontaneous awareness grew from 14% in 2011 to 21% in 2012, keeping Barnardos in fourth position but growing awareness considerably year on year.

#### **Shops**

Barnardos shops performed exceptionally well delivering sales of €1.2m million (2011: €1.1m). In addition to increased sales, costs were managed very tightly and, as a result, net contribution was above target.

This was an incredible result in a year that saw the retail sector as a whole continuing to struggle.

One of the main challenges was the continued move by the mainstream retailers to heavily discount merchandise and deliver almost year round sales. This has increased the competition on the high street and made new goods more accessible to all, at a lower cost. Barnardos has also seen a fall off in Brand New donations as retailers and manufacturers hold on to stock in an attempt to drive more income.

Barnardos Bridal Rooms performed very well as did the multiple Pop Up shops throughout the year which delivered a very strong income stream. All shops performed very strongly and the continuing commitment of our staff and volunteers in the shops is a key part of the success of the shops.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.4 Supporting Services

#### **Our People**

2012 was a particularly challenging year for employees working in Barnardos as they continued to support families affected by the impact of the recession in the economy. In addition Barnardos employees faced severe pressure as the impact of cuts to funding and an uncertain fundraising environment impacted on the financial stability of the organisation. In the first half of the year, support services (including departments such as Finance, Communications, Service Design, HR and administrative functions) were re-structured to reduce costs. Revised (reduced) salary scales were implemented for all new employees and a pay freeze, with no increments paid, remained in force during 2012. The organisation closed for one week during August with all employees placed on lay-off. A voluntary redundancy programme was offered in the last quarter of 2012 to reduce Barnardos cost base further. Barnardos Wizard of Words Literacy programme closed at the end of December 2012 and further changes to services planned for 2013 which will impact our headcount were announced in late 2012. As at 31 December 2012, Barnardos employed 380 people (2011: 433).

The people working in Barnardos have shown great commitment and resilience in working through the level of change experienced by the organisation in 2012. The HR team have played a key role in supporting this change in the organisation and in ensuring a healthy and safe environment.

While facing these challenges, Barnardos remains committed to maintaining professional service delivery from appropriately qualified and trained employees across the organisation. This commitment includes supporting employees through training and development with the provision of 99 courses (2011: 113) with an average of just over 2 days training per employee (2011: 2.5 days). Key training delivered included Child Protection (mandatory for all to attend), H&S related (manual handling, First Aid) and service related (Partnership with Parents, Promoting Positive Behaviour, Tus Maith).

#### **Our Volunteers**

Volunteers are a key part of Barnardos in affecting positive change. In 2012 Barnardos benefited from the involvement of 294 volunteers (2011: 285) on a consistent basis and a further 292 occasional volunteers supporting the organisation with fundraising activities.

Over the course of 2012, 73 new volunteers were recruited across the organisation, with 42 existing volunteers moving on to new opportunities in the year. New volunteers assisted in a variety of roles including administrative support, retail, afterschool groups, pre-school activity programmes, drop in service and childcare support.

At the end of 2012, the Barnardos Wizards of Words literacy pilot programme came to an end following five successful years. 84 volunteers who contributed to the WoW programme are considering opportunities for 2013.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### 5.4 Supporting Services *(continued)*

#### **Our Volunteers** *(continued)*

Barnardos volunteers play a key part in the delivery of services. In addition, they raise funds, provide office support, training and a variety of professional expertise at all levels in the organisation to help Barnardos achieve better outcomes for children. Without their dedication and generosity, Barnardos could not do the work it does.

#### **Communications**

Numerous events and campaigns across the organisation kept Barnardos in the media throughout 2012, particularly the Children's Referendum in October.

2012 saw an increase in the volume of print coverage when compared to 2011.

In terms of media coverage, 2012 was another great year for Barnardos. The combined campaigning activities of the Advocacy, Communications and Fundraising teams saw Barnardos reach the highest level of awareness ever, placing the organisation as number four in spontaneous awareness and the sector leader in the area of childrens' charities.

More information on the services and achievements of the charity are included in the Annual Review. Copies are available from the National Office or can be downloaded from [www.barnardos.ie](http://www.barnardos.ie).

## SECTION 6 - FINANCIAL REVIEW

### 6.1 Results for the year

The financial results for the year ended 31 December 2012 are shown in the Statement of Financial Activities and Income and Expenditure Account on page 29.

These results show a net deficit of €1,239,000 *(2011: net deficit €1,506,000)*.

### 6.2 Income Generation

Barnardos raised total income of €23.4m in the year ended 31 December 2012 *(2011: €24.0m)*. Income may be analysed by source as follows:

	2012	2011
Statutory	64%	66%
Donations	23%	23%
Shops	5%	5%
Trusts, foundations & legacies	7%	5%
Other	1%	1%
	<hr/>	<hr/>
	100%	100%
	<hr/>	<hr/>



# Barnardo's - Republic of Ireland Limited

## Directors' report (*continued*)

### 6.3 Resources Expended

Total resources expended by the organisation, amounted to €24.6m (2011: €25.5m). Of the organisation's expenditure, 88% (€20m) was spent on direct charitable activities, 11% on the cost of generating funds and 1% on governance. Cost of running shops are excluded, as they are matched by income, as are once off redundancy costs. Support costs allocated to direct charitable activities are detailed in Note 6 to the financial statements in line with requirements under the SORP.

The Board would like to acknowledge the many positive funding relationships it enjoys with the Health Service Executive, Government Departments and agencies, with philanthropies, notably Atlantic Philanthropies and One Foundation, companies, trusts and foundations, individual donors and its many supporters amongst the public at large. The Board would also like to acknowledge the many individuals and companies that have offered their expertise on a pro bono basis.

