Barnardos Republic of Ireland Limited

Directors' Report and Financial Statements

Year Ended 31 December 2007

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Directors' Report:

1 Reference and Administrative	2
2 Structure, Governance and Management	4
3 Objectives and Activities	5
4 Barnardos' Achievements and Performance in 2007	7
5 Financial Review	14
6 Challenges and Future Priorities	16
7 Statement of the Responsibilities of Members of the Board in Respect of the Financial Statements	18
8 Books of Accounts	19
9 Auditors	19
Independent Auditor's Report	20
Financial Statements	22

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 Barnardos United Kingdom.

1.2 Board Members

Current Members

Harry Slowey	Chairperson
Niamh Cleary	Deputy Chairperson
Michael Mortell	Honorary Treasurer
Sheila Greene	
Deirdre Kiely	
Deirdre Mortell	
Michael Murray	
Owen O'Brien	
Fintan O'Toole	
Shalini Sinha	

Resigned

Owen Keenan	12 July 2007
Declan Ryan	22 February 2007

Company Secretary

Dianne O'Kelly

Directors' Report

1.3 Executive Management Team

Chief Executive	Fergus Finlay
Director of Children's Services	Suzanne Connolly
Director of Finance	Dianne O'Kelly (appointed 1 June 2007)
Director of Internal Services	Jacki Conway
Director of Fundraising & Marketing	Ruth Guy
Director of Advocacy & Central Services	Norah Gibbons
Assistant Director of Children's Services	Grainne Burke
National Manager of Barnardos' Training and Resource Service	Anne Conroy

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	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Insurance Brokers	Coyle Hamilton Wills Limited Grand Mill Quay Barrow Street Dublin 4

The members of the Board hereby present their report and the financial statements for the year ended 31 December 2007.

These documents are prepared in accordance with the Companies Acts 1963 to 2006 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 to 2006, on 1 April 1989. It is a company limited by guarantee and does not have a share capital. It is governed by a memorandum and articles of association, which were last amended at the Extraordinary General Meeting (EGM) on 6 December 2007.

The members of the Board, who are Directors of the charity for the purposes of the Companies Acts, are formally elected at the Annual General Meeting (AGM). Directors are invited to visit 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 five times each year and has responsibility for all the business of the organisation.

The Board is supported by a Board committee structure which deals effectively with specific aspects of the business of the company. The Board members do not receive any remuneration in respect of their services to the charity. Expenses are reimbursed where claimed.

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

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.

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. 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 Barnardos are:

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

The objectives were updated at an EGM in December 2007.

The vision and mission statements of the organisation are:

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

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

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 family support and early years services are situated in the heart of local communities in Ireland. We also offer additional specialist services to children, such as a Bereavement Counselling Service for Children, a Guardian Ad Litem Service (GAL), a Post-Adoption Service and a Tracing Service for adults who were residents of former industrial schools in Ireland.

Our key concern is that the children with whom we work receive an effective service that delivers positive outcomes in relation to their emotional well-being, learning and development and that we respond effectively to any concerns about their safety and well-being which come to our attention in the course of our work. Barnardos aims to provide a quality, best-practice approach to such concerns, informed by principles and standards which draw on legislation guidance, experience, research and learning from the regular scrutiny of practice.

During 2007 our direct services worked with over 5,300 children and their parents (Family Support Projects, GAL services and Bereavement Counselling services). Over 7,700 people used our Information Services with 5,303 enquiries from childcare professionals, parents and students; over 1,100 training places provided (up 55% on 2006); 394 enquiries handled by our Adoption Advice Services; 255 through our Bereavement Counselling phone lines and 714 Origins enquiries.

3.2 Principal Activities (continued)

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. This 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 a diverse range of fundraising activities which, for the year ended 31 December 2007, included direct mail campaigns, legacies, donations from companies and individuals, trusts and foundations, the operation of charity shops, fundraising events and through the support of philanthropic partners.

