



Barnardos

No child gets left behind



Directors' Report and Audited Accounts 2006

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DIRECTORS' REPORT

For the year ended 31 December 2006

1 Reference and Administrative

1.1 Reference Details

Name Barnardos Republic of Ireland Limited

Registered Office 4 Christchurch Square,
Dublin 8.

Company Registration No. 141526

Charity No. CHY6015

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

1.2 The Board Members

Harry Slowey	Chair	Appointed 29 June 2006
Niamh Cleary	Vice Chair	Appointed 27 Sept 2006
Michael Mortell	Hon. Treasurer	Appointed 29 June 2006
Owen Keenan		
Declan Ryan		
Michael Murray		
Shalini Sinha		
Fintan O'Toole		
Deirdre Kiely		Appointed 30 March 2006
Deirdre Mortell		Appointed 29 June 2006
Owen O'Brien		Appointed 29 June 2006
Sheila Greene		Appointed 30 Nov 2006

Resigned:

Mary Broughan	Resigned 29 June 2006
Olivia O'Leary	Resigned 29 June 2006

Company Secretary

Jude Carey	Resigned 28 February 2006
Dianne O'Kelly	Appointed 28 February 2006

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

1.3 Executive Management Team

Chief Executive	Fergus Finlay
Director of Children's Services	Suzanne Connolly
Director of Finance	Jude Carey (resigned 28 February 2006)
Director of Internal Services	Jacki Conway (appointed 1 March 2006)
Director of Fundraising and Marketing	Alana Kirk (resigned 24 February 2006)
	Ruth Guy (appointed 10 April 2006)
Director of Advocacy	Norah Gibbons

The finance department reported to the Director of Internal Services from 1 March 2006.

1.4 Other Relevant Company Information

Principal Bankers	Allied Irish Bank, 7/12 Dame Street, Dublin 2.
Principal Solicitors	Beauchamps Solicitors, Riverside Two, Sir John Rogerson's Quay, Dublin 2.
Auditors	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.
Insurance Brokers	Willis Insurance Services (Ireland) Limited, 80 Harcourt Street, Dublin 2.

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

The members of the Board hereby present their report and the financial statements for the year ended 31 December 2006.

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

2 Structure, Governance and Management

Barnardos Republic of Ireland Limited is an Irish company incorporated under the Companies Act 1963 on 1 April 1989. It is a company limited by guarantee and does not have a share capital. It is governed by a memorandum and articles of association, which were last amended at the AGM on 3 July 2000. The members of the Board, who are Directors of the charity for the purposes of the Companies Acts, are formally elected at the AGM. Directors are invited to visit our services to get to know our work better.

2.1 Barnardos' Board, Officers and Management

Barnardos is governed by members of the Board who are elected for three-year terms, which are renewable. The Directors, who are non-executive, represent a diverse range of relevant expertise including commercial business, finance, media, education and law. The Board meets at least four times each year and has responsibility for 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 members do not receive any remuneration in respect of their services to the charity. Expenses are reimbursed where claimed.

The Board delegates the day-to-day management of Barnardos to an executive management team, which comprises of the Chief Executive and four Directors: Director of Children's Services, Director of Internal Services, Director of Advocacy and Director of Fundraising and Marketing.

2.2 Internal Control and Risk Management

The Board has overall responsibility for the system of internal control for the charity. These controls aim to safeguard Barnardos' assets and to maintain the integrity of accounting procedures. They include clearly documented financial procedures and the delegation of the authority of the Board, through the Chief Executive, to the rest of the organisation.

The charity operates a comprehensive annual planning and budgeting process. Annual budgets are approved by the Board. Both the Board and management are provided with regular financial reports which compare actual results to the phased budget.

The Board considers the management of risk as a key corporate governance priority. An action plan identifying the top risks for Barnardos is in place and is reviewed regularly. In addition a crisis communications strategy has been put in place.

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

Barnardos policy is that all prospective staff and volunteers working in any area of Barnardos, including the Board and the Board sub-committees, are subject to Garda vetting. In relation to risk the Board has to report once again on-going concerns regarding the difficulties experienced in securing timely Garda vetting.

We continue to apply our own child protection policies, recruitment policies and procedures. We will also continue to lobby for an improved and expanded service and the most rigorous child protection procedures in the interests of child protection.

3 Objectives and Activities

3.1 Objectives

The main objectives of the charity are to provide services and support for children, young people and their families whose development has been impaired by social and economic circumstances.

The vision and mission statements of the organisation are:

Barnardos' vision

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

Barnardos' mission

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

3.2 Principal Activities

Barnardos is a wholly independent Irish charity, which provides a range of services in response to the needs of vulnerable children, young people and their families in many parts of Ireland. Our services include family support and early years services in around 30 locations throughout Ireland as well as specialist services, including:

- Family Welfare Conferences
- Barnardos Bereavement Counselling for Children
- Barnardos Guardian ad Litem Service
- National Children's Resource Centre
- Barnardos Adoption Advice Service
- Origins, an information and tracing service for adults who were residents of former industrial schools.

During 2006, our direct services worked with approximately 5,000 children and their parents.

Barnardos also campaigns for the improvement of conditions for children in Ireland through the work of

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

our advocacy department. In addition, we carry out other activities aimed at promoting awareness and expertise on issues affecting children – including communications, awareness raising, information, research, training, consultancy, and publishing.

Barnardos' work is supported through a combination of statutory and voluntary funding. A substantial portion of the costs of family support services is funded by a variety of statutory sources, mainly the Health Service Executive and a number of government departments. Increasingly statutory funding is determined on the basis of negotiated service level agreements, which is a welcome development as it clarifies and makes explicit the respective operational responsibilities, expectations and accountability.