### 6.4 Reserve Policy

In accordance with recommended best practice, each charity should have a reserve policy. This policy is concerned with how much 'free' (or unallocated) reserves a charity retains.

This excludes the following:

- Restricted funds.
- Funds that could only be realised by disposing of fixed assets held for charity use.
- Pension liability.

The Board has the responsibility for establishing an appropriate reserve policy. It is Barnardos' policy to retain sufficient reserves to safeguard the continuity of its operations, while committing the maximum possible resources to its current services. The objective is that Barnardos would be able to carry on its work, even if faced with a combination of difficult circumstances, and have time to adjust its strategy to meet these changing circumstances.

The level and adequacy of the reserves are reviewed annually by the Audit Committee, which reports directly to the Board. The policy was updated in February 2013 to take account of changes in the risk attached to different funding sources and the current economic climate.

It was agreed by the Board that seven to nine weeks of Barnardos budgeted operating costs (less costs covered by restricted income) for the coming year would be a reasonable target level of reserves. This equates to between €2.9m and €3.7m in 2013. Barnardos free reserves at 31 December 2012 are €3m. If the level of reserves falls under the range required by Barnardos policy, the Board commit to consider whether corrective action is required for the following years budgeting and the related impact it may have on service delivery.

### 6.5 Investment Policy

The investment strategy of Barnardos is to ensure that funds not immediately required for operational purposes are invested in fixed term interest bearing deposits with financial institutions. Barnardos aims to get the maximum return on these deposits for the minimum risk. Barnardos investment policy, which was revised in September 2012, defines how the organisation determines risk.

# Barnardo's - Republic of Ireland Limited

## Directors' report *(continued)*

### **SECTION 7 - STATEMENT OF THE RESPONSIBILITIES OF MEMBERS OF THE BOARD IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2012. 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 also responsible for preparing a Directors' report that complies with the requirements of the Companies Acts, 1963 to 2012.

The Finance committee meets five times a year. It is chaired by a Board member and two other members who are not Directors. Its function is to keep under review the financial management of Barnardos, its efficiency, effectiveness and accountability. The Finance committee reports to the Board.

The Audit committee meets a minimum of twice a year. It is chaired by a Board member and includes two other members. Its function is to keep under review the adequacy, scope and effectiveness of accounting and internal control systems of all activities carried out by Barnardos.

### **SECTION 8 - BOOKS OF ACCOUNT**

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at Christchurch Square, Dublin 8.

# Barnardo's - Republic of Ireland Limited

Directors' report *(continued)*

## SECTION 9 - AUDITOR

KPMG, Chartered Accountants have expressed their willingness to remain in office and, in accordance with Section 160 (2) of The Companies Act, 1963, the auditor, KPMG, Chartered Accountants will continue in office.

On behalf of the Board



Jim Mountjoy  
*Honorary Treasurer*



Alan Wyley  
*Chairperson*

11 April 2013



**KPMG**  
**Chartered Accountants**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

## Independent auditor's report to the members of Barnardo's – Republic of Ireland Limited

We have audited the financial statements of Barnardo's – Republic of Ireland Limited for the year ended 31 December 2012 which comprises the statement of financial activities and income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act 1990. 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 25, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2012 and of its net deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2012.



Independent auditor's report to the members of Barnardo's – Republic of Ireland Limited *(continued)*

**Matters on which we are required to report by the Companies Acts 1963 to 2012**

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

The financial statements are in agreement with the books of account and, in our opinion, proper books of account have been kept by the company.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

*Tom McEvoy*

**for and on behalf of  
KPMG**

**Chartered Accountants, Statutory Audit Firm**

*1 Stokes Place*

*St. Stephen's Green*

*Dublin 2*

# Barnardo's - Republic of Ireland Limited

## Statement of financial activities and income and expenditure account for the year ended 31 December 2012

	Note	2012 €000	2012 €000	2012 €000	2011 €000
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<b>Incoming resources</b>					
<i>Incoming resources from generating funds</i>					
-Voluntary income	1	5,323	1,703	7,026	6,814
-Income from trading activities	2	1,156	-	1,156	1,126
Incoming resources for charitable activities	3	-	15,084	15,084	15,783
Investment income	4	135	-	135	198
Other incoming resources	10	-	-	-	31
<b>Total incoming resources</b>		<b>6,614</b>	<b>16,787</b>	<b>23,401</b>	<b>23,952</b>
<b>Resources expended</b>					
<i>Cost of generating funds</i>					
- cost of generating voluntary income	5	2,458	-	2,458	3,346
- cost of trading activities	2	1,004	-	1,004	1,005
Charitable activities	6a	215	19,731	19,946	20,932
Governance costs	6b	200	-	200	175
Other resources expended	9	1,132	-	1,132	-
<b>Total resources expended</b>		<b>5,009</b>	<b>19,731</b>	<b>24,740</b>	<b>25,458</b>
Net incoming/(outgoing) resources before transfers	10	1,605	(2,944)	(1,339)	(1,506)
Transfers between funds	16	(2,552)	2,552	-	-
<b>Net outgoing resources before other recognised gains and losses</b>		<b>(947)</b>	<b>(392)</b>	<b>(1,339)</b>	<b>(1,506)</b>