3.3 Volunteers

Barnardos would not be able to provide vital services without the dedication, commitment and skills of our many volunteers. We have volunteers at all levels of the organisation including our Board members and across our organisation in Children's and Central Services, our Charity Shops, Fundraising and Support Services.

We currently have over 190 registered volunteers working at all levels in Barnardos and many more dedicated people give of their time to Barnardos to assist us with one off events. Many groups, clubs, schools, companies and individuals held imaginative fundraising events to support our work throughout 2007. To all the groups and individuals who helped us, our sincere thanks - we could not do it without you!

Our volunteer initiative is committed to best practice in volunteer involvement and provides ongoing training, recognition and support to volunteers to enable them to carry out their volunteer roles. The contribution of volunteers is recognised both locally and through our Volunteer Awards Scheme and Annual Volunteer Lunch which was attended by 140 volunteers and staff this year. We continue to encourage the work of young volunteers in the community though the Helping Hands Young Volunteer Awards in conjunction with our Volunteer Sponsor, Softech.

Strategic initiatives such as the Wizards of Words Literacy Programme had a particular focus for volunteer recruitment in the second half of 2007. This new programme to Ireland is a school based literacy programme that recruits, trains and manages teams of older adult volunteers (aged 55+) to provide an intensive service in school to support reading and literacy instruction for children who are approximately one year behind in their reading level.

4 Barnardos' Achievements and Performance in 2007

Our achievements and performance in 2007 can be considered under a number of areas of activity:

- Direct Services to Children and Families;
- Advocacy;
- Fundraising;
- 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 wellbeing.

A major part of Barnardos' work is the provision of a wide range of community based support services to vulnerable children and families 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.

During 2007, we commenced work on the development and introduction of two exciting new service designs – Wizards of Words (a literacy improvement programme), and Friendship Group (a peer relationship and social skills programme).

4.1 Direct Services to Children and Families (continued)

Barnardos' services were delivered in the following locations during 2007:

Dublin North Region

Avila Close, Finglas West
Barry Close, Finglas
Main Street, Mulhuddart
Roselawn Road, Blanchardstown
Buckingham Street, Dublin 1
Mulhuddart/Corduff

Dublin South Region

Tivoli Terrace South, Dún Laoghaire
Loughlinstown Drive, Loughlinstown
Patrick Street, Drugs Project, Dún Laoghaire
Patrick Street, Family Support, Dún Laoghaire
Cherry Orchard, Ballyfermot
Labre Park, Ballyfermot

Dublin West

Newlands Cross, Clondalkin
Bawnlea Green, Tallaght
Millbrook, Tallaght
Jobstown Community Centre, Tallaght

Midlands

Athlone, County Westmeath
Edenderry, County Offaly
Mullingar, County Westmeath
Tullamore, County Offaly
Family Welfare Conference, Drogheda,
Navan and Cavan

South East Region

Ballybeg, Waterford
Clonmel, County Tipperary
Dungarvan, County Waterford
Gorey, County Wexford
Tramore, County Waterford
Waterford City, Waterford
Tullow Road, Carlow

Southern Region

Mahon, Cork
Islandgate, Limerick
Moyross, Limerick
Southside, Limerick
Thurles, County Tipperary

4.1 Direct Services to Children and Families (continued)

In addition, Barnardos provided:

- A Bereavement Counselling Service for children who have suffered the loss through death of a close relative, carer or friend.
- An Origins Information, Counselling and Tracing Service for adults who were residents of the former industrial schools and reformatories.
- An Adoption Advice Service which provides information, counselling and a tracing service.
- A Guardian ad Litem Service which provides independent reports on children who are the subject of court proceedings.
- Three Family Welfare Conference projects. These are family-led decision-making processes that support the family to meet the needs of the child.

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

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 we are working towards providing needs based targeted service provision which results in measurable real outcomes for children and families.