In addition to its statutory funding the Board has invested in the provision of services for which no statutory income is currently available, and in management and professional supports which are, in the Board's view, critical to the achievement of effective and enduring outcomes for the children and families using our services. These investments are made possible through the support of philanthropic partners and through a diverse range of fundraising activities which, for the year ended 31 December 2006, included direct mail campaigns, legacies, donations from companies and individuals, trusts and foundations, the operation of charity shops, and from fundraising events.

3.3 Volunteers

The volunteer initiative continues to support the involvement and development of volunteers in Barnardos. At the end of 2006 we had 180 registered volunteers. In addition to this we had over 100 volunteers who assisted us in one-off events. Our volunteers are very diverse and come from all walks of life, different ethnic groups, all ages and backgrounds. Volunteers work across all areas of the organisation including the Board, children's services, shops, fundraising, internal services and national services.

The volunteer initiative is committed to best practice in volunteer involvement and provides on-going training, recognition and support to volunteers to enable them to carry out their volunteer roles. The contribution of volunteers is recognised both locally and nationally through the volunteer awards scheme and annual volunteer lunch. Last year's event was attended by our patron President McAleese.

We have promoted and encouraged the work of young volunteers in the community through our successful Helping Hands Young Volunteer Award, in conjunction with our sponsor Softech. We continue to encourage young people to become involved in volunteering through facilitating community outreach, Gáisce placements and involving transition year students in volunteering projects. With our service design team we are working on encouraging the involvement of mature volunteers through our new school literacy tutoring programme.

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

4 Barnardos' Achievements and Performance in 2006

Our achievement and performance in 2006 can be considered under a number of areas of activity – direct services to children and families, advocacy, fundraising and supporting services. These activities are guided by annual implementation plans under our Strategy 2005 – 2016. Performance is reported to the Board at each Board meeting and is measured in a number of ways, including tracking against service level agreements and the use of the balanced scorecard.

4.1 Direct Services to Children and Families

Our services are targeted to achieve two primary outcomes for children:

- Increased capacity to learn and develop.
- Improved emotional well-being.

A major part of Barnardos' work is the provision of a wide range of community based support services to vulnerable children and families in 30 locations throughout Ireland. Our family support services can be described as:

- **Child focused services** that work directly and primarily with children e.g. individual work with children, after school groups and youth action programmes.
- **Family focused services** that work primarily with the child but which incorporate parental support e.g. early childhood development programmes, parent and toddler groups, direct work with families.
- **Parent focused services** that work with parents in the context of meeting the child's needs e.g. parenting programmes, parent coaching, individual work with parents.

The full range of Barnardos' work with, and on behalf of, children, young people and their families in Ireland is described in more detail in Barnardos' Annual Review for 2006.

In addition, Barnardos provides a bereavement counselling service for children who have suffered the loss through death of a close relative, carer or friend. The Origins Information and Tracing Service is for adults who were residents of the former industrial schools and reformatories. The Adoption Advice Service provides information, counselling and a tracing service. The Guardian ad Litem Service provides independent reports on children who are the subject of court proceedings. We also provide three Family Welfare Conference projects. A Family Welfare Conference is a family led decision-making process that supports the family to meet the needs of the children.

Barnardos also operates the National Children's Resource Centre (NCRC), which provides a comprehensive library and information service on all aspects of children's lives, provides training programmes, conducts research, publishes extensively, offers consultancy and supports Barnardos' advocacy and campaigning activity.

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

Barnardos' services were delivered in the following locations during 2006:

<p>Dublin North Region</p> <ul style="list-style-type: none"> ● Avila Close, Finglas West ● Barry Close, Finglas ● Main Street, Mulhuddart ● Roselawn Road, Blanchardstown 	<p>Dublin South Region</p> <ul style="list-style-type: none"> ● Tivoli Terrace South, Dún Laoghaire ● Loughlinstown Drive, Loughlinstown ● Patrick Street, Dún Laoghaire ● Cherry Orchard, Ballyfermot ● Labré Park, Ballyfermot
<p>Dublin West</p> <ul style="list-style-type: none"> ● Newlands Cross, Clondalkin ● Fortunestown, Tallaght ● Bawnlea Green, Tallaght ● Millbrook, Tallaght 	<p>Midlands</p> <ul style="list-style-type: none"> ● Athlone, Westmeath ● Edenderry, Offaly ● Mullingar, Westmeath ● Tullamore, Offaly ● Family Welfare Conference, Drogheda, Navan and Cavan
<p>South East Region</p> <ul style="list-style-type: none"> ● Ballybeg, Waterford ● Clonmel, Tipperary ● Dungarvan, Waterford ● Gorey, Wexford ● Tramore, Waterford ● Waterford City, Waterford ● Tullow Road, Carlow 	<p>Southern Region</p> <ul style="list-style-type: none"> ● White Street, Cork ● Mahon, Cork ● Knocknaheeny, Cork ● Islandgate, Limerick ● Moyross, Limerick ● Southside, Limerick ● Thurles, Tipperary

Developing the Quality of Barnardos' Services

Central to the vision and mission of Barnardos' strategy is the development of better outcomes for children from our work. In order to achieve this our children's services are working towards providing needs based targeted service provision which results in measurable real outcomes for children and families.

During 2006, the following have been achieved as part of Barnardos on-going commitment to developing the quality of its services. These are:

- Completion of the Children's Service Family Support Strategy. This strategy outlines Barnardos' vision for the delivery of its targeted family support services during the period 2007 – 2012. The strategy details how Barnardos will move towards outcomes focused service provision, with two primary outcomes being identified as guiding all of its work with children:
1-increased emotional well-being. 2-improved learning and development.
The strategy was developed in consultation with key stakeholders, including funders, clients, staff and management of Barnardos. Its development has also been informed by a systematic review of existing service provision, a series of analyses of the needs of children in Ireland, and by the results of our service design process which is outlined below. This strategy outlines 16 services which we will develop during 2007 - 2012.
- One of the central aspects of our strategy is to design new services for Barnardos using a standard framework for service design, which includes: gathering a picture of the needs of children (epidemiology); forming needs groups of children from this data and using this as the basis for

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

“sketching” services for children and families (which involves considering the presenting needs of children, what practice experience and research says can meet these needs and formatting them into a service design).