On behalf of the Board

  
Jim Mountjoy  
Honorary Treasurer

  
Alan Wyley  
Chairperson

## Barnardo's - Republic of Ireland Limited

### Statement of total recognised gains and losses for the year ended 31 December 2012

	<i>Note</i>	<b>2012</b> €000	2011 €000
<b>Net outgoing resources for the year</b>		<b>(1,339)</b>	(1,506)
Actuarial loss on defined benefit pension scheme	<i>19</i>	<b>(444)</b>	(382)
		<hr/>	<hr/>
<b>Total recognised gains and losses for the year</b>		<b>(1,783)</b>	(1,888)
		<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of movement in reserves</b>			
	<i>Note</i>	<b>2012</b> €000	2011 €000
<b>Net outgoing resources for the year</b>		<b>(1,339)</b>	(1,506)
Actuarial loss on defined benefit pension scheme	<i>19</i>	<b>(444)</b>	(382)
		<hr/>	<hr/>
<b>Total recognised gains and losses for the year</b>		<b>(1,783)</b>	(1,888)
Reserves at the beginning of the year		<b>7,007</b>	8,895
		<hr/>	<hr/>
<b>Reserves at the end of the year</b>	<i>16</i>	<b>5,224</b>	7,007
		<hr/> <hr/>	<hr/> <hr/>

# Barnardo's - Republic of Ireland Limited

## Balance sheet at 31 December 2012

	<i>Note</i>	<b>2012</b> €000	2011 €000
<b>Fixed assets</b>			
Tangible assets	<i>11</i>	<b>2,418</b>	2,743
Term deposits	<i>12</i>	<b>1,395</b>	1,352
		<hr/> <b>3,813</b>	<hr/> 4,095
<b>Current assets</b>			
Debtors	<i>13</i>	<b>1,320</b>	1,555
Short term deposits	<i>12</i>	<b>2,959</b>	3,401
Cash at bank		<b>691</b>	940
		<hr/> <b>4,970</b>	<hr/> 5,896
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	<i>14</i>	<b>(2,513)</b>	(2,864)
		<hr/> <b>2,457</b>	<hr/> 3,032
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>			
Provision for liabilities	<i>15</i>	<b>6,270</b> <b>(777)</b>	7,127 (110)
		<hr/> <b>5,493</b>	<hr/> 7,017
<b>Net assets before pension liability</b>			
Defined benefit pension scheme liability	<i>19</i>	<b>(269)</b>	(10)
		<hr/> <b>5,224</b>	<hr/> 7,007
<b>Net assets</b>			
<b>Represented by</b>			
Unrestricted fund	<i>16</i>	<b>5,018</b>	6,409
Restricted income fund	<i>16</i>	<b>206</b>	598
		<hr/> <b>5,224</b>	<hr/> 7,007
<b>Total funds</b>			

On behalf of the Board

  
Jim Mountjoy  
Honorary Treasurer

  
Alan Wyley  
Chairperson



# Barnardo's - Republic of Ireland Limited

## Cash flow statement for the year ended 31 December 2012

	<i>Note</i>	<b>2012</b> €000	2011 €000
Net cash outflow from operations	<i>17</i>	<b>(844)</b>	(3,005)
<b><i>Returns on investment and servicing of finance</i></b>			
Interest received	<i>4</i>	<b>135</b>	198
<b><i>Investing activities</i></b>			
Sale of fixed asset	<i>11</i>	-	300
Purchase of tangible fixed assets	<i>11</i>	<b>(69)</b>	(112)
Purchase of term deposits	<i>18</i>	<b>(43)</b>	(41)
		<hr/>	<hr/>
Net cash inflow/(outflow) from investing activities		<b>(112)</b>	147
<b><i>Management of liquid resources</i></b>			
Transfers out of short term deposits	<i>18</i>	<b>442</b>	2,199
<b><i>Financing activities</i></b>			
Grants received	<i>11</i>	<b>130</b>	4
		<hr/>	<hr/>
<b>Decrease in cash and cash equivalents</b>		<b>(249)</b>	(457)
Cash at bank at beginning of year	<i>18</i>	<b>940</b>	1,397
		<hr/>	<hr/>
<b>Cash at bank at end of year</b>	<i>18</i>	<b>691</b>	940
		<hr/> <hr/>	<hr/> <hr/>

# Barnardo's - Republic of Ireland Limited

## Statement of accounting policies *for the year ended 31 December 2012*

### **Basis of preparation**

The financial statements are prepared under the historical cost convention in accordance with best practice as recommended by the Companies Acts and, voluntarily in the absence of statutory reporting standards for charities in Ireland, in accordance with best practice (Statement of Recommended Practice (revised 2005)) as recommended by the Charity Commission for England and Wales.

### **Taxation**

The organisation is a company limited by guarantee not having share capital. The company has charitable status and as such is exempt from Corporation Tax.

### **Income recognition**

Income is recognised in the Statement of Financial Activities when the effect of the transaction or other event results in an increase in the charity's assets.

When Barnardos provides family support services in accordance with agreements, the income is recognised when the service is provided. Income due but not yet received at the year end is included in debtors on the balance sheet and funds already received in relation to future years but not yet expended are shown in creditors as deferred income. All statutory grants are treated as restricted grants.

Non-statutory grants and donations are recognised when there is evidence of entitlement. Voluntary income such as shops sales is recognised when the income is received.

Activities undertaken to generate non-statutory grants, donations and voluntary income are analysed in notes 1 and 2 to the financial statements.

Donated services, goods and facilities are not quantified in the Statement of Financial Activities in income or expenditure.

Capital grants in respect of buildings and equipment are set-off against fixed assets and amortised over the lives of the relevant assets.

### **Cost allocation**

Expenditure is analysed between resources expended on charitable activities, governance costs and the cost of generating funds.

Resources expended on charitable activities comprise all the resources applied by Barnardos in undertaking our work to meet our charitable objectives within Children Services, Advocacy and Research. These costs include direct costs of undertaking these together with the support costs incurred to enable these activities to be undertaken.

# Barnardo's - Republic of Ireland Limited

## Statement of accounting policies *(continued)*

### **Cost allocation** *(continued)*

Support costs include Human Resources, Finance, Information Technology and others. Charitable activity costs and the related support costs are analysed in detail in notes 6(a) and 6(b) to the financial statements.