Barnardos' Best Practice Advisory Committee was established in early 2007 to contribute to the strategic development of Barnardos services to children, young people and their families drawing on best international practice and research knowledge; to advise on specific service designs and plans at key stages in the cycle; to advise on issues of programme integrity in implementing proven programmes in an Irish context; to review and comment on advisable adjustments to service designs in light of early implementation results and early testing; and to advise on planned evaluation strategies and methodologies to be used to demonstrate the impact of our new service designs. Membership of the committee includes a range of expertise from Ireland, the UK and the US.

During 2007 the following have been achieved as part of Barnardos' ongoing commitment to developing the quality of our services:

We have continued to implement the Barnardos' Assessment Framework. All of our staff and managers have received training and support to enhance their understanding of the principles of assessment within a family support context and how to complete an assessment effectively with children and families.

Practice standards have been developed and introduced in the areas of Promoting Positive Behaviour, Child Protection and Supervision.

The file and record keeping system introduced in 2006 was reviewed in early 2007. This review highlighted the strengths and weaknesses of the system and the areas where staff required further support/training. Changes have been made to the system and training provided for staff.

4.1 Direct Services to Children and Families (continued)

Developing the Quality of Barnardos' Services (continued)
As part of our commitment to needs-led service provision we have successfully completed an epidemiological study of children's needs in Limerick and Thurles. This study was carried out in partnership with the Health Service Executive (HSE) and has provided data in relation to the needs of children attending Barnardos' services and also the needs of children in the wider Limerick and Thurles area.

The needs analysis stressed the important role of mothers in their children's lives and the need to work with them to support them in their key role as emotional nurturers of their children. The analysis also highlighted the need to reduce the stress caused by financial difficulties and to provide direct work with children on behaviour problems. Development of services following the need analysis will be done in consultation with all key stakeholders.

A needs analysis in the Tallaght area of West Dublin was completed in October 2007. This piece of research considered the needs of children living in drug misusing families and again will support the further development of services in this area.

4.2 Advocacy

Barnardos' advocacy department focused its energies on four key areas during 2007:

- The campaign to insert children's rights into the Irish Constitution.
- Influencing the policies that would shape the agenda for children and their families following the general election 2007 in Barnardos' policy document: The Children's Manifesto – a million reasons to get it right.
- Building greater understanding of childhood today with the launch of the national poll Childhood 2007.
- Influencing Budget 2008 in relation to child poverty with the Barnardos Children's Budget 2008.

Barnardos has been a leading voice in the campaign for children's rights to be inserted into the Irish Constitution. We launched the first public campaign on the issue by any non-governmental organisation (NGO) in Autumn/Winter 2006 with a landmark conference and a draft clause to amend the Constitution to provide greater rights for children. This initiative was followed in Spring 2007 with the launch by Justice Catherine McGuinness of the Barnardos poll on voter intentions in the event of a referendum on children's rights which showed four out of five voters would back such a move. The launch received widespread media coverage.

Barnardos was keen to capitalise on the pre-election window of opportunity to put children's issues on the national agenda. We brought together our key issues in the form of the Children's Manifesto with the tagline – "A million reasons to get it right". Barnardos' message especially in relation to pre-school and educational disadvantage was reflected in the party manifestos of the main political parties.

4.2 Advocacy (continued)

In the Autumn/Winter of 2007, Barnardos embarked on the first national survey ever to be carried out in relation to childhood in Ireland today. In a nationally representative poll, we surveyed over 400 parents and 200 teenagers on a variety of issues, from use of social networking sites to bullying, from concepts of childhood to parental anxieties. We found that despite unprecedented change there was remarkable agreement between parents and children on key areas. There was no discernible generation gap and no glaring differences either urban or rural or across social class - parents and children were getting on with each other and their values were closely aligned. What surprised us was the high degree of access to material goods children had at a very young age and that after friends and family, "a safe community" was top of the list of what makes a good childhood. The Childhood 2007 Poll seemed to capture both the public and media's imagination and we received widespread national and local, print and broadcast coverage. The result of the Childhood 2007 Poll was to increase our understanding of parents' and children's concerns and to reinforce Barnardos' position as an authoritative commentator on a wide cross-section of children's issues. Further details on the poll may be found in the Policies and Campaigns section of **www.barnardos.ie**

We put forward our annual Children's Budget in November, outlining the socio-economic priorities of children and families living in poverty. We had an opportunity to present our Children's Budget to the Minister for Social and Family Affairs in a pre-budget forum meeting along with other NGOs.