- A standard Barnardos File and Record Keeping system was developed and implemented to ensure consistency of record keeping in line with legislative and best practice guidance.
- Training was provided for 170 staff on a monthly basis over an eight month period in relation to child development; risk and protective factors; need; social history; assessment; threshold; services and outcomes. This training provided the foundation for the introduction of a standard framework for assessing the needs of children across Barnardos' children's services.
- Data from a national service user satisfaction survey, which sought the views of children and families about the services they receive, was gathered and analysed.
- Evaluations took place in relation to the “Da Project” in Cherry Orchard, Ballyfermot, Dublin 10, which focused on involving fathers in family support services; the Family Welfare Conference in Wexford; the Family Welfare Conference in the North East; and the AIB funded Schoolmate programmes around the country.

4.2 Advocacy

The advocacy department ran two campaigns in 2006:

- Make the Grade / Educational Disadvantage.
- Children's Rights in the Constitution.

Each campaign used a mix of awareness-raising activities across different communication platforms; evidence based policy recommendations; and influencing activities, including engagement with political decision-makers, media and stakeholders. A campaign plan was created for both, setting out objectives for the campaign, and the campaign was subsequently measured and evaluated in the context of these objectives.

The ‘Make the Grade’ campaign received widespread media coverage and engaged a broad spectrum of stakeholders. In excess of 2,000 cards were sent to the Minister for Education and Science, and the issue continues to be debated publicly.

Barnardos successfully launched its “Children’s Rights in the Constitution” Campaign on 6 November 2006 with a major conference that was opened by the Minister for Children, Brian Lenihan, and which also received widespread media coverage.

In addition to holding a national conference on children’s rights, which was addressed by the head of the United Nations Committee on Children, we:

- Put forward an example of wording that could be inserted into the Constitution.
- Carried out a national advertising campaign to raise the issue with parents and the public.
- Continued to lobby and influence politicians to explain why putting children’s rights into the Constitution is so important.
- Took all issues forward through various media.

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

Barnardos has a long-standing commitment to focused international collaboration which has consistently been conducive to our development, both directly and indirectly. We have participated in international conferences such as the UN Committee on the Rights of the Child in Geneva in September, and engaged with practice experts in the UK and the US to help us develop outcome focused services based on best practice.

4.3 Fundraising

2006 was a successful year for fundraising for Barnardos with a significant growth in fundraising income on 2005. We continue to grow our private income and while we have increased income on the previous year we still need considerable growth over the coming years as the investment from our philanthropic partners decreases and we seek to replace it with additional donor investment.

Fundraising income - which includes specific amounts allocated to donations, legacies and similar incoming resources and shop sales was €5.0m (2005: €3.3m) for the year and the costs were €2.8m (2005: €2.3m). Unrestricted fundraising income per note 4 to the accounts of €4.0m (2005: €2.4m), combined with restricted fundraising income of €1.0m (2005: €0.9m), gives a net contribution from fundraising of €2.2m (2005: €1.0m) in the year-after costs of €2.8m (2005: 2.3m). Total unrestricted incoming resources of €5.5m (2005: €3.9m) per the Statement of Financial Activities includes other income which is not attributable to fundraising activities.

In line with our strategy in 2006, there has been a continued investment in building the Barnardos database and developing our long-term capacity for delivering sustainable funding. To this aim our philanthropic partners contributed €0.7m to a total fundraising cost of €1.7m in the year.

We recruited over 5,500 new individual donors and exceeded our income target in the individual giving area of fundraising. Events and campaigns also exceeded target, which was largely driven by very successful Barnardos events including the Danone Big Toddle for Barnardos and Spirit of Christmas Gala. In addition, we saw a marked increase in community based fundraising for Barnardos, which can be directly attributed to our increased profile and awareness. Corporate fundraising had a successful year, coming in on target. The major donor giving and trusts and foundations areas of fundraising were not as successful in 2006, but the aim is that the preparatory work done in 2006 will show the benefits in 2007.

Despite tough trading conditions and a continued fall off in donated goods our shops continued to perform well. This was due in large part to the success of the Barnardos Brand New initiative which saw donations of new goods increase and exceeded sales targets in the year. The AIB Toy Appeal was once again a mainstay of our Christmas trading, with the Liffey Street shop being a dedicated toy shop for the Christmas period.

4.4 Supporting Services

Human Resources

The Board would like to acknowledge the valued contribution made by all staff, volunteers and community employment staff across the organisation. Human resource strategies, policies and procedures are constantly being reviewed to ensure that they are aligned with best practice and are capable of meeting the increasing demands of the external and internal environment. Our current pay policy in relation to staff remuneration is to maintain competitiveness in the labour market place by seeking to meet pay levels

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

applicable in the relevant public sector organisations. In addition to its statutory responsibilities the Board is committed to providing progressive conditions of employment for all staff. This includes a commitment to diversity, equal opportunity and the maintenance of the integrity and effectiveness of the organisation's work. During 2006 we have developed a number of initiatives including work/life balance arrangements, stress management, conflict management, employee development and career planning. The Directors confirm that Barnardos' human resources policies and procedures are in compliance with the requirements of the Employment Equality Acts 1998 and 2004 and the Equal Status Act 2000 and a number of key HR policies were diversity proofed in 2006. In 2006 a training needs analysis and training plan was completed and implemented, meeting the training needs of staff in line with the strategy. Training was provided in both management and technical skills at various levels in the organisation.