The cost of generating funds are costs associated with generating incoming resources from all sources other than from undertaking charitable activities. The income resource areas and their associated costs are analysed in detail in notes 1 and 5 to the financial statements.

Governance costs include costs which relate to the general running of the charity. They include strategic planning, audit, costs associated with legal and statutory requirements and an apportionment of staff time involved in supporting governance activities. Governance costs are analysed in detail in note 6(b) to the financial statements.

### **Fixed assets and depreciation**

Depreciation is provided for a full year in the year of acquisition and none in the year of disposal.

Properties are stated in the balance sheet at their market value at 1 April 1989 or subsequent cost less any provision for impairment. Depreciation of freehold and long leasehold properties has been provided at the rate of 2%-4% per annum on their cost or value. Short leasehold properties are amortised over the period of the lease.

Fixtures, fittings and equipment are stated at cost and depreciated at 20% straight line per annum on their cost.

Motor vehicles are stated at cost and depreciated at 15% straight line per annum on their cost.

Computers purchased prior to 1 January 2005 are stated at cost and depreciated at 20% straight line per annum on their cost. Computers purchased after this date are written off in the year of purchase.

### **Fund accounting**

All transactions of the organisation are recorded and reported as income into or expenditure from funds, which are designated as "restricted" or "unrestricted".

Income is treated as restricted where the donor/funder has specified that it may only be used for a particular purpose. All other income is treated as unrestricted.

Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor/funder. All other expenditure is treated as being from unrestricted funds.

# Barnardo's - Republic of Ireland Limited

## Statement of accounting policies *(continued)*

### **Fund accounting** *(continued)*

The balance of the unrestricted fund at the end of the year represents the assets held by the organisation for general use in the furtherance of its work. Transfers from unrestricted funds are made to meet the shortfall on restricted projects.

### **Pension costs**

#### *Defined Benefit Scheme*

Pension benefits are funded over the eligible employees' period of service by way of contributions to a defined benefit scheme.

A full actuarial valuation is undertaken every three years and its purpose is to advise on the future funding arrangements to be made in light of the Scheme's funding position as at the valuation date. Pension scheme assets are valued at market value. Pension scheme liabilities are measured using the attained age method using market-related assumptions that reflect reasonable expectations taking account of market conditions as at the valuation date.

In the financial statements, pension schemes have been accounted for in accordance with FRS 17. Pension scheme assets are valued at bid value. Pension scheme liabilities are measured, using the projected unit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any surplus, to the extent that it is considered recoverable, is shown as an asset on the balance sheet and any deficit is shown on the balance sheet as a liability. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses. The current service cost and past service cost of the defined benefit scheme and the expected return on assets, net of the change in the present value of the scheme liabilities arising from the passage of time, has been charged/credited to governance costs.

#### *Defined Contribution Scheme*

Pension benefits for members of this scheme are funded over the employees' period of service by way of contributions which are charged to the Statement of Financial Activities as they become payable.

### **Stock**

It is not considered practicable to value stock of unsold donated goods at the year end.

### **Operating leases**

Rentals in respect of operating leases are charged to the Statement of Financial Activities as incurred.

# Barnardo's - Republic of Ireland Limited

## Notes forming part of the financial statements

1 Voluntary income includes the following	2012	2012	2012	2011
	€000	€000	€000	€000
	Unrestricted	Restricted	Total	Total
<i>Fundraising activities</i>				
Major donors	70	-	70	80
Committed and cash giving	3,541	-	3,541	3,105
Corporate	691	-	691	1,041
Events and campaigns	787	32	819	931
Schools	58	-	58	-
<b>Total fundraising activities</b>	<b>5,147</b>	<b>32</b>	<b>5,179</b>	<b>5,157</b>
<i>Trusts and foundations</i>				
Atlantic Philanthropies	-	786	786	1,101
Other trusts	44	740	784	182
<b>Total trusts and foundations</b>	<b>44</b>	<b>1,526</b>	<b>1,570</b>	<b>1,283</b>
<i>Other donations, legacies and similar incoming resources</i>				
Legacies	60	-	60	37
Barnardos Training & Resource Centre	63	-	63	69
Other donations/fees	9	145	154	268
<b>Total donations, legacies &amp; similar incoming resources</b>	<b>132</b>	<b>145</b>	<b>277</b>	<b>374</b>
<b>Total voluntary income</b>	<b>5,323</b>	<b>1,703</b>	<b>7,026</b>	<b>6,814</b>

2 Income from trading activities	2012	2011
	€000	€000
	Unrestricted	Unrestricted
<b>The net result of shop operations is as follows:</b>		
Sales	1,156	1,126
Operating expenses	(1,004)	(1,005)
<b>Net shop cost</b>	<b>152</b>	<b>121</b>

It is not considered practicable to value stock of unsold donated goods at the year end. Due to the seasonal nature of the business, there would generally be two to three months of sales in stock at any point in time.

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

<b>3 Incoming resources for charitable activities</b>	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
	<b>Restricted</b>	<b>Restricted</b>
<i>Statutory Sources</i>		
HSE South Western Area	1,882	2,010
HSE Northern Area	1,595	1,693
HSE East Coast Area	620	649
HSE Mid-Western Area	1,642	1,743
HSE Midland Area	783	939
HSE Southern Area	450	431
HSE South Eastern Area	1,679	1,767
HSE North Eastern Area	276	295
	<hr/>	<hr/>
HSE Total	8,927	9,527
City of Dublin Vocational Education Committee	82	74
Dublin City Council	105	37
Department of Education and Science - Origins	409	643
Department of Education and Science – Other	183	219
Department of Environment, Community and Local Government	60	50
Family Support Agency	185	210
Office of the Minister for Children and Youth Affairs	159	245
Pobal (CCS)	452	546
Pobal (NCIP)	582	583
Pobal (NEYAI)	54	4
Pobal (Dormant)	10	18
Pobal (Other)	220	118
Department of Children and Youth Affairs (ECCE)	57	49
	<hr/>	<hr/>
	11,485	12,323
Service income from Guardian ad Litem	3,236	2,836
Other fees and grants	363	624
	<hr/>	<hr/>
	15,084	15,783
	<hr/> <hr/>	<hr/> <hr/>

\* Pobal capital grants of €63,503 were received in 2012.

