



LISTENING TO CHILDREN



2016 Annual Report and
Financial Statements


Barnardos

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Chairman's Statement

It was Jim Henson who invented two of my favourite people, Statler and Waldorf, in the Muppet Show. He must have been a man who understood the magic and mystery of childhood more than most, because his work can turn grown men and women back into children again in an instant.

In his book, "It's Not Easy Being Green" Henson said, "Kids don't remember what you try to teach them. They remember what you are."

When I visit Barnardos projects and see Barnardos people at work, that sentiment is easy to understand. Children are made welcome in a Barnardos centre. More than that, they're respected. A Barnardos centre is a place where people work alongside children, helping them to grow, building confidence, encouraging them to express themselves. You can actually see potential flourishing in the warm and friendly surroundings.

I know the work can be demanding and painstaking. Children whose lives have been affected by disadvantage can struggle to trust grownups sometimes, apart from their Mum and Dad. But when I asked one of the staff in one centre did she ever get tired, she said "how could you? You might work for weeks to encourage a little boy to talk and interact and suddenly it all pours out of him in a torrent of energy and fun and smiles".

That payback is why Barnardos people work so hard. And it's why we fight for children through our advocacy work. We believe in children, and we believe passionately that investing in children is not just the right thing to do, but it makes real economic sense.

We couldn't do what we do without brilliant people working in Barnardos. Alongside them are all the volunteers who give so much of their time, and all the people who raise or donate money to help us transform young lives for the better. For my own part I have been honoured this past year to work with a Board that is utterly professional and dedicated, and with a team of people who are second to none. For all of us in Barnardos, children matter most.



David Begg
Chairman



CEO Review

Wasn't 2016 a year worth reflecting on? A year we celebrated the Proclamation of Independence. A year we were proud to be Irish. For us in Barnardos, a year when we worked with more children and their families than ever before.

But here's the thing. In 2016, some of those children lived in hotels, and in other emergency accommodation. 2016 was the year in which "children" and "homelessness" began to appear in the same sentence on a depressingly regular basis. With each passing month, the numbers grew.

Children need safety, and security, and a sense of stability in their lives. They are preconditioned to emotional growth and development. Homelessness steals those things away. Without them, childhood can be a threatening place for a child.

But 2016 was also the year in which we were told to celebrate an economic recovery. House prices started to rocket again and yes, more people were back in work. But even though incomes grew a bit, the harsh reality is that children remain very much a secondary focus of public policy.

At the end of the year, when the child poverty figures were published, it remained a source of shame that so many of our children live without the basics of a happy and well-nourished childhood. Enough children to fill Croke Park and the Aviva Stadium combined live in consistent poverty still. When you reflect, you realise that celebrating the Proclamation needs to mean more than marching bands and fine speeches.

What we discovered, when the Celtic Tiger collapsed, was that almost the first thing to be cut was the investment in necessary services to help children grow and develop. Waiting lists grew, and potential was robbed. Children who need speech therapy, or who are having trouble hearing, can't wait. There's a moment when it's possible to prevent damage, and that moment passes quickly. Then you have to invest twice as much – or more – in repairing damage.

But when the economy started to grow again, we made another discovery. Services and systems for children were the first things to be cut, and the last things to be re-invested in. The system which is there to protect children from harm is still under-funded. The waiting lists for everything are still unacceptably long.

Despite all that, the thing that shines out from our work with children and families is their resilience. In our forty projects around the country, the people who work in Barnardos work alongside families who may be struggling materially, or who are coping with a multiplicity of personal issues. But the thing we hear when we listen to families, again and again, is that they want only the best for their children.

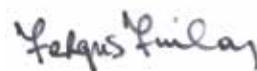
All of us in Barnardos have one thing in common. We go to work because every day, there's a child who needs us. And that's true whether we work directly with children, or whether we work in the backroom – in finance, IT, fundraising, or human resources.

I've worked for Barnardos for more than ten years now. In my entire career I've never worked alongside more determined people – determined to make a difference in thousands of young lives. The quality of their work matters fiercely to them, as does the reputation of our organisation. We invest in both to the maximum extent possible.

It will be clear from other sections of this Review that we are coming to the end of a five-year strategy, and are poised to launch the next phase. We want to expand the reach and impact of our services; we want to raise our voice on behalf of the children we work with; we want to challenge society while supporting children.

It's a tall order. But we were immensely thankful, throughout the year, for massive support from the people of Ireland, and from many of its businesses. A significant and generous legacy, from the late Brendan McGonnell, has made it possible for us to end the year in a strong financial position, and begin investment now in those challenges.

The people who work in Barnardos, and the hundreds of people who volunteer alongside us, are ready to face another year of challenge. We know the difference our work makes, and we intend to be there, as much as we possibly can, for the thousands of children who need us.



Fergus Finlay
Chief Executive



Directors' Report: Structure, Governance and Risk Management

The members of the Board hereby present their annual report and the financial statements for the year ended 31 December 2016.

Structure

Barnardos - Republic of Ireland Company Limited by Guarantee (Barnardos) is an Irish company incorporated under the Companies Act 2014, on 13 March 1989. It is a company limited by guarantee registered under part 18 of the Companies Act, 2014 and does not have a share capital. It is governed by a memorandum and articles of association, which were last amended at the Annual General Meeting on 6 July 2016.

Barnardos' Board, Officers and Management

Barnardos is governed by members of the Board who are elected for three-year terms, which are renewable once (a total of six years). The Directors, who are non-executive, represent a diverse range of relevant expertise. The Board meets an average of six 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. The Board committees in place are the Audit and Risk Committee, Finance Committee, Nominations Committee, Remuneration Committee and Services Committee.

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.

No member of the Board received payment or reimbursement of expenses for 2016, 2015 or 2014. One board member was a previous employee of Barnardos and is now in receipt of a Barnardos pension relating to that employment.

Board Members 2016

David Begg	Chairperson	6/6
Alan Crosbie	Vice Chairperson	5/6
Gerry Murphy	Treasurer	5/6
Grainne Burke		5/6
Jane Forman	(appointed April 2016)	5/6
Miriam Hughes		4/6
Ursula Kilkelly	(resigned Feb 2016)	0/6
Helen Kelly		5/6
John Lonergan	(retired July 2016)	2/6
Leonie Lunny	(resigned December 2016)	4/6
Gary McGann		3/6
Phelim O'Leary		4/6
John O'Reilly		5/6

Meeting Attendance

Company Secretary

Niamh Kavanagh (to August 2016)
Dianne Moore (from August 2016)

Executive Management Team

Chief Executive	Fergus Finlay
Director of Children's Services	Suzanne Connolly
Director of Finance	Deirdre Kiely (to August 2016)
	Dianne Moore (from August 2016)
Director of Fundraising and Marketing	Ruth Guy
Director of Support Services	Jacki Conway

Audit and Risk Committee

The role of the Audit and Risk Committee is to keep under review the adequacy, scope and effectiveness of accounting and internal control systems of all activities carried out by Barnardos. This Committee is chaired by a Board member and should consist of at least two other members, one with children's services experience and another with financial experience. The Committee meets four times a year in advance of Board meetings. The CEO is in attendance along with required members of the Executive Management Team.

Audit Committee

John O'Reilly	Chairperson
Peter Stewart	Resigned April 2017
Helen Kelly	
Jennifer Gargan	Appointed April 2017
Michael Shelley	Appointed April 2017

Finance Committee

The role of the Finance Committee is to keep the financial management of Barnardos under review. This Committee consists of one Board member who is the Treasurer and at least two other members who have financial experience. They meet five times a year in advance of Board meetings. The CEO is in attendance along with required members of the Executive Management Team.

Finance Committee

Gerry Murphy	Chairperson
Martin Dobey	
Ivan Fox	

Nominations Committee

The role of the Nominations Committee is to monitor, review and evaluate the structure, size and composition of the Board and its Sub Committees, making recommendations to the Board in this regard. This Committee consists of a minimum of two Board members, one of whom is the Chairperson. This Committee meets as required, given Board and sub-committee requirements. The CEO is in attendance along with required members of the Executive Management Team.

Nominations Committee

David Begg	Chairperson
Alan Crosbie	
Miriam Hughes	

Remuneration Committee

The role of the Remuneration Committee is to consider the remuneration of the Chief Executive and members of the senior management team as well as to set the pay policy for all staff and agree the basis for any annual increases in pay. This Committee was set up in October 2016 and consists of at least three Board members. It meets at least once a year and at whatever other times the Committee deems appropriate.

Remuneration Committee

David Begg	Chairperson
Alan Crosbie	
Miriam Hughes	
Gary McGann	

Services Committee

The role of the Services Committee is to keep under review the management of services in Barnardos. This Committee consists of one Board member and at least two other members, all with practice, service design or evaluation expertise. It meets three times a year in advance of Board meetings. The CEO and Director of Children's Services are fixed attendees.

Services Committee

Grainne Burke	Chairperson
Tony Crooks	Resigned March 2017
Jane Forman	
Stephanie Holt	Appointed November 2016
Marie Kennedy	
Leonie Lunny	Resigned December 2016
Colette McLoughlin	

Governance

In Barnardos, accountability and transparency are vitally important in everything that we do. We publish our financial accounts annually and have always done so. They are prepared in accordance with UK best practice Statement of Recommended Practice (SORP) in the absence of statutory reporting standards for charities in Ireland.

We provide a 24 hour press office and respond to all queries with honesty and integrity. Our annual reports dating back to the year 2000 are available on our website www.barnardos.ie. We have always lodged our reports with the Companies Registration Office (CRO).