In line with 2006 Health and Safety and Welfare at Work Act, the key health and safety risks in the organisation were reviewed in 2006 and health and safety objectives were put in place. The key risks include transport management, contractor management, working alone and out of hours, managing aggression in the work place, stress management and management and employee knowledge of health and safety. These objectives will be managed over the next three years, in addition to the on-going health and safety work. In 2006 we conducted workshops with all the line managers and safety officers on the new Act.

On-going training is provided in key areas such as managing aggression in the workplace, fire safety, first aid, ergonomic training and manual handling. Eye tests were carried out for identified staff and the first audit of the HACCP system implemented in 2004 was undertaken. Safety statements and risk assessments were updated during 2006.

Communications

Public awareness of the organisation continued to grow strongly over the year with 11% unprompted awareness of Barnardos our highest ever recorded in a national omnibus survey in September 2006. This was as a result of the increased profile and media presence of the organisation. Growth in public awareness of Barnardos and understanding of our work is a key objective of our strategy.

A monthly internal newsletter is circulated to all staff and a quarterly bulletin is distributed to volunteers. An intranet has also been developed. Message boards have been made available in all shops and Barnardos Centres. In addition, a news champions network has been trained and recruited within Barnardos. A staff survey was conducted during 2006 and the results were communicated back to all staff. Various other mechanisms including meetings, electronic mail, intranet and the newsletter were used to facilitate internal communications.

More information on the services and achievements of the charity are included in the Annual Review 2006. Further copies are available from national and regional offices or can be downloaded from our website on www.barnardos.ie.

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

5 Financial Review

5.1 Results for the year

The financial results for 2006 are shown in the Statement of Financial Activities on page 17.

This shows a net surplus of €141k for the year.

5.2 Income Generation

Barnardos raised total income of €19.5m in the year ended 31 December 2006, an increase of 11% on 2005. Income is analysed as follows: Statutory 56% (2005: 60%); Donations 22% (2005: 12%); Shops 6% (2005: 5%); Trusts, Foundations and Legacies 14% (2005: 22%); and Other 2% (2005: 1%).

5.3 Resource Expended

Total resources expended by the organisation amounted to €19.4m. Of this total 88% was spent on direct charitable activities, 10% on the cost of generating funds and 2% on governance. The costs of running the shops are excluded from the above analysis as this is self financing. Support costs allocated to direct charitable activities are detailed in note 7 to the accounts as per SORP 2005.

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

5.4 Reserve Policy

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

- Restricted funds
- Designated funds
- Income funds that could only be realised by disposing of fixed assets held for charity use

The Board of Barnardos has the responsibility for establishing an appropriate reserve policy. Having reviewed the reserves of the charity, the following policy has been adopted by the Board:

To retain sufficient reserves to ensure the continuity of operations and to absorb periodic setbacks, while committing the maximum amount available for the provision of services to children and families in Ireland.

The policy is that the free reserves should be approximately

- (a) one month of statutory income projected for the coming year (with the exception of Guardian ad Litem) and;
- (b) two months of Guardian ad Litem income projected for the coming year and;

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

- (c) three months of non statutory income projected for the coming year. This includes income from trusts and foundations.

In 2007 this equates to approximately €3.9m in free reserves. The free reserves are €4.3m at 31 December 2006.

The level and adequacy of the reserves are reviewed annually by the audit committee, which reports directly to the Board. Care is taken to consider changing funding structures and activity growth strategies. The policy has been revised in 2006 to take account of an increasing dependence on fundraising activities and the associated risk.

5.5 Investment Policy

It is the policy of the Board that all funds not immediately required for operational purposes should be invested in fixed term interest bearing deposits, maintained with reputable financial institutions.

6 Challenges and Future Priorities

We are now in the third year of our 12 year strategy and investment programme and we have grown significantly in recent years and at a rapid pace. This growth has been facilitated through our partnership with the Health Service Executive and two important philanthropies. Our main aim in the year ahead is to focus on the delivery of our Children's Services Family Support Strategy with better outcomes for children and families, while preserving the community base of our activities, and on our advocacy campaigns to strengthen the rights of children in the Constitution and in the area of child protection. The extent of child poverty in Ireland, and the associated issues of family stress, educational disadvantage and marginalisation, continues to be a major issue.

DIRECTORS' REPORT CONT'D

For the year ended 31 December 2006

7 Statement of the Responsibilities of Members of the Board in Respect of the Financial Statements

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

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

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

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1963 to 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

An audit committee, which is a formal sub-committee of the Board, has been appointed. It is chaired by the Treasurer and includes another Board member at all times. Its function is to keep under review the adequacy, scope and effectiveness of accounting and internal control systems of all financial activities carried out by Barnardos.


8 Books of Accounts

The Directors use the services of a professionally qualified accountant, who reports to the Board and ensures that the requirements of Section 202 of the Companies Act, 1990, are complied with. Those books and records are maintained at Merchants Hall, Merchants Quay, Dublin 8.

9 Auditors

The auditors, Ernst & Young, Chartered Accountants, have signified their willingness to continue in office under Section 160(2) of the Companies Act, 1963.