# Barnardo's - Republic of Ireland Limited

Notes (continued)

<b>4 Investment income</b>	<b>2012</b>	2011
	<b>€000</b>	€000
	<b>Unrestricted</b>	Unrestricted
Deposit interest	<b>135</b>	198
	<u>          </u>	<u>          </u>

<b>5 Cost of generating funds</b>	<b>2012</b>	2011
	<b>€000</b>	€000
	<b>Unrestricted</b>	Unrestricted

**Fundraising expenditure can be analysed as follows:**

Major donors	<b>34</b>	44
Committed & cash giving	<b>1,672</b>	2,511
Corporate	<b>240</b>	273
Events & campaigns	<b>465</b>	518
Schools	<b>47</b>	-
	<u>          </u>	<u>          </u>
	<b>2,458</b>	3,346
	<u>          </u>	<u>          </u>

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

6(a) Resources expended for charitable activities Regions/services	Dublin		Dublin		Midlands region €000	Southern region €000	South Eastern region €000	Regional Childcare €000	National Office €000	2012 Total €000	2011 Total €000
	West region €000	North region €000	Dublin South region €000	Dublin region €000							
<i>Restricted</i>											
Family support	2,352	2,317	2,032	1,310	3,096	1,744	12,851	212	13,063	14,017	
BTRS	-	-	-	-	-	-	-	522	522	467	
GAL	-	-	-	-	-	-	-	2,434	2,434	2,061	
Bereavement	-	-	-	-	-	-	-	346	346	389	
Origins & PAS	-	-	-	-	-	-	-	549	549	791	
Garda vetting	-	-	-	-	-	-	-	144	144	135	
Advocacy	-	-	-	-	-	-	-	397	397	535	
Service design	-	-	-	-	-	-	-	532	532	802	
Research	-	-	-	-	-	-	-	464	464	372	
<b>Direct costs</b>	<b>2,352</b>	<b>2,317</b>	<b>2,032</b>	<b>1,310</b>	<b>3,096</b>	<b>1,744</b>	<b>12,851</b>	<b>5,600</b>	<b>18,451</b>	<b>19,569</b>	
Support costs	178	168	162	99	236	125	968	312	1,280	1,125	
<b>Total costs</b>	<b>2,530</b>	<b>2,485</b>	<b>2,194</b>	<b>1,409</b>	<b>3,332</b>	<b>1,869</b>	<b>13,819</b>	<b>5,912</b>	<b>19,731</b>	<b>20,694</b>	
<i>Unrestricted</i>											
BTRS	-	-	-	-	-	-	-	204	204	227	
<b>Direct costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>204</b>	<b>227</b>	
Support costs	-	-	-	-	-	-	-	11	11	11	
<b>Total costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215</b>	<b>215</b>	<b>238</b>	
<b>Total charitable expenditure</b>	<b>2,530</b>	<b>2,485</b>	<b>2,194</b>	<b>1,409</b>	<b>3,332</b>	<b>1,869</b>	<b>13,819</b>	<b>6,127</b>	<b>19,946</b>	<b>20,932</b>	



# Barnardo's - Republic of Ireland Limited

Notes (continued)

## 6(b) Activities included in support and governance costs

		2012 €000	2012 €000	2011 €000	2011 €000
	Cost drivers	Support costs	Governance costs	Support costs	Governance costs
Human resources	Head count	480	56	473	38
Finance	Expenditure	395	52	402	57
Information technology	No of PC's	187	22	179	21
Corporate	Head count	229	70	82	59
		<u>1,291</u>	<u>200</u>	<u>1,136</u>	<u>175</u>

## 7 Staff costs

The average weekly number of employees, including part-time staff, but not including volunteers, during the year was 396 (2011: 408).

	2012 €000	2011 €000
Staff costs comprises:		
Wages and salaries	14,224	15,071
Social welfare costs	1,461	1,543
Pension costs	500	551
	<u>16,185</u>	<u>17,165</u>

Staff activities are as follows:

	2012 Number	2011 Number
Direct charitable activities	339	351
Support costs	23	24
Generating funds shops	13	12
Generating funds fundraising	14	14
Governance costs	7	7
	<u>396</u>	<u>408</u>

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

### 7 Staff costs (continued)

The number of higher paid employees was:	2012 Number	2011 Number
€80,000 - €90,000	3	3
€90,000 - €100,000	2	3
€100,000 - €110,000	-	1
€110,000 - €120,000	1	1
	<u>6</u>	<u>8</u>

Remuneration includes basic pay and excludes employer pension and PRSI contributions.

### 8 Board member expenses

No member of the Board receives payment other than the reimbursement of expenses incurred which were under €1,000 in total for both 2012 and 2011.

### 9 Other resources expended

Other resources expended represents costs associated with the restructuring programme (predominantly redundancy costs) which is expected to be substantially complete by end 2013.