We comply fully with "The Governance Code", a code of practice for good governance of community, voluntary and charitable organisations in Ireland. The Governance Code is principles-based and voluntary. It has been designed by the sector, for the sector. We review as required to ensure continued compliance. (Visit www.governancecode.ie)

We welcome the progress to date of the Charity Regulatory Authority on the phased implementation of the Charities Act 2009 and Barnardos will continue to ensure full compliance with all requirements. We fully support the establishment of a consultative panel on the governance of charitable organisations and we intend to contribute to that debate.

Accounting Records

The Board Members believe that they have complied with the requirements of Section 281 to 285 of the Companies Act, 2014 with regard to accounting records by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at Barnardos National Office, Christchurch Square, Dublin 8.

These documents are prepared in accordance with the Companies Act, 2014 and, voluntarily in the absence of statutory reporting standards for charities in Ireland, in accordance with international best practice [Charities SORP (FRS 102)] 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.

Going Concern

Based on the results for the year, the year end financial position and the approved 2017 budget, the Board of Directors believes that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board continues to adopt the 'going concern' basis in preparing the financial statements.

Political Contributions

There were no political contributions in 2016 (2015: Nil), and as a result no disclosures are required under the Electoral Act, 1997.

Post Balance Sheet Events

There have been no events subsequent to the year end that require any adjustment to or additional disclosure in the 2016 financial statements.

Disclosure of Information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG, Chartered Accountants have expressed their willingness to remain in office and, in accordance with Section 383(2) of The Companies Act, 2014, KPMG, Chartered Accountants will continue in office.

Risk Management

Barnardos works with children, young people and families experiencing the effects of disadvantage. The nature of this work means that we take on a medium to high level of risk in our core activity. We aim to minimise this through our ongoing risk assessment process and controls, including the need to ensure our work is appropriately resourced, across our identified areas of risk.

The Audit and Risk Committee examines the effectiveness of the systems of internal operational and financial control annually and confirms the operating effectiveness of those systems to the Board. The key components of Barnardos' internal control and risk management environment include the following:

- An approved plan and annual budget against which progress is reported on a regular basis, including monthly financial reporting of actual results compared with budgets and forecasts.
- Regular reviews across all areas of our operations with the results of each review reported to management and, via the Audit and Risk Committee, to the Board.
- Key policies on whistleblowing, usage of IT, and in relation to child protection, health and safety, and complaints and reporting of same.
- Formal consideration by the Board of an annual risk assessment in which the effectiveness of the charity's financial and operational internal controls have been reviewed.

Barnardos operates a risk-management process culminating in a corporate risk register that identifies the top risks, their likelihood and impact, and the consequent actions necessary to manage them effectively. Corporate risks and mitigating actions are regularly scrutinised at each Audit

and Risk Committee meeting and by senior management and the Board. The principal operational and financial risks that we have identified that could have a serious potential impact on performance, future prospects or reputation are as follows:

- Abuse of a child within our services
- Poor quality of service delivery to children and families
- Insufficient funding
- Inadequate financial controls
- Reputational damage
- Poor business planning
- Breaching regulation or legislation
- Failure to deliver on mission and vision

Our risk register is underpinned by an annual plan of external and internal audits. Audits/reviews in 2016 were carried out in the areas of:

- Case file review of Active Case Management.
- External financial audit, three internal finance audits, one shop spot check
- A HSE audit took place in 2015 and the report was received in 2016 relating to Tusla funding from 2012 - 2014
- A Pobal audit took place in 2016 and the report was received in 2016 for a number of grants between 2014-2015 totaling €2m
- IT Disaster Recovery Tests
- One HR audit, one H&S audit and one CCTV audit

Vetting

Barnardos are fully compliant with the obligations of the National Vetting Bureau (Children and Vulnerable Adults) Act, 2012 which was commenced in April 2016. Barnardos applies Child Protection policies, which are based on Children First 2011 and best practice recruitment policies and procedures. Barnardos continues to advocate externally for the enactment of the Children First Guidelines into legislation.

Barnardos operates a Vetting Service which acts as a clearing house for Garda vetting applications to the Central Vetting Unit for external child care providers covered by the Pre-school Regulations; for organisations hosting children under Ireland's Bilateral Agreement with the Republic of Belarus; and for other organisations providing services to children who are not registered with the Central Vetting Unit. We have been providing a service on behalf of the Department of Children and Youth Affairs since October 2007. In 2016 Barnardos Vetting Service processed 8254 applications.

Reserves

In accordance with recommended best practice, each charity should have a reserve policy. Barnardos free reserves at 31 December 2016 are €4.9m, approximately 10 weeks of budgeted operating costs. This is in line with Barnardos policy.

Darren

Each year Barnardos works with thousands of children to help change their lives. Darren is just one of them...

Darren is five years old. When he was three, he was expelled from a mainstream pre-school. Without the necessary resources to deal with what they saw as challenging behaviour from a 'bold child', his second pre-school also asked him to leave. And so did the third. At only three years of age Darren had been given up on. Not once, but three times. His mum and dad were desperate - they turned to Barnardos for support.

Following an assessment of Darren's needs he began to attend Barnardos' specialist pre-school and early education programme. This service puts children who need individual support at the centre of its approach, supporting them in all areas to bring their development on a par with their peers and enable them to begin mainstream national school.

Karen, Darren's key worker, identified that he needed urgent help to manage his destructive behaviour. When he first came to Barnardos he would run wild, full of an intense energy, spinning through all the rooms and corridors in the project centre, levelling or upending anything in his path, knocking over toys and chairs and banging into staff. Karen called Darren her "miniature tornado". It was clear there was a lot of work to be done.

With careful planning, patience and a tailored approach to his individual needs, Darren's behaviour slowly began to change as he continued to attend the Barnardos pre-school. He thrived on the routine and approach in the Barnardos pre-school programme. Karen worked with Darren to help him understand and manage his behaviour. Like a storm lifting, the fierce intensity of his energy that we first witnessed wreaking havoc through our project centre eventually ebbed to reveal a resilient, helpful and polite young child. Bright with intellect, Darren was as Karen described, just "aching to learn".

Through Barnardos Partnership with Parent's programme, we began working with Darren's Mum and Dad to help them better understand and meet his needs. This provided consistency between home and pre-school. Darren responded well, his behaviour at home eventually settling. Darren's development and behaviour are now on par with his peers. He was ready to move on and we are delighted that he made a smooth transition to national school at the beginning of September.



Darren thrived on the routine and approach in the Barnardos pre-school programme. His development and behaviour are now on par with his peers.

Objectives, achievements, and plans for future periods

Barnardos vision is an Ireland where childhood is valued and all children and young people are cherished equally. Our mission is to challenge and support communities, society, and the Government to make Ireland the best place in the world to be a child, focusing specifically on children and young people whose wellbeing is under threat.

This year we saw our 2011-2016 Strategic Plan draw to a close. That plan put our mission at the heart of our organisation informing everything we have done over the past decade. It had three overarching objectives:

- To drive transformation of the State's response to children's rights, child protection, child poverty, and educational disadvantage
- To ensure that significantly more children living in disadvantage have access to prevention and early intervention services in their communities as part of a holistic response to their needs, and
- To build the financial resilience of the organisation in order to achieve our key objectives.

We focused heavily on transforming our services and our advocacy to support this. Our outcomes for children over the period were:

- Improved learning and development
- Increased emotional well-being
- Improved children's rights to ensure their welfare and protection

Over that decade we have contributed to and achieved some significant successes for children:

- The Children's Rights Referendum
- Reached more children and parents with high quality services
- Positioned Barnardos as a strong advocate for children and young people
- Ensured that children are on the political agenda
- Seen evidence in the general discourse of greater political traction and acknowledgement of prevention and early intervention methods.
- Been a key sectoral player and partner across a range of activities
- Maintained high staff engagement to ensure quality and committed work for children and their families

Achievements of note for the year of 2016 are reported in other sections of the Review.

However, there is still a lot more to do – Ireland is not yet a country *where childhood is valued and all children and young people are cherished equally*. An Ireland where 1 in 9 children are living in consistent poverty, and where women and children are worst affected by the recent recession, is our reality and falls far short of our vision. Child protection and educational disadvantage continue to be challenging areas. Consistent, coherent, and timely delivery of services to children who need them

is still poor and there is little traction on cash versus services provision debate as evidenced in recent budgets.

In late 2016 we took this experience, along with our insight and learning, and in conversation with others, started to create a new five-year strategy to commence in 2017. This strategy will build on the successes of our last strategy and on the lessons learnt. Barnardos will continue to focus on achieving the best outcomes for children in Ireland, working with them and their families through both our services and our advocacy on their behalf.

Our core service model is and will continue to be delivering community based services tailored to meet the needs of children and their parents. We want to work in any disadvantaged community where we are required. We will continue to be the provider of choice for Tusla - Child and Family Agency, other funders and the public through consolidation of Barnardos position in locations where we already exist and we want to have the capacity to respond to new opportunities.

We do not only want to work at the higher end. Prevention and early intervention is strategically important to us and is a priority investment area in decisions about the use of our voluntary funds.

We will develop our Services strategy in line with our capacities and

expertise and we will retain our focus on needs led, evidence informed and outcome focused work.

Our advocacy perspective is that the political system lacks capacity for long term planning and we need to add to our approach to address this. Political cycles are short and the political system moves slowly. Consistent and coherent implementation of solutions nationally to address the issues is still poor. This means we need a different advocacy and communications approach, where our focus is on changing hearts and minds and is more compelling.

Our primary objective is to generate positive and specific perceptions amongst the general public in order to achieve certain strategic goals.

We want to:

- Broaden our appeal and reach from disadvantaged children to all children in the context of the vulnerability of children and their needs
- Mobilise public pressure for campaigning and generate more public affinity and empathy

Our intention is to make demands, and campaign in order to achieve a cultural and political shift in the discourse and debate about what we aspire for every child in Ireland; every parent in Ireland. Our mission is to transform children's lives through our services, empower and support parents, and challenge society where it fails our children. Our new strategy

will be launched mid 2017.