On behalf of the Board,



Michael Mortell
Honorary Treasurer



Harry Slowey
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARDOS REPUBLIC OF IRELAND LIMITED

We have audited the company's financial statements of Barnardos Republic of Ireland Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the accounting standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2006 and the Statement of Recommended Practice, 2005. We also report to you our opinion as to: whether proper books of account have been kept by the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent mis-statements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

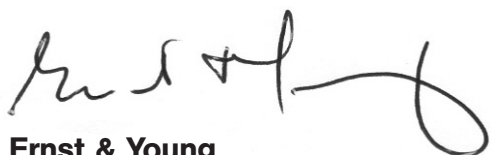
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company as at 31 December 2006 and of its net income for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

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



Ernst & Young
Registered Auditors

Dublin

Date: 11 May 2007

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT

	Note	2006 Unrestricted Funds €000's	2006 Restricted Funds €000's	2006 Total Funds €000's	2005 Total Funds €000's
INCOMING RESOURCES					
Voluntary income	2	1,275	4,018	5,293	5,454
Incoming resources for charitable activities	3	-	10,040	10,040	9,565
Activities for generating funds	4	3,964	-	3,964	2,379
Investment income	5	198	-	198	139
Other incoming resources		11	-	11	-
TOTAL INCOMING RESOURCES		5,448	14,058	19,506	17,537
RESOURCES EXPENDED					
Cost of generating funds	6	2,821	-	2,821	2,293
Charitable activities	7	1,212	15,051	16,263	14,353
Governance costs	7	281	-	281	306
TOTAL RESOURCES EXPENDED		4,314	15,051	19,365	16,952
Net incoming resources before transfers		1,134	-993	141	585
Transfers between funds	15	-1,187	1,187	-	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		-53	194	141	585

All of the above results are derived from continuing activities. The surplus for the year for Companies Act purposes was €141k (2005: €585k).

Approved by the Board:



Michael Mortell
Honorary Treasurer



Harry Slowey
Chair

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2006

	Note	2006 €000's	2005 €000's
NET INCOMING RESOURCES FOR THE YEAR		141	585
Actuarial gain on defined benefit pension scheme	18	613	284
		<u> </u>	<u> </u>
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR		754	869
		<u> </u>	<u> </u>

RECONCILIATION OF MOVEMENT IN RESERVES

For the year ended 31 December 2006

	Note	2006 €000's	2005 €000's
NET INCOMING RESOURCES FOR THE YEAR		141	585
Actuarial gain on defined benefit pension scheme	18	<u>613</u>	<u>284</u>
Total recognised gains and losses for the year		754	869
Reserves at the beginning of the year		6,792	5,923
		<u> </u>	<u> </u>
RESERVES AT THE END OF THE YEAR	15	7,546	6,792
		<u> </u>	<u> </u>

BALANCES SHEET

At 31 December 2006

	Note	2006 €000's	2005 €000's
ASSETS EMPLOYED			
FIXED ASSETS			
Tangible assets	11	<u>2,288</u>	<u>2,598</u>
CURRENT ASSETS			
Debtors	12	1,322	1,585
Cash at bank and short term deposits		<u>6,692</u>	<u>6,289</u>
		8,014	7,874
CURRENT LIABILITIES			
Creditors (amounts falling due within one year)	13	2,556	2,920
Provision for liabilities and charges	14	<u>116</u>	<u>-</u>
		2,672	2,920
NET CURRENT ASSETS		<u>5,342</u>	<u>4,954</u>
DEFINED BENEFIT PENSION SCHEME LIABILITY	18	<u>84</u>	<u>760</u>
NET ASSETS		<u>7,546</u>	<u>6,792</u>
REPRESENTED BY			
General fund	15	6,546	5,986
Restricted income fund	15	<u>1,000</u>	<u>806</u>
TOTAL FUNDS		<u>7,546</u>	<u>6,792</u>

Approved by the Board:



Michael Mortell
Honorary Treasurer



Harry Slowey
Chair

CASH FLOW STATEMENT

for the year ended 31 December 2006

	Note	2006 €000's	2005 €000's
Net cash inflow from operations	16	-11	1,885
Returns on investment and servicing of finance			
Interest received		198	139
Investing activities			
Sale of fixed asset		11	-
Purchase of tangible fixed assets	11	-595	-424
Grants received	11	703	64
		<hr/>	<hr/>
Increase in cash and cash equivalents	17	306	1,664
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

1. STATEMENT OF ACCOUNTING POLICIES

(a) Accounting Conventions

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

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.

(b) Income recognition

Income is recognised in the Statement of Financial Activities when the effect of the transaction or other event results in an increase in the charity's assets. When Barnardos provides family support services in accordance with agreements, the income is recognised when the service is provided. Income due but not yet received at the year end is included in debtors on the balance sheet and funds already received in relation to future years but not yet expended are shown in creditors as deferred income. All statutory grants are treated as restricted grants.

Non statutory grants and donations are recognised when there is evidence of entitlement. Voluntary income such as shops sales is recognised when the income is received. Activities taken to generate non statutory grants, donations and voluntary income are analysed in notes 4 and 6 to the accounts. Capital grants in respect of buildings and equipment are set-off against fixed assets and amortised over the lives of the relevant assets.

(c) Cost Allocation

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

Support costs include Human Resources, Finance, Information Technology and other. Charitable activity costs and the related support costs are analysed in detail in notes 7a and 7b to the accounts.

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 4 and 6 to the accounts.

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 7b to the accounts.

(d) Fixed assets and depreciation

Depreciation is provided from the first month of use.

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

Fixtures, fittings and equipment are stated at cost and depreciated at 10% straight line per annum on their cost with the exception of shop fit outs which are depreciated at 20% per annum.

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2006

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

(e) Funds

All transactions of the organisation have been 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 on each restricted fund represents the income held by Barnardos and not yet expended for the particular purposes specified by the donors/funders.

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.

(f) Pension costs

(a) Defined Benefit Scheme

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

A full actuarial valuation is undertaken every three years and is updated to reflect current conditions in the intervening periods. Pension scheme assets are valued at market value. Pension scheme liabilities are measured on an actuarial basis, using the projected unit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any surplus, to the extent it is considered recoverable, is shown as an asset on the balance sheet and any deficit is shown on the balance sheet as a liability. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses. The current service cost and past service cost of the defined benefit scheme and the expected return on assets, net of the change in the present value of the scheme liabilities arising from the passage of time, has been charged/credited to Governance costs.