	2012 €000	2011 €000
Regional childrens services	521	-
Central childrens services	141	-
Support services, administration and fundraising	470	-
	<u>1,132</u>	<u>-</u>

### 10 Net incoming resources for the year

	2012 €000	2011 €000
This is arrived at after charging/(crediting):		
Auditor's remuneration	31	32
Depreciation	489	467
Amortisation of grants	(225)	(234)
Operating leases – primarily land and buildings	552	565
Realised gain on the disposal of a property	-	(31)
	<u>847</u>	<u>800</u>

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

11 Tangible fixed assets	Properties €000	Furniture, fittings and equipment €000	Computers €000	Motor vehicles €000	Total €000
<i>Cost - At 1 January 2012</i>	11,147	1,903	200	453	13,703
Additions	16	21	-	32	69
Disposals	-	-	-	(32)	(32)
<b>At 31 December 2012</b>	<b>11,163</b>	<b>1,924</b>	<b>200</b>	<b>453</b>	<b>13,740</b>
<i>Depreciation</i>					
At 1 January 2012	3,886	1,612	200	358	6,056
Charge for the year	233	183	-	73	489
Disposals	-	-	-	(32)	(32)
<b>At 31 December 2012</b>	<b>4,119</b>	<b>1,795</b>	<b>200</b>	<b>399</b>	<b>6,513</b>
<i>Net book amounts</i>					
At 31 December 2012	7,044	129	-	54	7,227
At 31 December 2011	7,261	291	-	95	7,647
<i>Capital grants</i>					
At 1 January 2012	5,351	355	-	411	6,117
Additions	130	-	-	-	130
Disposals	-	-	-	(32)	(32)
<b>At 31 December 2012</b>	<b>5,481</b>	<b>355</b>	<b>-</b>	<b>379</b>	<b>6,215</b>
<i>Capital grants - amortisation</i>					
At 1 January 2012	613	278	-	322	1,213
Charge for the year	135	51	-	39	225
Disposals	-	-	-	(32)	(32)
<b>At 31 December 2012</b>	<b>748</b>	<b>329</b>	<b>-</b>	<b>329</b>	<b>1,406</b>
<i>Net book amounts</i>					
At 31 December 2012	4,733	26	-	50	4,809
At 31 December 2011	4,738	77	-	89	4,904
<i>Net book amounts - fixed assets net of capital grants</i>					
At 31 December 2012	2,311	103	-	4	2,418
At 31 December 2011	2,523	214	-	6	2,743

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

<b>11 Tangible fixed assets (continued)</b>	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
<i>Freehold and leasehold properties – carrying value net of unamortised grants</i>		
Freeholds	912	1,012
Long leaseholds (over 50 years)	1,378	1,484
Short leaseholds (50 years and under)	21	27
	<hr/>	<hr/>
	<b>2,311</b>	<b>2,523</b>
	<hr/> <hr/>	<hr/> <hr/>

The following capital grants become repayable to the funders under certain circumstances

1: Family Support Centre, Thurles - €150,000 becomes repayable to the HSE in the event of the assets being disposed of before 2023.

2: Family Support Centre in Mullingar - €300,000 becomes repayable to the HSE in the event of the asset being disposed of, unless replaced by a mutually agreed premises.

3: Brighter Futures Centre in Knocknaheeny - €1,188,236 becomes repayable to Pobal and €988,403 becomes repayable to Cork City Council in the event that the centre ceases to be used for the purpose of the grant.

4: Mulhuddart - €325,000 of the NCIP grant becomes repayable if the project/service is not operated for a minimum of 15 years from December 2011.

## 12 Term deposits and short-term deposits

€1,395,000 (2011: €1,352,000) relates to funds invested in fixed term interest bearing deposits with financial institutions with a maturity of greater than 1 year.

€2,959,000 (2011: €3,401,000) relates to funds invested in fixed term interest bearing deposits with financial institutions with a maturity of between 60 days and 365 days.

<b>13 Debtors (amounts falling due within one year)</b>	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Trade debtors	1,194	1,336
Other debtors	25	19
Prepayments and accrued income	101	200
	<hr/>	<hr/>
	<b>1,320</b>	<b>1,555</b>
	<hr/> <hr/>	<hr/> <hr/>

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

<b>14 Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Trade creditors	937	1,119
Other creditors	146	39
Accruals	709	477
Deferred income	721	1,229
	<hr/>	<hr/>
	<b>2,513</b>	<b>2,864</b>
	<hr/>	<hr/>

<b>Movements in deferred income</b>	<b>Non-Statutory deferred</b>	<b>Statutory deferred</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
Released from prior year	(440)	(789)	(1,229)
Deferred in the current year	144	577	721

Funds already received in relation to future years but not yet expended are shown in creditors as deferred income.

<b>15 Provision for liabilities</b>	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
At beginning of year	110	186
(Released)/charged in the year	667	(76)
	<hr/>	<hr/>
At end of year	777	110
	<hr/>	<hr/>

The provision relates to legal cases and costs associated with the restructuring programme.

<b>16 Statement of movement in funds</b>	<b>Unrestricted fund</b>	<b>Restricted fund</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
Balance at beginning of year	6,409	598	7,007
Net outgoing resources – after transfers	(947)	(392)	(1,339)
Actuarial loss on pension scheme (note 18)	(444)	-	(444)
	<hr/>	<hr/>	<hr/>
Balance at end of year	5,018	206	5,224
	<hr/>	<hr/>	<hr/>

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

### 16 Statement of movement in funds (continued)

The movement in funds classified in accordance with the organisation's accounting policies are as follows:

Regions/services	Dublin		Dublin		Dublin		Midlands		Southern		Eastern		South		Regional		Central		Services		Total	
	West region	North region	South region	Dublin	South region	Midlands	Southern	Eastern	region	region	region	region	region	region	Childcare	Childcare	Services	Services	Services	Services	Services	Total
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
<b>Restricted</b>																						
Opening balance	26	-	-	-	-	39	-	-	-	-	65	-	-	-	65	-	-	-	-	-	533	598
Income	2,064	1,942	1,942	1,942	1,544	1,068	3,129	1,799	1,799	11,546	5,241	16,787	16,787	16,787	16,787	16,787	16,787	16,787	16,787	16,787	16,787	16,787
Charitable activities costs	(2,530)	(2,485)	(2,485)	(2,485)	(2,194)	(1,409)	(3,332)	(1,869)	(1,869)	(13,819)	(5,912)	(19,731)	(19,731)	(19,731)	(19,731)	(19,731)	(19,731)	(19,731)	(19,731)	(19,731)	(19,731)	(19,731)
Transfers	522	543	543	543	625	341	223	70	70	2,324	228	2,552	2,552	2,552	2,552	2,552	2,552	2,552	2,552	2,552	2,552	2,552
<b>Closing balance</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>116</b>	<b>90</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>
<b>Unrestricted</b>																						
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial loss on pension scheme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charitable activities costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of generating funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Governance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other resources expended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restricted and unrestricted</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>116</b>	<b>90</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>

Transfers relate to the funding of the organisation's charitable activities with available unrestricted funds.

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

<b>17 Reconciliation of outgoing resources to net cash flow from operating activities</b>	<b>2012</b>	<b>2011</b>	
	<b>€000</b>	<b>€000</b>	
Net outgoing resources	(1,339)	(1,506)	
Depreciation and impairment charge	489	467	
Amortisation of government grant	(225)	(234)	
Decrease/(increase) in debtors	235	(604)	
Increase/(decrease) in creditors	(351)	(454)	
(Decrease)/increase in provision for liabilities and charges	667	(76)	
Increase in pension liability	259	(18)	
Actuarial loss on pension scheme	(444)	(382)	
Interest earned	(135)	(198)	
	<hr/>	<hr/>	
<b>Net cash flow from operating activities</b>	<b>(844)</b>	<b>(3,005)</b>	
	<hr/> <hr/>	<hr/> <hr/>	
<b>18 Analysis of change in cash at bank, short term deposits and term deposits</b>	<b>2012</b>	<b>2011</b>	
	<b>€000</b>	<b>€000</b>	
Balance at beginning of year	5,693	8,308	
Net cash outflow	(648)	(2,615)	
	<hr/>	<hr/>	
<b>Balance at end of year</b>	<b>5,045</b>	<b>5,693</b>	
	<hr/> <hr/>	<hr/> <hr/>	
	<b>At</b>	<b>Cashflows</b>	<b>At</b>
	<b>1 January</b>	<b>during the</b>	<b>31 December</b>
	<b>2012</b>	<b>year</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
Term deposits	1,352	43	1,395
Short term deposits	3,401	(442)	2,959
Bank current accounts	940	(249)	691
	<hr/>	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b>5,693</b>	<b>(648)</b>	<b>5,045</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



# Barnardo's - Republic of Ireland Limited

## Notes (continued)

### 19 Pension fund

The company operates two pension schemes. The defined benefit pension scheme is open to employees who joined the organisation prior to 31 December 1999. This scheme has been closed to new members since that period and was replaced by a defined contribution pension scheme.

#### *Defined benefit scheme*

Contributions to the defined benefit scheme are assessed in accordance with the advice of an independent actuary on the basis of triennial valuations using the attained age method. The most recent actuarial valuation was conducted as at 1 September 2012. The Scheme funding level is currently 88.5% on a going concern basis as a result. The Scheme currently has insufficient assets to meet its minimum liability at discontinuance. Therefore the Scheme fails to satisfy the statutory minimum funding requirements under Pensions Act, 1990.

A Funding Proposal was submitted to the Pensions Board in December 2011 designed to enable the Defined Benefit Pension Scheme to satisfy the Funding Standard at 31 December 2018. The recommended contribution rate was 27% of pensionable salaries plus a fixed monthly contribution of €11,700 payable from 1 January 2012 until 1 December 2018. Since submission, while assets have performed very well, annuity costs have risen by over 10%. This has put the funding proposal under severe strain. However, allowing for reversion in annuity rates, it is the view of our actuaries that the current contributions are adequate, and that the funding proposal is on track. The FRS17 position is calculated using different assumptions as prescribed in FRS17. The FRS17 assumptions should not be used to assess the funding position of the scheme.

The financial assumptions used to calculate the scheme liabilities under FRS 17 using the Projected Unit Method are as follows:

	2012	2011	2010
Inflation rate	2.00%	2.00%	2.10%
Discount rate	3.60%	4.40%	4.50%
Expected return on assets over the next year	3.83%	4.25%	5.96%
Expected rate of salary increases	3.50%	3.75%	3.85%
Rate of pension increases in payment	0.00%	0.00%	0.00%
Rate of pension increases in deferment	2.00%	2.00%	2.10%

It is assumed that scheme members will withdraw on average 12.5% of their fund on retirement (2011: 12.5%).

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

### 19 Pension fund (continued)

The expected long-term rate of return on the assets of the scheme are as follows are:

	2012	2011	2010
Equities	6.50%	7.00%	7.30%
Bonds	2.50%	3.00%	3.70%
Other	5.50%	6.00%	5.50%
Property	5.50%	6.00%	6.30%
Cash	2.00%	2.00%	2.10%

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the values of the liabilities in the defined benefit plan are as follows:

	2012 Years	2011 Years
<b>Longevity at age 65 for current pensioners:</b>		
Male	21.8	21.7
Female	23.5	23.4
<b>Longevity at age 65 for members aged 45:</b>		
Male	23.6	23.5
Female	25.4	25.3

The calculation of the defined benefit obligation is sensitive to the mortality assumptions set out above. As the actuarial estimates of mortality continue to be refined, an increase in one year in the lives shown above is considered reasonably possible in the next financial year. The increase of this change would be an increase in the employee benefit liability by €206,000.

Based on these assumptions the following table sets out the market value of the defined benefit schemes together with details of the expected long term rates of return used to generate the amount shown in the profit and loss account. It also shows the most recent valuation of the scheme liabilities updated for movements in financial assumptions.