While this strategy is focusing on the next five years, we have an ambitious vision of an Ireland where every child's hope and potential is nurtured and where childhood is actually valued by our society. We recognise that this entails breaking the cycle of poverty and inequality which belongs to a longer timescale. This next five years for Barnardos is a step on that path.

Children's Services Review

Introduction

Barnardos' services to children and families are situated in the heart of local communities. We provide a range of services to children and their parents, which include individual work with children and with parents, working with them together and also providing groupwork. All of our services work to improve the lives of children and their parents so that they can continue to thrive long after our work with them is completed.

Our services

Barnardos provides seven early intervention services for children, 23 Family Support projects and four Teen Parents programmes. We also provide a range of specialist programmes such as a Guardian ad Litem service, a Post Adoption Service, Barnardos Bereavement Counselling Service, Roots of Empathy (a school based programme delivered in the classroom) and Wizards of Words (a paired reading programme in which older volunteers read with children aged 7-9).

A key part of our service portfolio is Barnardos Partnership with Parents programme which provides individual home based one-to-one work with parents, tailored to meet their specific needs as parents. We also provide a range of tailor made supports to families, such as the Homemaker service, Home Maintenance, Crisis Intervention and Brief Intervention services. We also offer specific group

work programmes to children such as Friendship Group, Seasons for Growth and for parents we offer Triple P (Positive Parenting Programme), Incredible Years, PEEP (Parent and Toddler Early Education) and Parents Plus, in partnership with other agencies.

2016 Highlights

- We asked children, young people and parents who attend our services to tell us about their experience of Barnardos (see page 30). They told us how Barnardos services helped them, what they might change about Barnardos services and how they thought Barnardos could help more children. 143 children and young people and 100 parents participated. Children and parents said that they really value the services they receive in Barnardos and can clearly name how Barnardos helps them. Participants also gave some very useful suggestions in terms of improving the service we offer.
- We finalised the service design for our Birth-2 parenting support programme (a one-to-one intensive home-based parenting programme based on our Partnership with Parents programme) which consists of 16 activities geared specifically towards parents of babies. We undertook a five month pilot in which nine parents with children between four and 18 months took part. The parents were very engaged in the programme and positive about the impact it had on their parenting. The programme will be rolled out to all our Family Support projects in 2017.
- The Roots of Empathy programme reached over 4,000 children – an increase on the 2015 figure of 500 children. A further 36 trainers were trained, bringing the total number of instructors to approximately 100. We are delighted to be delivering the programme in Killarney, an area where Barnardos didn't previously provide services.
- We developed guidelines in relation to our *parent & toddler service provision*. These guidelines identify the core components of parent and toddler groups and provide a theoretical framework for projects to plan and deliver groups which meet the needs of children and parents, and are tailored to the developmental stage of the child.
- We opened a new service in Ballyogan, Dublin 18, in partnership with the HSE, offering family support.
- We launched two publications – *Supporting Young Children's Behaviour Skills* and *The Key Person Approach* (a free publication for those working in early years services that provide group care). We also developed a Diversity and Inclusion in Early

Years publication, which we are delighted Early Childhood Ireland has chosen to use as the textbook for their diversity and inclusion training programme.

Inter-agency working

- Throughout 2016, Barnardos continued to be actively involved in the implementation of the *National Service Delivery Framework* through participation in the Children's and Young People's Service Committees (CYPSCs) and in the delivery of Meitheal. We also continue to undertake Initial Family Assessments and Parenting Capacity Assessments in partnership with Tusla.
- Barnardos participation in various Area Based Childhood (ABC) programmes nationally continues to go well. Barnardos is the lead agency of ABC Finglas and is actively involved in Limerick, Knocknaheeny and Bray ABCs. As part of *ABC Finglas* we delivered Wizard of Words, Preparing for Life, Baby Stay and Play group, Baby Massage and a range of Triple P groups, seminars and workshops for parents. Barnardos also continued to deliver the Homemaker Service as part of *ABC Limerick* and a Barnardos project leader provides management support to early years sites in *ABC Knocknaheeny*, with a focus on supporting practice and developing quality. We operate Roots of Empathy in four schools as part of *ABC Bray*.

Training

- Externally during 2016 we delivered training to 1,820 participants on a range of topics such as Children First, Child Protection, Designated Liaison Person, Making the Most of Supervision, Group Supervision, Giving Evidence in Court Proceedings, Social Media in the Early Years, Adult-child Interactions and Promoting Positive Behaviour. Of this, 241 participants attended 20 public events and 1579 participants attended 115 tailored training events. Tailored training is provided to an organisation or group network and public training is open access, with participants coming from a wide variety of organisations. Training evaluations identified 93% participants were very or completely satisfied with our training events.
- We provided 97 internal training courses to 978 staff participants. This included Child Protection, Partnership with Parents, Manual Handling and Database Training among others.
- Our internet cyber-bullying training packs for working in schools were revised in 2016. Marketing and delivery of the new programme will commence in early 2017.
- Four Barnardos staff members were validated by Penn State University as Friendship Group trainers in 2016.

Ensuring Quality

- Barnardos' remains committed to the auditing and monitoring of our practice in order to ensure that all of our services remain needs-led and outcomes-focused. In 2016 we undertook an audit of our Active Case Management (ACM) process. The audit found effective and consistent use of ACM via the use of assessment, review and closure processes, that supervision is happening regularly and is important in the active management of the work and that all key decisions are recorded. It also identified some scope for improving rates of completion of certain forms used in the ACM process.
- Our Early Years project in Thurles was awarded Siolta Level 4 validation in June. Our other early year sites are on track for submission in mid-2017 – two projects will submit in March and three in November.
- In 2016 we conducted a successful pilot of a Workload Planning Tool. The purpose of the Workload Planning Tool is to support front-line staff and managers in relation to planning their crucial work. The final tool will be rolled out to all practice staff from January 2017.





Use of Barnardos services during 2016

During 2016 a total of 14,163 children and parents benefitted from Barnardos’ targeted family services, our community based prevention services and our Roots of Empathy school based programme. This represents an increase on 2015 (13,174), which is largely due to the continued roll-out of Roots of Empathy.

Table 1: Breakdown of work with children, 2016

	Number of children
Children’s Services	4,417
Roots of Empathy	4,061
Guardian ad Litem	833
Total	9,311

Table 2: Total direct work with children and their parents, 2016

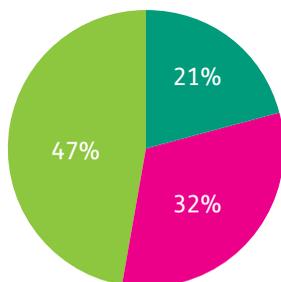
	Number of people
Children	9,311
Parents	3,268
Other carers	451
Community based prevention	1,133
Total	14,163

The majority of children attending our targeted family support services are aged between six and 12 years (47%), with 32% aged from birth to five years. The remaining children and young people are aged between 13 and 18 years.

Figure 1: Age range of children attending family support service

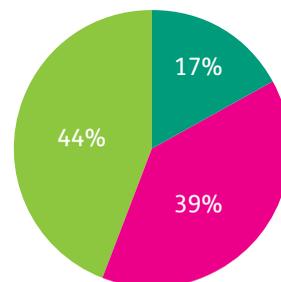
2016

- 0-5 years
- 6-12 years
- 13-18 years



2015

- 0-5 years
- 6-12 years
- 13-18 years



Referrals

Overall we received 6,209 referrals, consisting of 3,359 child referrals and 2,850 parents.

The main source of referral was Tusla social workers, with 43% of all referrals coming from this statutory source. A further 25% of referrals were self-referrals, reflecting the embedded nature of our services in local communities. Other sources of referrals include schools (9%), the HSE (7%), public health nurses (5%) and other community and voluntary agencies (4%).

Level of need

Children who receive a comprehensive assessment were often found to have multiple needs in different areas of their lives.

Of the children assessed:

- 85% had at least one identified need in the area of family and/or social relationships, for example dealing with family conflict or poor peer relationships.
- 75% of children were assessed as having at least one identified physical or psychological health need, e.g. poor nutrition or speech and language delay.
- 69% of children were assessed as having at least one identified behavioural or social participation need, e.g. poor social skills or aggressive or age inappropriate behaviour.
- 53% of children were assessed as having at least one identified education or training need, e.g. poor school attendance, poor school readiness or low academic achievement.

Project/Service enquiries

In 2016, approximately 2,276 enquiries were received by our community-based projects from parents, professionals and community members. Half of these enquiries were made by parents and just over a quarter (27%) were made by professionals.

Information services

During 2016, our Learning & Development Service, Post Adoption Service and Bereavement Counselling for Children Helpline Service dealt with 3,820 face-to-face or telephone enquiries from parents, children and young people, professionals, students and other members of the public.

Figure 2: Needs of children attending targeted family support services



Table 3: Enquiries during 2016

INFORMATION SERVICES	2016
Learning & Development Service	2,737
Post-Adoption Service	472
Bereavement Counselling for Children Service Helpline	611
Total	3,820

Mark and Niamh

In advance of Budget 2017 Barnardos spoke to parents we work with about the challenges they, their family and their community face in the wake of austerity cuts.

Mark and Niamh, parents from Dublin, told their story to Barnardos.