(b) 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.

(g) Stock

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

(h) Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2 VOLUNTARY INCOME includes the following

	2006	2006	2006	2005
	€000's	€000's	€000's	€000's
Trusts and Foundations	Unrestricted	Restricted	Total	Total
Barnardo's UK	76	-	76	330
Barnardos Children's Trust	-	-	-	-
Atlantic Philanthropies	-	1,299	1,299	1,810
Other trusts	165	1,198	1,363	1,792
Total Trusts and Foundations	241	2,497	2,738	3,932
Other donations, legacies and similar incoming resources				
Legacies				
Service income Guardian ad Litem	949	-	949	789
Service income National Children's Resource Centre	77	-	77	101
Other donations/fees	8	1,521	1,529	632
Total Donations, Legacies & Incoming Resources	1,034	1,521	2,555	1,522
	1,275	4,018	5,293	5,454

3 INCOMING RESOURCES FOR CHARITABLE ACTIVITIES

	2006	2005
	€000's	€000's
Statutory Sources	Restricted	Restricted
HSE South Western Area	1,683	1,480
HSE Northern Area	994	840
HSE East Coast Area	600	642
HSE Mid-Western Area	1,443	1,432
HSE Midland Area	1,171	1,178
HSE Southern Area	571	372
HSE South Eastern Area	896	941
HSE North Eastern Area	405	261
City of Dublin Vocational Education Committee	54	58
Department of Education and Science	764	714
Department of Social, Community and Family Affairs	34	8
Family Support Agency	156	184
Department of Justice, Equality and Law Reform	1,020	948
	9,791	9,058
Other Fees and Grants	249	507
	10,040	9,565

NOTES TO THE FINANCIAL STATEMENTS CONT'D

4 ACTIVITIES FOR GENERATING FUNDS

	2006 Unrestricted €000's	2005 Unrestricted €000's
Fundraising activities	2,774	1,419
Shop sales	1,190	960
	<u>3,964</u>	<u>2,379</u>

Fundraising income can be analysed as follows:

Corporate Alliances	412	298
Major Donors	257	142
Trusts & Foundations	127	114
Committed & Cash Giving	1,064	440
Corporate (Generic)	365	142
Legacies & Covenants	8	12
Events & Campaigns	541	271
	<u>2,774</u>	<u>1,419</u>

The net result of shop operations is as follows:

Sales	1,190	960
Operating expenses	-1,049	-731
	<u>141</u>	<u>229</u>

Barnardos commenced trading in two shops in 2006. It is not considered practicable to value stock of unsold donated goods at 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

5 INVESTMENT INCOME

	2006 Unrestricted €000's	2005 Unrestricted €000's
Deposit interest	<u>198</u>	<u>139</u>

6 COST OF GENERATING FUNDS

	2006 Unrestricted €000's	2005 Unrestricted €000's
Fundraising campaigns	1,772	1,562
Shops	1,049	731
	<u>2,821</u>	<u>2,293</u>

Fundraising expenditure can be analysed as follows:

Corporate Alliances	23	19
Major Donors	156	94
Trusts & Foundations	89	122
Committed & Cash Giving	980	896
Corporate (Generic)	246	207
Legacies & Covenants	2	2
Events & Campaigns	276	222
	<u>1,772</u>	<u>1,562</u>

NOTES TO THE FINANCIAL STATEMENTS CONT'D

7a RESOURCES EXPENDED FOR CHARITABLE ACTIVITIES

Regions / Services	Dublin West Region €000's	Dublin North Region €000's	Dublin South Region €000's	Midlands Region €000's	Southern Region €000's	South Eastern Region €000's	National Office €000's	Total €000's
Restricted								
Family Support	1,597	1,405	1,718	1,639	2,255	1,198	1,215	11,027
NCRC	-	-	-	50	-	-	372	422
Barnardos Bereavement Counselling for Children	-	-	-	-	71	-	254	325
Origins & AAS	-	-	-	74	134	-	386	594
Volunteer Initiative	-	-	-	-	-	-	97	97
Organisational Development	-	-	-	-	-	-	462	462
Advocacy	-	-	-	-	-	-	533	533
Research	-	-	-	-	-	-	126	126
Direct Costs	<u>1,597</u>	<u>1,405</u>	<u>1,718</u>	<u>1,763</u>	<u>2,460</u>	<u>1,198</u>	<u>3,445</u>	<u>13,586</u>
Support Costs	176	154	189	194	270	132	350	1,465
Total Costs	<u>1,773</u>	<u>1,559</u>	<u>1,907</u>	<u>1,957</u>	<u>2,730</u>	<u>1,330</u>	<u>3,795</u>	<u>15,051</u>
Unrestricted								
NCRC	-	-	-	-	106	-	204	310
GAL	-	-	-	-	84	-	698	782
Direct Costs	-	-	-	-	190	-	902	1,092
Support Costs	-	-	-	-	21	-	99	120
Total Costs	-	-	-	-	211	-	1,001	1,212
Total Charitable expenditure	<u>1,773</u>	<u>1,559</u>	<u>1,907</u>	<u>1,957</u>	<u>2,941</u>	<u>1,330</u>	<u>4,796</u>	<u>16,263</u>

7b ACTIVITIES INCLUDED IN SUPPORT AND GOVERNANCE COSTS

	Support Costs €000's	Governance Costs €000's
Gain on Penion Movements	-	-63
Human Resources	452	58
Finance	413	50
Information Technology	158	18
Corporate	562	218
	<u>1,585</u>	<u>281</u>

NOTES TO THE FINANCIAL STATEMENTS CONT'D

8 STAFF COSTS

The average weekly number of employees, including part-time staff, but not including volunteers, during the year was 314 (2005:304). The equates to 263 full-time equivalent staff (2005:269).