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

### 19 Pension fund (continued)

The net pension deficit is analysed as follows:	2012 €000	2011 €000	2010 €000
Equities	3,763	3,310	4,984
Bonds	2,825	2,539	1,435
Other	1,282	1,202	1,258
Property	226	227	243
Cash	1,239	1,416	750
AVCs	87	282	430
	<hr/>	<hr/>	<hr/>
Total market value of assets	9,422	8,976	9,100
Actuarial value of scheme liabilities	(9,604)	(8,704)	(8,698)
AVCs	(87)	(282)	(430)
	<hr/>	<hr/>	<hr/>
Deficit in scheme	(269)	(10)	(28)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The following amounts have been recognised in the statement of financial activities and income and expenditure account.

	2012 €000	2011 €000
<i>Charged to expenditure</i>		
Current service costs	90	130
<i>(Credited)/charged to other finance income</i>		
Interest on pension scheme liabilities	383	391
Expected return on scheme assets	(366)	(509)
Past service gain	(49)	(49)
	<hr/>	<hr/>
Total charge/(credit) in statement of financial activities and income and expenditure account	58	(37)
	<hr/> <hr/>	<hr/> <hr/>

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

### 19 Pension fund (continued)

The following amounts have been recognised in the statement of total recognised gains and losses:

	<b>2012</b>	2011
	<b>€000</b>	€000
Difference between actual and expected return on assets	460	(404)
Experience gain on schemes liabilities	132	101
Effect of changes in actuarial assumptions	(1,036)	(79)
	<hr/>	<hr/>
Actuarial loss recognised in the statement of total recognised gains and losses	(444)	(382)
	<hr/> <hr/>	<hr/> <hr/>
Movements in deficit during the year:	<b>2012</b>	2011
	<b>€000</b>	€000
Deficit in scheme at beginning of year	(10)	(28)
Contributions paid	243	363
Current service costs	(90)	(130)
Other financial credit	32	167
Actuarial loss	(444)	(382)
	<hr/>	<hr/>
Deficit in scheme at end of year	(269)	(10)
	<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of change in value of scheme liabilities in the year</b>	<b>2012</b>	2011
	<b>€000</b>	€000
Scheme liabilities at start of year	8,986	9,128
Interest cost	383	391
Current service cost (net of member contributions)	90	130
AVC contributions	12	23
Change in value of AVCs	(207)	(171)
Actual member contributions	22	34
Actual benefit payments by the fund	(450)	(478)
Loss on change of assumptions	1,036	79
Experience gain	(132)	(101)
Past service gain	(49)	(49)
	<hr/>	<hr/>
Scheme liabilities at end of year based on end of period assumptions	9,691	8,986
	<hr/> <hr/>	<hr/> <hr/>

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

<b>19 Pension fund (continued)</b>	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
<b>Reconciliation of changes in value of assets in the year</b>		
Market value at beginning of year	8,976	9,100
Actual total benefit payments	(450)	(478)
Actual contributions – company (including benefits paid by the company)	243	363
AVC contributions	12	23
Change in value of AVCs	(207)	(171)
Actual contributions – members	22	34
Expected return on assets	366	509
Gain/(loss) on assets	460	(404)
	<hr/>	<hr/>
<b>Market value at end of period</b>	<b>9,422</b>	<b>8,976</b>
	<hr/> <hr/>	<hr/> <hr/>

The company expects to contribute €184,000 to its defined benefit pension plan in 2013.

### *History of actuarial gains and losses*

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Gain/(loss) on scheme assets	460	(404)	346	943
% of scheme assets at end of year	4.88%	(4.50%)	3.80%	11.81%
Experience gain on scheme liabilities	132	101	304	264
% of scheme liabilities at end of year	1.36%	1.12%	3.33%	3.22%
Total actuarial (loss)/gain recognised in STRGL	(444)	(382)	(226)	3,429
% of scheme liabilities at end of period	(4.58%)	(4.25%)	(2.47%)	41.88%

# Barnardo's - Republic of Ireland Limited

## Notes (continued)

### 20 Commitments

Operating lease commitments payable during the next twelve months amount to €400,072 (2011: €527,396) and are payable in relation to equipment and property leases which expire as follows:

	Plant & equipment €000	Land & buildings €000	Total €000
Within one year	7	128	135
Within two to five years	42	146	188
After five years	1	76	77
	<hr/>	<hr/>	<hr/>
	50	350	400
	<hr/>	<hr/>	<hr/>

### 21 Comparative amounts

Comparative amounts have been regrouped, where necessary, on the same basis as the current year.

### 22 Joint venture

During 2008, the company established a joint venture company, Partners in Education Limited together with the Congregation of Sisters of Bon Secours of Paris in Ireland. Partners in Education Limited was a company incorporated in the Republic of Ireland with its registered office at 4 Christchurch Square, Dublin 8. The principal activity of the company is to run a service in Knocknaheeny, Cork known as "Brighter Futures". The company had charitable status and was operated on a not-for-profit basis. During 2012, Barnardos began the process of voluntarily striking Partners in Education Limited off the company register. It was officially struck off the register on 24 February 2013.

### 23 Related party transactions

The directors consider that Partners in Education Limited was a related party of Barnardos by virtue of the shareholding in that company.

Barnardos provided administrative services to Partners in Education Limited at €nil cost and handles all of the transactions and accounting records on behalf of the company.

Partners in Education Limited was voluntarily struck off the company register on 24 February 2013.

# Barnardo's - Republic of Ireland Limited

Notes *(continued)*

## **24 Guarantee liability**

The members of the company are those who are directors. The guarantee of each member of the company is limited to €1.27.

## **25 Approval of financial statements**

The directors approved the financial statements on 11 April 2013.