Niamh

“We’re only just hanging on ourselves. There are nine of us plus a baby in a three bedroom house but the corporation told us we’d be years waiting for less overcrowded accommodation. We don’t drink or smoke, everything that we have goes into the house. In our area, everyone is still in the recession because like to me nothing has changed. Every year the school fees go higher - uniform, hundred and fifty. Then the books are coming in at like, as you go to fifth year, two hundred and sixty euro, without the contribution fee of sixty euro. And they tell you it is contribution, but they text you every day. Then you have the girls and they’re in secondary and it is about eighty euro to a hundred euro for their uniforms each. That’s without shoes...without a schoolbag. I’d say for them two to go back to secondary, you’re talking eight hundred euro.”

Mark

“They say the recession is over but nothing has changed where we live, except people have more debt and the sense of community is gone. There are good services out there but without enough funding they can’t help people. You have to catch kids at an early age. Our child was diagnosed with learning difficulties at an early age and is doing really well but I wasn’t diagnosed with dyslexia until I was an adult. School failed

me, the teacher never taught me. The school system is still letting an awful lot of people down. And then I ended up going over to do a degree in social and community development. I just want to go back out into the community and work with people in the community like myself and just give back to the community. For me growing up, we kind of had like, working wise was kind of hard labour jobs and low paid jobs. And that’s the way we were kind of schooled in school, to take those jobs, but I realised now that I can actually go about and get a salary job. And I’d like that for me own kids. Just because we come from a working class background doesn’t mean I can’t go out and work as a professional and help in the community.”

Mark and Niamh are working to do everything they can to support their children and improve their opportunities. Like thousands of families across the country, they do everything they can to give their children the very best life. And like thousands of families across the country, they face an uphill battle to do so. Barnardos would like to thank Mark and Niamh for sharing their story.





Like thousands of families across the country, Mark and Niamh do everything they can to give their children the very best life.

Advocacy Review - Challenging the State on behalf of children

Advocacy Overview

Throughout 2016, there was plenty of opportunity and scope to ensure the experiences and voices of children and families Barnardos works with were listened to by the Advocacy team. Their stories influenced our engagements with politicians, policy makers and the general public.

Political Landscape

The year began with Barnardos advocating for the needs of children and families ahead of the General Election in February 2016. Our recommendations built on our work in our Rise Up campaign calling for an end to child inequality. As part of this work, Barnardos wanted to be sure the wishes of children were heard by asking them what they would do “If I was Taoiseach for the day”. The responses from children as young as six from various Barnardos projects again proved that adults should never underestimate the wisdom and perceptiveness of children and young people. The prevalence of food poverty and the housing crisis featured regularly in their concerns. As did the impact of drugs on their communities; the need for more child-friendly spaces and better resourced schools. We then organised a children’s hustling with representatives from all political parties present and young people posed an array of questions spanning key social issues around inadequacies of public services particularly healthcare services

for children and young people, the lack of impact of the Children’s Referendum being felt, and delays in accessing crucial educational supports. Both of these initiatives ensured these children and young people were engaged with the political system and their concerns about their childhoods and futures were heard by decision makers.

New Government

It was heartening that some of the concerns and recommendations we raised were heard and are evident in the Programme for Government. These included:

- A strong focus on **Prevention and Early Intervention:** establishing a new Prevention and Early Intervention Unit in the Department of Public Expenditure and Reform.
- **Children:** Commitment to additional investment in subsidised quality childcare; development of a National Parenting Plan; Working Family Payment.
- **Education:** an increase in departmental funding of €500m; a three year capitation fee plan plus a review of charges to the transport scheme.
- **Housing:** increase rent supplement of 15%; develop a Housing Action Plan in first 100 days.
- **Health:** 80 (new) Primary Care Centres; plans to introduce free GP care to under 18s.

While these commitments are welcomed and we’ll continue to monitor their implementation, we will continue to further advance our other recommendations in our efforts to ensure inequality and disadvantage is sufficiently addressed. Upon taking up office, we met directly with Ministers of Children and Youth Affairs, Housing, Social Protection, Public Expenditure and Reform, Education and Communities and Drugs. This was a great opportunity for them to hear about our work and what was in their gift to make a positive difference to the children and families we work with.

In the lead up to Budget 2017 we stressed the importance of investing in services over tax cuts, highlighting that introducing tax cuts means public services will remain depleted and under-resourced. For example, we calculated that a 1% cut in USC would cost the State over €300 million but mean just €3 extra per week to people’s pockets – the price of a cup of coffee. Yet for the same money the Government could introduce a subsidised system of childcare, deliver 2,000 social housing units and provide free school books and classroom resources for all children. On a positive note, Budget 2017 did see a significant investment in making childcare more accessible and affordable. This is a very positive development as supporting children’s development from a young age is key to improving their outcomes. However, we feel the Government didn’t listen enough as their lack

of vision of investing in appropriate prevention and early intervention services, inadequate educational supports and dearth of social workers means for many children their lives remain unchanged and unsupported, leaving them exposed to vulnerability and harm.

Free Education Proposal

Advocacy continued to highlight the high costs of sending children and young people to school. This year's school costs survey proved as popular as ever with the public and media alike, ensuring the issue was heard widely and its impact on families understood. Our findings included:

- Two in five parents forgo paying household bills or cut back on expenses.
- One in 10 are forced to go into debt, borrowing from friends, family, bank, credit union or even money lenders and a further one in ten parents use their savings.
- School books are still a crippling expense for many parents with nearly a quarter (23%) of secondary parents spending in excess of €275. More than three-quarters (78%) of primary school parents spend €51 to €150 on school books (this includes those on school book rental scheme).
- More than half (54%) of parents say book costs have gone up since 2015.
- Most parents (66% of primary and 79% of secondary) are asked to pay a "voluntary" contribution, although the value of the

contributions varies greatly across schools.

Building on our work previously, we continued to advocate for an investment of an additional €103m per year, just €185 extra per child which would fund a genuinely free primary education system. This would cover the cost of all school books and workbooks, eliminate classroom resources and voluntary contribution fees, and provide free transport to those availing of the School Transport Scheme, as well as restore the capitation rates back to 2010 levels.

To mark the new school year we hosted a seminar on September 1st, opened by the Chairperson of the Joint Oireachtas Committee on Education and Skills. This seminar showed widespread approval of our proposals across the education stakeholders and provided an opportunity for parents to have their voices heard. Although politicians, from all persuasions, heard our pleas for tackling such costs and agreed that €103m was a nominal amount, it was very disappointing nothing was delivered in Budget 2017. We will continue to lobby for the introduction of free primary education through our survey and by advancing a Heads of Bill we have drafted.

Domestic Abuse

Unfortunately, for up to 40% of the families Barnardos works with, domestic abuse is a feature in

children's lives. Working from our experience we wanted to highlight the impact of domestic abuse on children as they are often the forgotten victims, yet the emotional scars they bear can last a lifetime. We organised a seminar which was opened by Minister Frances Fitzgerald and coincided with the global 16 Days of Activism against Gender-Based Violence campaign. There was a genuine appetite to listen to Barnardos' expertise in this area from our family support work and dedicated TLC Kidz (Tender Loving Care Kidz) programme in Thurles.

The experiences of children we work with were heard and conveyed both in an accompanying report and through a short animation (available to watch on our website) which was widely distributed highlighting the six things we've learnt from working with children living in homes where domestic abuse is a feature. Ahead of the publication of the Domestic Violence Bill we wanted the public to engage on this topic to ensure greater child protection provisions were included. The public listened to our plea and showed their support with over 2,100 signatures collected on a petition which was handed to the Minister for Justice. We await the Bill and hope it will be enacted promptly to guarantee increased protections from domestic abuse for all those affected, including children.

Fundraising, Shops and Communications Review

2016 was a year of celebration and reflection marking as it did the centenary of the Irish State and, for Barnardos, the final year of a strategy which began in 2005. We spent much of the year taking the time to listen and reflect, on where we are now and what more is needed in order to really change the lives of the children and families we work with.

We also spoke directly with our donors and supporters and asked them about what they thought of Barnardos. The overwhelming response was that they trusted us to do what was right for the children and families we work with. We really appreciate that trust because in order to be able to do that work we rely heavily on those who support us.

In 2016 that support continued and with the help and generosity of our supporters, donors and customers we raised a total voluntary income of €7.5m (2015: €6.7m). Over 3,300 new people spoke with our teams who were out and about around the country and they chose to become regular supporters of our work. More companies came on board and with their staff supported Barnardos across the country, throughout the year.

Without all of those people, companies and organisations we could not do the work we do every day with over 14,100 children and families across Ireland.

Barnardos Shops and Bridal Rooms

2016 was another successful year for Barnardos retail division. The seven shops and two Bridal Boutiques continued to trade strongly across the country. Our shops provided a net contribution towards our work with children and families of €195k (2015: €164k).

Central to the success of the shops is the generosity of our donors – the people who give stock to us through our door collections, directly into the stores or through clean up or declutter days in their workplaces. It is through their giving that we can keep our stores stocked and providing excellent quality items at excellent prices.

And we couldn't keep trading without our volunteers who give their time so generously to support the running of the shops. Without them there would be no Barnardos shops – we thank them all for their continued support.

Communications

Barnardos communications team works across the organisation to gather and tell the story of our work. At the heart of everything we do are the thousands of children and families we work with every day. To help share that work, families bravely tell their story to Barnardos.

The team supports families to tell their stories through Barnardos campaigns, in the media, on our website and social media channels to raise awareness of the issues they face.

All of Barnardos media materials and video are available on www.barnardos.ie/media

2016 was a year where, alongside supporting the organisation, the team were also responsible for reviewing how we might work better to engage and influence people to make children a priority in Ireland. We look forward to bringing the fruit of that work to the public in the coming years, as part of our strategic plan.



Our People

We aim to be a good employer, and at the end of 2016 we employed 400 people (2015: 390) with 198 fulltime and 202 part-time employees operating from over 40 centres around the country.