	2006 €000's	2005 €000's
Staff costs comprises:		
Wages and salaries	11,265	9,672
Social welfare costs	1,097	1,012
Pension costs	392	318
	<u>12,754</u>	<u>11,002</u>

Staff activities are as follows:	2006	2005
Direct charitable activities	260	248
Support costs	19	20
Generating funds shops	17	17
Generating funds fundraising	11	11
Governance Costs	7	8
	<u>314</u>	<u>304</u>

The number of higher paid employees was :	2006	2005
€80,000 - €90,000	2	3
€90,000 - €100,000	4	0
€100,000 - €110,000	1	4
€110,000 - €120,000	1	1
€120,000 - €130,000	1	0
€130,000 - €140,000	0	1
€140,000 - €150,000	2	0
	<u>11</u>	<u>9</u>

The remuneration includes employer pension and PRSI contributions. The employer pension contributions are consistent for all staff, including higher paid staff

9 BOARD MEMBER EXPENSES

No member of the Board receives payment other than the reimbursement of expenses incurred which were under €1,000 in total for both 2006 and 2005

10 NET INCOMING/(OUTGOING RESOURCES) FOR THE YEAR

	2006 €000's	2005 €000's
Net surplus for the year is arrived at after charging / (crediting):		
Auditor's remuneration	19	18
Depreciation	240	207
Amortisation of grants	-60	-59
Operating leases	751	530
	<u>751</u>	<u>530</u>

NOTES TO THE FINANCIAL STATEMENTS CONT'D

11 TANGIBLE FIXED ASSETS

	Properties €000's	Furniture, fittings and equipment €000's	Computers €000's	Motor vehicles €000's	Total €000's
Cost					
At 1 January 2006	4,211	1,011	200	326	5,748
Additions	452	43	-	100	595
Disposals	-	-	-	-62	-62
At 31 December 2006	4,663	1,054	200	364	6,281
Depreciation					
At 1 January 2006	970	482	200	145	1,797
Charge for year	92	143	-	45	280
Disposals	-	-	-	-40	-40
At 31 December 2006	1,062	625	200	150	2,037
Net book amounts					
At 31 December 2006	3,601	429	-	214	4,244
At 31 December 2005	3,241	529	-	181	3,951
Capital grants					
At 1 January 2006	1,183	80	-	250	1,513
Additions	603	-	-	100	703
Disposals	-	-	-	-40	-40
At 31 December 2006	1,786	80	-	310	2,176
Capital grants -amortisation					
At 1 January 2006	71	12	-	77	160
Charge for year	28	8	-	42	78
Disposals	-	-	-	-18	-18
At 31 December 2006	99	20	-	101	220
Net book amount					
At 31 December 2006	1,687	60	-	209	1,956
At 31 December 2005	1,112	68	-	173	1,353
Net book amounts - fixed assets & capital grants					
At 31 December 2006	1,914	369	-	5	2,288
At 31 December 2005	2,129	461	-	8	2,598
Freehold and leasehold properties					
	2006 €000's	2005 €000's			
Freeholds	357	521			
Long leaseholds (over 50 years)	1,354	1,391			
Short leaseholds (50 years and under)	203	217			
	<u>1,914</u>	<u>2,129</u>			

An amount of €150,000 is repayable to the HSE in the event of the Family Support Centre in Thurles being disposed of before 2023. €300,000 is repayable to the HSE in the event of the Family Support Centre in Mullingar being disposed of, unless replaced by a mutually agreed premises.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

12 DEBTORS (amounts falling due within one year)

	2006 €000's	2005 €000's
Trade debtors	1,207	1,529
Other debtors	9	9
Prepayments and accrued income	106	47
	<u>1,322</u>	<u>1,585</u>

13a CREDITORS (amounts falling due within one year)

	2006 €000's	2005 €000's
Trade creditors	317	1,071
Bank overdraft	97	-
Other creditors	31	40
Accruals	474	406
Deferred income	1,637	1,403
	<u>2,556</u>	<u>2,920</u>

13b MOVEMENTS IN DEFERRED INCOME

	Statutory Deferred €000's	Non- statutory Deferred €000's	Total €000's
Released from prior year	1,210	193	1,403
Deferred in the current year	1,437	200	1,637

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

14 PROVISION FOR LIABILITIES AND CHARGES

	2006 €000's	2005 €000's
Provision for liabilities and charges	116	-

The provisions for 2006 relate to legal cases and contract termination.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

15a STATEMENT OF MOVEMENT OF FUNDS

	Note	General Fund €000's	Restricted Fund €000's	Total €000's
Balance at beginning of year		5,986	806	6,792
Net incoming resources/(resources expended)		-53	194	141
Actuarial gain on pension scheme	18	613		613
Balance at end of year		<u>6,546</u>	<u>1,000</u>	<u>7,546</u>

15b MOVEMENT IN FUNDS

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

Regions / Services	Dublin West Region €000's	Dublin North Region €000's	Dublin South Region €000's	Midlands Region €000's	Southern Region €000's	South Eastern Region €000's	National Office €000's	Total €000's
Restricted								
Opening balance	13	-	59	6	203	-	525	806
Income	1,494	1,340	2,347	1,757	2,487	1,196	3,438	14,059
Charitable activities costs	1,772	1,560	1,907	1,956	2,730	1,330	3,796	15,051
Transfers	270	220	151	193	91	134	127	1,186
Closing balance	<u>5</u>	<u>-</u>	<u>650</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>294</u>	<u>1,000</u>
Unrestricted								
Opening balance	-	-	-	-	-	-	5,986	5,986
Income	-	-	-	-	18	-	5,429	5,447
Actuarial gain on pension scheme	-	-	-	-	-	-	613	613
Charitable activities costs	-	-	-	-	211	-	1,001	1,212
Cost of generating funds	-	-	-	-	-	-	2,821	2,821
Governance costs	-	-	-	-	-	-	280	280
Transfers	-	-	-	-	193	-	-1,380	-1,187
Closing Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,546</u>	<u>6,546</u>
Restricted & Unrestricted	<u>5</u>	<u>-</u>	<u>650</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>6,840</u>	<u>7,546</u>