We engage with both staff and volunteers regularly and value their opinions and receive feedback through a variety of channels. During 2016, we consulted and listened to our employees in the development of our new strategic plan. Our people work directly with children and families daily and know best the issues they face. We consulted via forums, regional and team meetings. In addition our Staff Council, with senior managers and nominees from across the organisation, met three times in 2016.

Barnardos recognises the importance of attracting and retaining talented staff to ensure our continued success. We aim to maximise our impact in improving the lives of the children and families we work with and doing this successfully means balancing different needs. These include ensuring value for money in everything we do including how we pay our staff, whilst offering a wage which enables us to attract, retain, and motivate people with the right knowledge, experience and skills to do the complex work required.

The Board of Barnardos has overall responsibility for our pay policy and the salaries of the executive management. It exercises this

through the Remuneration committee, which is a sub-committee of the Board. The Committee considers the remuneration of the Chief Executive and members of the senior management team as well as approving the pay policy for all staff and agreeing the basis for any annual increases in pay. Our policy is to pay at rates which are competitive within the charity sector, reflect the nature and complexity of roles, and are consistent with our charitable objectives and what we can afford. Our rates of pay are above the National Minimum Wage and the Living Wage. In 2016 we paid all staff an increment where one was due.

We continue to invest in the learning and development of our people, Barnardos' staff were provided with the opportunity to access a range of training courses, with 97 courses delivered to 978 participants in 2016.



Our Community Supporters

Volunteers continued to offer unrelenting dedication and enthusiasm throughout 2016. Without their support many aspects of our work would simply not happen. Volunteers listened to our call for help and offered their time and skills in great numbers. In fact, almost 1,000 people enquired about volunteer positions in the organisation and by the end of the year over 120 new volunteers were placed.

Given the breadth of our services, our volunteers are engaged in a variety of roles across the country. In 2016 we were fortunate enough to have a total of over 250 volunteers placed in our shops, projects and services, engaged in manning helplines, supervising playgrounds, assisting in parent and toddler groups, facilitating the Roots of Empathy programme in numerous primary schools, providing administration support and selling quality goods which are donated to our shops.

The expansion of the Wizards of Words volunteer reading programme throughout 2016, now sees it operating in 15 schools across Dublin, 11 of which are based in Finglas as part of Barnardos involvement in the Better Finglas ABC programme. This reading programme paired 135 Reading Tutor volunteers aged 55 and older, reading with primary school children in first and second class, who require assistance with their reading, on a one-to-one basis two to three times a week. This requires a huge time commitment

from the volunteers and for this we are extremely grateful because this intervention allows children to perform better in school and become more confident readers.

Throughout 2016, we engaged with our volunteers and other supporters more thoroughly. We informed them of different aspects of our work and suggested alternative ways for them to support Barnardos. This interaction is already reaping

dividends as we underestimated how keen volunteers are to avail of our publications, make a donation, take our School Costs Survey or sign a petition. Developing this relationship by listening to our supporters more systematically will be a key feature of 2017 and in following years.

To all our volunteers and supporters, we truly thank you for your interest and support in the work we do.



What I like about volunteering for Barnardos as a Roots of Empathy instructor is that I feel I am making a difference to children's lives. I love the Roots of Empathy programme and I feel it teaches children something that they don't get anywhere else. I work with all boys and it is wonderful to see them open up and get in touch with their feelings. As the year goes on they learn how to name their feelings and express themselves. That is why they can relate better to each other and show empathy to each other as the year goes on".

Angela Peters, Barnardos Roots of Empathy Instructor Volunteer in Clonmel, Co. Tipperary.



"I had recently retired, and I was looking for something to do and I wanted to do something with a little bit of meaning. A friend of mine told me about Barnardos and the minute she said it I thought this is brilliant, this Wizards of Words programme sounds perfect and I haven't looked back since, it is wonderful".

Veronica Browne, Volunteer Reading Tutor, Wizards of Words Programme Finglas

Children's Voices

We asked the children we work with everyday what they liked about Barnardos



"Helps me do jigsaw and painting"

"It helped me going to school"

"They help us to read"



"Helps me with feelings. Happy, sad, proud, itchy, annoyed"

"It helped me to work out my problems by taking a deep breath and talk it out"



"Helps me make friends and if we fight it helps us get back friends again"

"Barnardos helps us in a way that if we are having trouble with making friends or fitting in, Barnardos are there to help you"



"I love my dinners in Barnardos, shepherd's pie is my favourite"

"Gives me breakfast when my Mam can't"



"Painting and playing blocks"

"They play games and it is fun"

"I think Barnardos is good with games and summer camp"



"It helps me and my Mam get along with each other and me to see my Dad more"

"What I would change to Barnardos is make it longer"

Financial Review – Building Financial Resilience

In 2016 Barnardos raised a total income of €23.8m, up from €23.1m in 2015. The income was generated through various channels. 62 per cent was government funding, primarily allocated through Tusla, the Child and Family Agency; and the remainder was raised primarily through our fundraising activity. Voluntary income accounted for a total of €7.5m.

Our investment in supporting children and families in 2016 was made possible both through the statutory funding we received from Tusla, the Child and Family Agency, Government departments and agencies, and the significant support of our voluntary funders. We would like to pay tribute to the generosity of all our donors – who ranged from businesses engaged with social responsibility to individuals who brought their communities together to host an event for Barnardos.

We are extremely grateful for the significant bequest from the late Brendan McGonnell, which will enable us to invest in our strategic priorities and increase our reach to children and families. We have designated this legacy to initiatives under our new strategic plan from 2017 to 2021.

We continue to work with our statutory partners in seeking to recover the costs of the services we deliver under service level agreements. As can be seen from Figure 5, Family support and Early years services account for 54% of our total investment in services delivery. We continue to commit voluntary

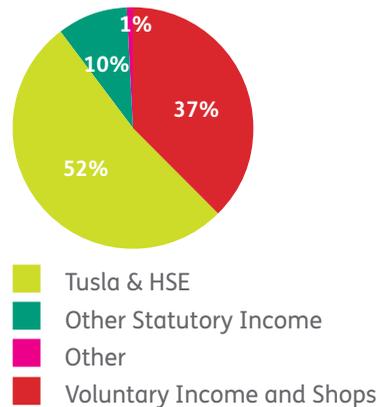
funds to both these services as they remain our key strategic priority.

As a result of an increase in our fundraising activity and prudent management of our expenditure, 2016 was a positive year financially, which allowed us to continue to focus on the implementation of our strategic priorities for children and families.

Income

2016: €23.8m (2015: €23.1m)	
Statutory	62%
Voluntary	38%

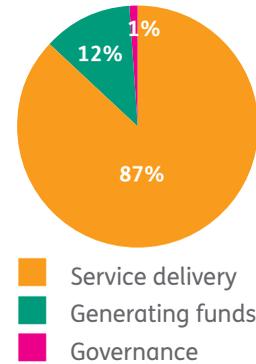
Figure 3: Breakdown of income sources



Expenditure (excluding shops)

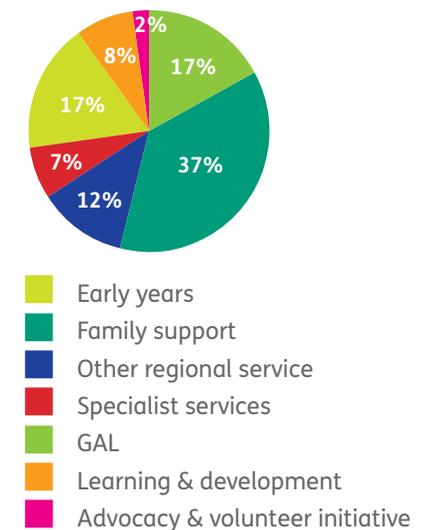
2016: €21.5m (2015: €21.6m)	
Service delivery - 87%	
Generating funds - 12%	
Governance - 1%	

Figure 4: Breakdown of expenditure



The cost of running Barnardos shops are excluded, as they are matched by income. Support costs allocated to direct charitable activities are detailed in Note 9 to the financial statements in line with requirements under the SORP.

Figure 5: Breakdown of service delivery areas



Statement of Board of Directors' responsibilities in respect of the Directors' report and the financial statements

The Board of Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland. In applying that framework the directors have elected to have regard to the Statement of Recommended Practice (Revised 2015).

The Company financial statements are required by law to 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:

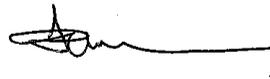
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Directors are responsible for keeping adequate accounting records which 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 Act, 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The Board of Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act, 2014.

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

On behalf of the Board,



Gerry Murphy
Treasurer



David Begg
Chairperson

Independent auditor's report to the members of Barnardos - Republic of Ireland CLG

We have audited the financial statements ("financial statements") of Barnardos - Republic of Ireland CLG for the year ended 31 December 2016 which comprises the statement of financial activities and income and expenditure account, statement of other comprehensive income, 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 FRS 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. In applying that framework, the directors have elected to have regard to the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (issued in November 2014) ('the Charities SORP'). Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with FRS 102 - the

Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of the Companies Act, 2014 and having regard to the Charities SORP; and

- have been properly prepared in accordance with the requirements of the Companies Act, 2014.

2 Our conclusions on other matters on which we are required to report by the Companies Act, 2014 are set out below

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

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

In our opinion the information given in the Directors' Report is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial

statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act, 2014 requires us to report to you if, in our opinion, the disclosures of board members' remuneration and transactions required by sections 305 to 312 of the Act are not made.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of the Responsibilities of the Board set out on page 33, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act, 2014.

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 Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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.