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

16 RECONCILIATION OF INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006 €000's	2005 €000's
Net incoming resources	141	585
Depreciation charges	280	232
Amortisation government grant	-78	-59
Decrease in investment assets	-	327
Decrease in debtors	263	815
(Decrease)/Increase in creditors	-345	220
(Decrease) in pension provision	-676	-380
Actuarial gain/(loss) on pension scheme	613	284
Interest (earned)	-198	-139
(Profit) on the sale of fixed asset	-11	-
Net cash inflow from operating activities	<u>-11</u>	<u>1,885</u>

17 ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	2006 €000's	2005 €000's
Balance at beginning of year	6,289	4,625
Net cash inflow	306	1,664
Balance at end of year	<u>6,595</u>	<u>6,289</u>

	At 1 Jan 2006	Cash flows during the year	At 31 Dec 2006
Short Term Deposits	5,614	1,078	6,692
Bank	675	-675	-
Overdraft	-	-97	-97
Balance at end of year	<u>6,289</u>	<u>306</u>	<u>6,595</u>

NOTES TO THE FINANCIAL STATEMENTS CONT'D

18 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 Projected Unit Method. The most recent actuarial valuation was conducted as at 31 December 2003 and the valuation recommended an employer contribution rate of 31.8% from 1 January 2004.

During 2005 the company implemented FRS17 " Retirement Benefits" in the preparation of its financial statements for the year ended 31 December 2005.

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

	2006	2005	2004
Inflation rate	2.25%	2.25%	2.25%
Discount rate	4.60%	4.50%	5.00%
Expected return on assets over the next year	6.04%	6.12%	6.09%
Expected rate of salary increases	4.25%	4.25%	4.25%
Rate of pension increases in payment	2.25%	2.25%	2.25%
Rate of pension increases in deferment	2.25%	2.25%	2.25%

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

	2006	2005	2004
Equities	6.60%	6.90%	7.00%
Bonds	4.10%	3.60%	3.80%
Other	4.50%	3.90%	4.00%

The net pension deficit is analysed as follows:

	2006	2005	2004
	€000's	€000's	€000's
Equities	7,536	6,539	5,006
Bonds	1,108	1,021	1,073
Other	1,328	1,130	1,009
Total market value of assets	9,972	8,690	7,088
Actuarial value of schemes liabilities	-10,056	-9,450	-8,228
Deficit in the scheme	-84	-760	-1,140

NOTES TO THE FINANCIAL STATEMENTS CONT'D

18 PENSION FUND CONT'D

FRS 17 has been adopted and the following amounts have been recognised in the Statement of Financial Activities and Income and Expenditure Account:

	2006	2005
	€000's	€000's
<i>Charged to expenditure</i>		
Current service costs	232	237
<i>Credited/charged to other finance income</i>		
Interest on pension scheme liabilities	422	407
Expected return on scheme assets	-534	-434
<i>Total Statement of Financial Activities</i>	<u>120</u>	<u>210</u>

FRS 17 has been adopted and the following amounts have been recognised in the Statement of Total Recognised Gains and Losses:

	2006	2005
	€000's	€000's
Gain on assets	694	982
Experienced (loss)/gain on liabilities	-234	22
Gain/(loss) on changes in demographic and financial assumptions	153	-720
Actuarial gain recognised in STRGL	<u>613</u>	<u>284</u>

Movements in deficit during the year:

	2006	2005
	€000's	€000's
Deficit in scheme at beginning of year	-760	-1,140
Contributions paid	183	306
Current service cost	-232	-237
Other financial income	112	27
Actuarial gain	613	284
	<u>-84</u>	<u>-760</u>

NOTES TO THE FINANCIAL STATEMENTS CONT'D

18 PENSION FUND CONT'D

Disclosures required under FRS17 continued

History of experience gains and losses	2006 €000's	2005 €000's	2004 €000's	2003 €000's	2002 €000's
Gain on scheme assets	694	982	456	286	-2,244
% of scheme assets at end of period	6.95%	11.30%	6.43%	4.60%	39.69%
Experience (loss)/gain on scheme liabilities	-234	22	477	309	-307
% of scheme liabilities at end of period	-2.33%	0.23%	5.80%	4.41%	4.44%
Total actuarial gain/(loss) recognised in STRGL	613	284	-235	595	-2,630
% of scheme liabilities at end of period	6.09%	3.00%	2.85%	8.48%	38.04%

19 COMMITMENTS

Operating lease commitments payable during the next twelve months amounts to €751k and are payable in relation to equipment and property leases which expire as follows:

	Plant & Equipment €000's	Land & Buildings €000's	Total €000's
Within one year	30	58	88
Within two to five years	-	362	362
After five years	-	301	301
	<u>30</u>	<u>721</u>	<u>751</u>

Capital Commitments payable within the next twelve months amount to €2,578k and relate to property building commitments.

20 COMPARATIVE FIGURES

The comparative figures have been reclassified where applicable to comply with SORP 2005.

Notes:

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Notes:

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

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

To find out more about Barnardos visit our website www.barnardos.ie or contact our national office:

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Registered charity 6015

Barnardos supports children whose well-being is under threat, by working with them, their families and communities and by campaigning for the rights of children. Barnardos was established in Ireland in 1962 and is Ireland's leading independent children's charity.