Independent auditor's report to the members of Barnardos - Republic of Ireland CLG (continued)

This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board members; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense

as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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



Tom McEvoy
for and on behalf of KPMG

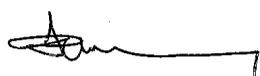
**Chartered Accountants,
Statutory Audit Firm**
1 Stokes Place
St. Stephen's Green
Dublin 2

26 April 2017

Statement of financial activities and income and expenditure account for the year ended 31 December 2016

		2016	2016	2016	2015
	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		€000	€000	€000	€000
Incoming resources					
Incoming resources from generated funds					
- Voluntary income	2	6,537	999	7,536	6,681
- Income from trading activities	3	1,184	-	1,184	1,215
Incoming resources for charitable activities	4	-	15,051	15,051	14,879
Investment income	6	28	-	28	59
Other incoming resources	12	2	-	2	282
Total incoming resources		7,751	16,050	23,801	23,116
Resources expended					
Cost of generating funds					
- cost of generating voluntary income	8	2,519	-	2,519	2,538
- cost of trading activities	3	989	-	989	1,051
Charitable activities	9a	-	18,789	18,789	18,828
Governance costs	9b	226	-	226	230
Total resources expended		3,734	18,789	22,523	22,647
Net incoming/(outgoing) resources before transfers	12	4,017	(2,739)	1,278	469
Transfers between funds	18	(2,739)	2,739	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		1,278	-	1,278	469

On behalf of the Board



Gerry Murphy
Treasurer



David Begg
Chairperson

Other Comprehensive Income for the year ended 31 December 2016

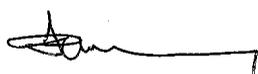
		2016	2015
	Note	€000	€000
Net incoming resources for the year		1,278	469
Actuarial loss on defined benefit pension scheme	19	(342)	(7)
Total recognised gains and losses for the year		<u>936</u>	<u>462</u>

Balance sheet

as at 31 December 2016

	Note	2016 €000	2015 €000
Fixed assets			
Tangible assets	13	6,597	6,574
		<u>6,597</u>	<u>6,574</u>
Current assets			
Debtors	14	1,777	1,002
Short term deposits	15	6,300	5,273
Cash at bank		1,958	2,698
Total current assets		<u>10,035</u>	<u>8,973</u>
Current liabilities			
Creditors: amounts falling due within one year	16	<u>(8,265)</u>	<u>(8,322)</u>
Net current assets		<u>1,770</u>	<u>651</u>
Total assets less current liabilities			
Provision for liabilities	17	(261)	(289)
Net assets before pension liability		<u>8,106</u>	<u>6,936</u>
Defined benefit pension scheme liability	19	<u>(765)</u>	<u>(531)</u>
Net assets		<u>7,341</u>	<u>6,405</u>
Represented by			
General Fund - Undesignated	18	6,305	6,405
General Fund - Designated	18	1,036	-
Restricted income fund	18	-	-
Total funds		<u>7,341</u>	<u>6,405</u>

On behalf of the Board


Gerry Murphy
Treasurer

David Begg
Chairperson

Cash Flow Statement

for the year ended 31 December 2016

	Note	2016 €000	2015 €000
Cash flows from operating activities			
Surplus for the year		1,278	469
Depreciation		351	310
Gain on disposal		5	-
Increase in trade and other debtors		(775)	(110)
(Decrease)/increase in trade and other creditors		(57)	250
Decrease in provisions for liabilities		(28)	-
Decrease in provisions and employee benefits		(108)	(122)
Interest receivable and similar income	6	(28)	(59)
Net cash from operating activities		638	738
Cashflows from investing activities			
Interest receivable and similar income	6	28	59
Acquisition of tangible fixed assets	13	(379)	(77)
Net cash from investing activities		(351)	(18)
Net increase in cash and cash equivalents		287	720
Cash and cash equivalents at 1 January		7,971	7,251
Cash and cash equivalents at 31 December		8,258	7,971

Notes

forming part of the financial statements

1. Statement of accounting policies for the year ended 31 December 2016

Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standard 102. The financial reporting standard applicable in the UK and Republic of Ireland ("FRS102"), and voluntarily in accordance with the Statement of Recommended Practice is applicable to charities preparing their accounts in accordance with FRS102 (issued by the Charity Commission for England and Wales, "the Charities SORP"). The presentation currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

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.

Grants from the Government and other donors are recognised as income when the entitlement to the grant income is met. Income from grant agreements which are dependent on the provision of

specific activities as per the grant agreement (performance related grants) are recognised when the activity has been undertaken. 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.

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 two and three to the financial statements.

In line with many charities Barnardos receives goods, services and facilities free of charge or at reduced market rates. Where a reliable basis of valuation exists the value is included in the Statement of Financial Activities with incoming resources.

Capital grants in respect of buildings and equipment are 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 and Advocacy. These costs include direct costs of undertaking these together with the support costs incurred to enable these activities to be undertaken.

Support costs include Human Resources, Finance, Information Technology and others. Charitable activity costs and the related support costs are analysed in detail in notes 9(a) and 9(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 2 and 8 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 9(b) to the financial statements.

Notes

forming part of the financial statements (continued)

1. Statement of accounting policies for the year ended 31 December 2016 (continued)

Operating leases

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

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 per cent to 4 per cent per annum on their cost or value. Short leasehold properties are depreciated over the period of the lease.

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

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

Computers purchased after 1 January 2005 are written off in the year of purchase.

Non recurring software costs and expenditure on server upgrade are capitalised and depreciated at 20 per cent straight line per annum on their cost.

Investment

The investment policy 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 December 2016, defines how the organisation determines risk of investment.

Stock

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

Pension costs

Defined benefit scheme

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at

the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments. The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of Euro, and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss. Remeasurement of the net defined benefit liability is recognised in other comprehensive income in the period in which it occurs.

Notes

forming part of the financial statements (continued)

1. Statement of accounting policies for the year ended 31 December 2016 (continued)

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.

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.

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.

Reserves

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
- Designated funds
- 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



Notes

forming part of the financial statements (*continued*)

1. Statement of accounting policies for the year ended 31 December 2016 (*continued*)

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 and this review is brought to the Board.

The UK Charities Commission recommends that charities develop their reserves policy and planning at the same time, recognising that strategic and financial planning informs the development of reserves policies and vice versa. The Audit Committee reviewed our reserves policy as part of our new 5 year strategic plan 2017-21. The financial plans identify peaks or troughs in cash flow and the reserves policy ensures the troughs in funding can be met from reserves held. This level of reserves also takes into consideration that a substantial part of our expenditure is funded via statutory income. The policy aims to balance our strategic plans to increase our investment in services provision and advocacy, with an appropriate level of reserves.

The policy was changed following a regular Board meeting on December 7th 2016. It was agreed by the Board to adopt a reserves policy of holding between 7 to 10 weeks of Barnardos budgeted operating costs

for the coming year. This equates to between €3.5m and €5m based on Budget 2017.

Barnardos free reserves at 31 December 2016 are €4.9m. If the level of reserves falls under or over the range required by Barnardos policy, the Board commits to consider whether corrective action is required for the following years budgeting.

Significant accounting estimates and judgements

In determining the carrying amounts of certain assets and liabilities, the Board makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The Board estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty, which may have a significant risk of material adjustment in the next year, relate to the defined benefit scheme as set out in note 19.

Notes

forming part of the financial statements (continued)

2 Voluntary income includes the following

	2016 Unrestricted €000	2016 Restricted €000	2016 Total €000	2015 Total €000
Fundraising activities				
Major donors	49	-	49	193
Committed & cash giving	3,649	29	3,678	3,523
Corporate, events & schools	1,317	110	1,427	1,509
Overseas	9	131	140	239
Total fundraising activities	5,024	270	5,294	5,464
Trusts and foundations				
Atlantic Philanthropies	-	146	146	49
Other trusts	21	456	477	514
Total trusts and foundations	21	602	623	563
Donations, legacies and similar incoming resources				
Legacies	1,489	-	1,489	339
Memberships, publications & training	-	126	126	280
Other donations/fees	3	1	4	35
Total donations, legacies and similar incoming resources	1,492	127	1,619	654
Total voluntary income	6,537	999	7,536	6,681

3 Income from trading activities

	2016 Unrestricted €000	2015 Unrestricted €000
The net result of shop operations is as follows:		
Sales	1,184	1,215
Operating expenses	(989)	(1,051)
Net shop contribution	195	164

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.

Notes

forming part of the financial statements (*continued*)

4 Incoming resources for charitable activities

	2016	2015
	€000	€000
	Restricted	Restricted
Statutory Sources		
Tusla (Child & Family Agency) Dublin North East:		
Dublin North City	1,471	1,471
Cavan/Monaghan	1	60
Louth/Meath	84	93
Tusla (Child & Family Agency) Dublin Mid Leinster:		
Dublin South West/Kildare/West Wicklow	684	680
Dublin South Central	530	596
Midlands	900	900
Dublin South East/Wicklow	446	460
Tusla (Child & Family Agency) West:		
Mid West	1,569	1,574
Tusla (Child & Family Agency) South:		
Cork	431	447
Waterford/Wexford	869	810
Carlow/Kilkenny/South Tipperary	786	740
Tusla (Child & Family Agency) Other		
Counselling Grant Section	139	135
Tusla on behalf of Limerick City Children's Services Committee	5	106
Tusla (Child & Family Agency) Total	7,915	8,072
Health Service Executive	903	768
Education & Training Board Ireland	48	45
City/County Councils	164	138
Department of Education and Skills	141	146
Department of Children & Youth Affairs	131	130
Department of Justice	24	22
Pobal - Community Childcare Subvention - Dept of Children & Youth Affairs	558	485
Pobal - Volunteer Childcare Organisations - Dept of Children & Youth Affairs	553	554
Pobal - Area-Based Childhood - Department of Children and Youth Affairs & Atlantic Philanthropies	495	371
Philanthropies		
Pobal - Scheme to Support National Organisations - Dept of Housing, Planning, Community & Local Government	84	94

Notes

forming part of the financial statements (*continued*)

4 Incoming resources for charitable activities (*continued*)

	2016 €000	2015 €000
Statutory Sources	Restricted	Restricted
Pobal - Paul Partnership - Area Based Childhood (Homemaker Service) - Department of Children and Youth Affairs & Atlantic Philanthropies	81	-
Pobal - NICHE - Area Based Childhood (Brighter Futures, Knocknaheeny) - Department of Children and Youth Affairs & Atlantic Philanthropies	6	-
Pobal - Early Childhood Care & Education - Dept of Children and Youth Affairs	1	1
Pobal - Dormant Accounts Fund - Dept of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	-	4
	11,104	10,830
Service income Guardian ad Litem	3,611	3,718
Other fees and grants	336	331
	15,051	14,879

Notes

forming part of the financial statements (*continued*)

5 Reconciliation of incoming resources for charitable activities from statutory sources

	2016	2016	2016	2016	2015
	€000	€000	€000	€000	€000
	Opening Balance	Net Cash Receipts	Closing Balance	Total Income	Total Income
	Restricted	Restricted	Restricted	Restricted	Restricted
Statutory Sources					
Tusla (Child & Family Agency) Dublin North East:					
Dublin North City	-	1,471	-	1,471	1,471
Cavan/Monaghan	-	1	-	1	60
Louth/Meath	2	91	(9)	84	93
Tusla (Child & Family Agency) Dublin Mid Leinster:					
Dublin South West/Kildare/West Wicklow	33	685	(34)	684	680
Dublin South Central	-	573	(43)	530	596
Midlands	(85)	985	-	900	900
Dublin South East/Wicklow	(74)	536	(16)	446	460
Tusla (Child & Family Agency) West:					
Mid West	-	1,645	(76)	1,569	1,574
Tusla (Child & Family Agency) South:					
Cork	-	481	(50)	431	447
Waterford/Wexford	240	811	(182)	869	810
Carlow/Kilkenny/South Tipperary	56	778	(48)	786	740
Tusla (Child & Family Agency) Other					
Counselling Grant Section	-	155	(16)	139	135
Tusla on behalf of Limerick City Children's Services Committee	19	5	(19)	5	106
Tusla (Child & Family Agency) Total	191	8,217	(493)	7,915	8,072
HSE	48	900	(45)	903	768
Education & Training Board Ireland	4	47	(3)	48	45
City/County Councils	1	176	(13)	164	138
Department of Education and Skills	3	139	(1)	141	146
Department of Children & Youth Affairs	8	142	(19)	131	130
Department of Justice	-	24	-	24	22

Notes

forming part of the financial statements (continued)

5 Reconciliation of incoming resources for charitable activities from statutory sources (continued)

	2016	2016	2016	2016	2015
	€000	€000	€000	€000	€000
	Opening Balance	Net Cash Receipts	Closing Balance	Total Income	Total Income
	Restricted	Restricted	Restricted	Restricted	Restricted
Pobal- Community Childcare Subvention - Dept of Children & Youth Affairs:					
Le Cheile Afterschool Service	8	37	(15)	30	46
Loughlinstown Family Centre	29	37	-	66	36
Tivoli Family Centre	22	50	-	72	54
Brighter Futures, Knocknaheeny Service	13	93	-	106	94
Early Years Service, Mullhuddart	9	70	-	79	80
Finglas Early Intervention Service	9	29	-	38	40
Millbrook Family Support Services	25	57	-	82	71
Thurles Targeted Early Intervention Service	23	62	-	85	64
Dept of Children & Youth Affairs	-	553	-	553	554
Pobal - Area Based Childhood - Department of Children and Youth Affairs & Atlantic Philanthropies	175	454	(134)	495	371
Pobal - Scheme to Support National Organisations - Dept of Housing, Planning, Community & Local Government	-	89	(5)	84	94
Pobal - Paul Partnership - Area Based Childhood (Homemaker Service) - Department of Children and Youth Affairs & Atlantic Philanthropies	-	103	(22)	81	-
Pobal - NICHE - Area Based Childhood (Brighter Fu- tures, Knocknaheeny) - Department of Children and Youth Affairs & Atlantic Philanthropies	-	16	(10)	6	-
Pobal - Early Childhood Care & Education - Dept of Children and Youth Affairs	-	1	-	1	1
Pobal - Dormant Accounts Fund - Dept of Arts, Heri- tage, Regional, Rural and Gaeltacht Affairs	-	-	-	-	4
	<u>568</u>	<u>11,296</u>	<u>(760)</u>	<u>11,104</u>	<u>10,830</u>

Notes

forming part of the financial statements (*continued*)

6 Investment income	2016	2015
	Unrestricted	Unrestricted
	€000	€000
Deposit interest	<u>28</u>	<u>59</u>

7 - Donated goods, services and facilities

In line with many charities Barnardos receives goods, services and facilities free of charge or at reduced market rates.

During 2016 Barnardos received goods to the value of €0k free of charge (2015: €282k).

Barnardos has no reliable basis to measure the value to the organisation of services and facilities received.

8 Cost of generating funds	2016	2015
	Unrestricted	Unrestricted
	€000	€000

Fundraising expenditure can be analysed as follows:

Major donors	5	19
Committed & cash giving	1,627	1,684
Corporate, events & schools	660	695
Trusts & foundations	82	70
Overseas	13	38
Legacies	132	32
	<u>2,519</u>	<u>2,538</u>

Notes

forming part of the financial statements (*continued*)

9(a) Resources expended for charitable activities

	Note	Dublin South & South West €000	Dublin North €000	Midlands €000	Southern €000	South Eastern €000	Total Regional Childcare €000	National Office €000	2016 Total €000	2015 Total €000
Restricted										
Early years		1,130	695	-	1,201	-	3,026	-	3,026	3,127
Family support		987	1,109	1,428	1,685	1,311	6,520	-	6,520	6,473
Other regional services		633	712	254	179	400	2,178	-	2,178	2,210
Specialist services		-	-	-	-	-	-	1,215	1,215	1,294
GAL		-	-	-	-	-	-	2,903	2,903	2,936
Learning & development		-	-	-	-	-	-	1,351	1,351	1,123
Advocacy & volunteer initiative		-	-	-	-	-	-	279	279	316
Direct costs		<u>2,750</u>	<u>2,516</u>	<u>1,682</u>	<u>3,065</u>	<u>1,711</u>	<u>11,724</u>	<u>5,748</u>	<u>17,472</u>	<u>17,479</u>
Support costs	9(b)	231	201	137	257	130	956	361	1,317	1,349
Total costs		<u>2,981</u>	<u>2,717</u>	<u>1,819</u>	<u>3,322</u>	<u>1,841</u>	<u>12,680</u>	<u>6,109</u>	<u>18,789</u>	<u>18,828</u>
Unrestricted										
Direct costs		-	-	-	-	-	-	-	-	-
Support costs		-	-	-	-	-	-	-	-	-
Total costs		-	-	-	-	-	-	-	-	-
Total charitable expenditure		<u>2,981</u>	<u>2,717</u>	<u>1,819</u>	<u>3,322</u>	<u>1,841</u>	<u>12,680</u>	<u>6,109</u>	<u>18,789</u>	<u>18,828</u>

Notes

forming part of the financial statements (*continued*)

9(b) Activities included in support and governance costs

		2016	2016	2015	2015
		Support costs	Governance costs	Support costs	Governance costs
		€000	€000	€000	€000
Cost Drivers					
Human resources	Full time equivalent	322	47	355	52
Finance	Expenditure	382	50	367	49
Information technology *	Full time equivalent	362	57	376	48
Corporate	Full time equivalent	251	72	251	81
		<u>1,317</u>	<u>226</u>	<u>1,349</u>	<u>230</u>

* Barnardos embarked on a multi year IT Strategy investment in 2015

10 Staff costs

The average monthly number of employees, including part-time staff, but not including volunteers, during the year was 389 (2015: 386).

	2016	2015
	€000	€000
Staff costs comprises:		
Wages and salaries	14,019	13,471
Social welfare costs	1,469	1,434
Pension costs	470	462
	<u>15,958</u>	<u>15,367</u>
Staff activities are as follows:		
	2016	2015
	Number	Number
Direct charitable activities	319	309
Support costs	23	24
Generating funds shops	11	10
Generating funds fundraising	32	39
Governance costs	4	4
	<u>389</u>	<u>386</u>

Notes

forming part of the financial statements (continued)

10 Staff costs (continued)

The number of higher paid employees was :	2016	2015
	Number	Number
€60,000 - €70,000	23	25
€70,000 - €80,000	7	5
€80,000 - €90,000	5	4
€90,000 - €100,000	2	1
€100,000 - €110,000	1	2
€110,000 - €120,000	1	1
	39	38

Remuneration includes basic pay and excludes employer pension and PRSI contributions. Barnardos CEO's salary was €117,591 in 2016 (2015: €117,591).

The CEO and all staff who joined since 1 January 2000, can opt to join the Defined Contribution Pension Scheme. The employee contributes a minimum of 4% and Barnardos contributes 6% of pensionable pay.

11 Board member expenses

No member of the Board received payment of fees or reimbursement of expenses for both 2016 and 2015. One board member was a previous employee of Barnardos and is now in receipt of a Barnardos pension relating to that employment.

12 Net incoming/(outgoing) resources for the year

	2016	2015
	€000	€000
This is arrived at after charging/(crediting):		
Auditor's remuneration - statutory audit	30	30
Auditor's remuneration - tax advisory services	-	14
Depreciation	351	310
Amortisation of grants	(199)	(155)
Operating leases - primarily land and buildings	406	354
Profit on the sale of an asset	2	-

While Barnardos is a charity and does not incur corporation tax, it does remit significant payroll taxes and incurs a significant cost in irrecoverable VAT.

Notes

forming part of the financial statements (continued)

13 Tangible fixed assets

	Properties €000	Furniture, fittings and equipment €000	Computers €000	Motor vehicles €000	Total €000
Cost					
At 1 January 2016	11,115	1,743	277	386	13,521
Adjustment	-	-	(200)	-	(200)
Additions	-	15	296	68	379
Disposals	-	-	-	(7)	(7)
At 31 December 2016	11,115	1,758	373	447	13,693
Depreciation					
At 1 January 2016	4,663	1,683	221	380	6,947
Adjustment	-	-	(195)	-	(195)
Charge for year	232	28	75	16	351
Disposals	-	-	-	(7)	(7)
At 31 December 2016	4,895	1,711	101	389	7,096
Net book amounts					
At 31 December 2016	6,220	47	272	58	6,597
At 31 December 2015	6,452	60	56	6	6,574
				2016	2015
				€000	€000
Freehold and leasehold properties					
Freeholds				5,219	5,388
Long leaseholds (over 50 years)				973	1,010
Short leaseholds (50 years and under)				28	54
				6,220	6,452

Notes

forming part of the financial statements (*continued*)

14 Debtors (amounts falling due within one year)

	2016	2015
	€000	€000
Trade debtors	1,688	937
Other debtors	22	23
Prepayments and accrued income	67	42
	<u>1,777</u>	<u>1,002</u>

Trade debtors includes a legacy of €1,036k which is designated to our strategic initiatives in 2017 and 2018.

15 Short-term deposits

€6,300,000 (2015 : €5,273,000) relates to funds invested in fixed term interest bearing deposits with financial institutions with a maturity if between 60 days and 365 days.

	2016	2015
	€000	€000
Trade creditors	544	598
PAYE/PRSI creditor	384	394
VAT creditor	4	2
Other creditors	43	70
Accruals	779	634
Deferred Income	6,511	6,624
	<u>8,265</u>	<u>8,322</u>

Deferred income includes capital grants of €4,421k (2015: €4,375k) and statutory and non-statutory income deferred of €2,090k (2015: €2,249k)

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 asset being disposed of before 2023.
- 2) Family Support Centre, Mullingar - €300,000 becomes repayable to the HSE in the event of the asset being disposed of, unless replaced by an mutually agreed premises.
- 3) Brighter Futures Centre, 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 Pobal - National Childcare Investment Programme 2006-2011 grant under the Department of Children and Youth Affairs becomes repayable if the project/service is not operated for a minimum of 15 years from December 2011.

Notes

forming part of the financial statements (continued)

16 Creditors (amounts falling due within one year) (continued)

Movements in deferred income

	Non-Statutory deferred €000	Statutory deferred €000	Total €000
Released from prior year	(1,429)	(820)	(2,249)
Deferred in the current year	1,347	743	2,090

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

17 Provision for liabilities

	2016 €000	2015 €000
At beginning of year	289	289
Utilised in the year	-	-
Charged in the year	86	-
Released in the year	(114)	-
At end of year	<u>261</u>	<u>289</u>

The provision relates to costs associated with property and employment obligations. The timing of these payments is uncertain.

	General Fund Undesignated €000	General Fund Designated €000	Restricted fund €000	Total €000
18a Statement of movement in funds				
Balance at beginning of year	6,405	-	-	6,405
Net incoming resources - after transfers	242	1,036	-	1,278
Actuarial loss on pension scheme (note 19)	(342)	-	-	(342)
Balance at end of year	<u>6,305</u>	<u>1,036</u>	<u>-</u>	<u>7,341</u>

Notes

forming part of the financial statements (continued)

18b Statement of movement in funds (continued)

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

	2016 €000	2015 €000
Restricted fund		
Opening balance	-	182
Income	16,050	16,144
Charitable activities costs	(18,789)	(18,828)
Transfers	2,739	2,502
Closing balance	<u>-</u>	<u>-</u>
General fund		
Opening balance	6,405	5,761
Income	7,751	6,972
Actuarial loss on pension scheme	(342)	(7)
Cost of generating funds	(3,508)	(3,589)
Governance costs	(226)	(230)
Transfers	(2,739)	(2,502)
Closing balance	<u>7,341</u>	<u>6,405</u>
Restricted and unrestricted	<u>7,341</u>	<u>6,405</u>

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

Notes

forming part of the financial statements (*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 the period ending 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 2015. The Scheme funding level was 98% on a going concern basis. 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 2013 until 1 December 2018. It is the view of our actuaries that the current contributions are adequate, and that the funding proposal is on track. The FRS102 position is calculated using different assumptions as prescribed in FRS102. The FRS102 assumptions should not be used to assess the funding position of the scheme. The schemes funding level is 94% at 31 December 2016, under the minimum funding standard (MFS) basis.

Notes

forming part of the financial statements (continued)

19 Pension fund (continued)

Movements in deficit during the year:	2016	2015
	€000	€000
Deficit in scheme at beginning of year	(531)	(646)
Contributions paid	179	179
Charge in income and expenditure	(71)	(57)
Actuarial loss	(342)	(7)
Deficit in scheme at end of year	(765)	(531)
Reconciliation of change in value of scheme liabilities in the year	2016	2015
	€000	€000
Schemes liabilities at start of period	11,359	11,393
Current service cost (net of members contribution)	59	60
Past service gain	-	(17)
Interest on liabilities	220	215
Actual member contributions	11	11
Actuarial losses	669	107
Change in value of AVCs	7	(2)
Benefits paid	(372)	(408)
Scheme liabilities at end of year based on end of period assumptions	11,953	11,359

Notes

forming part of the financial statements (*continued*)

19 Pension fund (*continued*)

Reconciliation of changes in value of assets in the year

	2016	2015
	€000	€000
Market value at beginning of year	10,828	10,747
Interest on plan assets	208	201
Actual return less interest on plan assets	327	100
Running costs paid by Scheme	-	-
Contributions by the employer	179	179
Contributions by plan members	11	11
Change in value of AVCs	7	(2)
Benefits paid	(372)	(408)
Market value at end of period	11,188	10,828

The company expects to contribute €179,000 to its defined benefit pension plan in 2017.

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

	2016	2015
	€000	€000
Charged to expenditure		
Current Service Cost	59	60
Charged/(credited) to other finance income		
Interest expense	12	14
Post service gain	-	(17)
Total charge in statement of financial activities and income and expenditure account	71	57

Notes

forming part of the financial statements (*continued*)

19 Pension fund (*continued*)

The fair value of the plan assets and the return on those assets were as follows:

	2016	2016	2015	2015
	Fair value	Fair value	Fair value	Fair value
	€'000	%	€'000	%
Equities	3,321	29.7%	3,161	29.2%
Debt instruments	4,654	41.6%	4,436	41.0%
Property	452	4.0%	409	3.8%
Other	2,761	24.7%	2,822	26.0%
	<u>11,188</u>	<u>100.0%</u>	<u>10,828</u>	<u>100.0%</u>

The financial assumptions used to calculate the scheme liabilities under FRS 102 using the Projected Unit Method are as follows:

	2016	2015
Inflation rate	1.70%	1.50%
Discount rate	1.55%	1.95%
Expected rate of salary increases	3.20%	3.00%
Rate of pension increases in payment	0.00%	0.00%
Rate of pension increases in deferment	1.70%	1.50%

It is assumed that scheme members will withdraw on average 12.5% of their fund on retirement (2015: 12.5%). The last full actuarial valuation was performed on 1 September 2015.

Notes

forming part of the financial statements (*continued*)

19 Pension fund (*continued*)

Assumptions regarding the 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:

	2016 Years	2015 Years
Longevity at age 65 for current pensioners:		
Male	22.2	22.1
Female	24.7	24.6
 Longevity at age 65 for members aged 55:		
Male	23.6	23.4
Female	25.8	25.7

Notes

forming part of the financial statements (*continued*)

20 Commitments

Operating lease commitments payable during the next twelve months amount to €406k (2015 : €384k). Operating lease commitments over the life of the lease are payable in relation to equipment and property leases as follows:

	Plant & equipment	Land & buildings	Total
	€000	€000	€000
Within one year	4	123	127
Within two to five years	183	160	343
After five years	-	1,146	1,146
	<u>187</u>	<u>1,429</u>	<u>1,616</u>

21 Comparative figures

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

22 Related party transactions

The total amounts paid to key management personnel, including employers pension and PRSI contributions, was €533k (2015: €548k).

The total amount of donations received from a Trust controlled by a Director during 2016 was €86k. There were no other donations from Directors other than donations in the ordinary course of business of the charity.

There were no other related party transactions during the year ended 31 December 2016 (31 December 2015: Nil).

23 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.

24 Approval of financial statements

The directors approved the financial statements on 26 April 2017.

Reference and Administrative Details

Name	Barnardos - Republic of Ireland Company Limited by Guarantee (CLG). Barnardos - Republic of Ireland CLG is authorised to use the name Barnardos under licence from Barnardo's United Kingdom.
Registered Office	4 Christchurch Square Dublin 8
Company Registration No.	141526
Revenue Charity No.	CHY6015
Registered Charity No.	20010027
Principal Bankers	Allied Irish Bank 7/12 Dame Street Dublin 2
Principal Solicitors	Beauchamps Solicitors Riverside Two Sir John Rogerson's Quay Dublin 2
Auditor	KPMG Chartered Accountants 1 Stokes Place St.Stephen's Green Dublin 2
Actuary	Lane Clark & Peacock Ireland Grand Canal Wharf South Dock Road Dublin 4
Insurance Brokers	Willis Risk Services (Ireland) Limited Grand Mill Quay Barrow Street Dublin 4

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