4.3 Fundraising

2007 was another successful year for fundraising for Barnardos with the growth trend continuing. Individual donors and Events and Campaigns had a particularly successful year reflecting the growth in our awareness and the impact of the previous 2 years strategy of investing in building the individual donor database.

Fundraising activities for the year generated €3.55m (2006: €2.65m): Unrestricted Trusts, Legacies & Donations income was €0.309m (2006; €0.299m), Restricted Trusts & Donations income was €1.683m (2006: €2.720m) giving a total Fundraising income of €5.539m (2006:€5.666m) in the year.

As defined in the strategy, there continues to be a significant investment in building the Barnardos database and developing our long-term capacity for delivering sustainable funding. This investment in the future has been supported by our philanthropic partners. We have focused on fundraising activities that will deliver the optimal investment return over time and the Board is satisfied with the current level of contribution. Total fundraising costs for the year were €2.3m (2006: €1.8m).

We recruited over six thousand new individual donors (against a target of 5,100) 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 with registrations up over 40% on 2006. 2007 also marked our first ever overseas trek to Vietnam. The event was hugely successful, and overseas treks will remain in our national events calendar for the years ahead as a result. In addition we saw a marked increase in community based fundraising for Barnardos, which can be directly attributed to our increased profile and awareness.

4.3 Fundraising (continued)

Despite tough trading conditions and a continued fall off in donated goods our shops continued to perform well delivering sales of €1.396m (2006: €1.190m), an increase of 17%. 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 and the performance of the Dún Laoghaire Bridal Shop. 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 Human Resources team is committed to working in partnership and to providing a professional service throughout Barnardos. We are focused on supporting staff in a changing environment, both in the implementation of our strategic plan and in the challenging external environment our staff and management work in. Barnardos employed 340 people in 2007.

We invest highly in the recruitment and training of all our staff to ensure that they are capable of meeting the increasing demands of the internal and external environment.

In 2007 we continued to roll out our training programme to ensure that training needs throughout the agency were being met. 103 training days were delivered internally in 2007 with an attendance of 968 delegates including training on Shared Language, Services File Management, High Scope training, team building, project management, supervisor and supervisee training and regular IT, health and safety and induction training.

We continued to develop our HR systems and processes during 2007 to keep pace with best practice.

At the request of the Office of the Minister for Children, we set up the Barnardos Garda Vetting Service in November 2007 with two staff members based in Cork. We are acting as a clearing house for vetting applications to the Garda Vetting Unit in Thurles covering individuals in the childcare sector who are not linked to any provider network (ranging from sole traders to CE schemes and pre-schools with a number of employees) and are providing training for these providers in relation to their obligations under the Pre-school Regulations.

Communications
Our media profile has grown significantly and advocacy and fundraising campaigning has increased our front-of-mind awareness amongst the public. People see us on billboards and bus shelters (with thanks to JC Decaux, who donated these sites), read about us in the papers, receive our information through their door or on-line, and hear us on the radio. We have seen a marked increase in our regional coverage, thanks in large part to the success of the monthly syndicated column written by Fergus Finlay which we introduced last year, and coverage of the Toddle.

Barnardos is carefully and thoughtfully stepping in from the margins with the aim of highlighting the need that exists in the communities in which we work and the solutions that would make a significant difference in children's lives. In 2007 a lot of work was completed that placed us in a position to clarify our message and communicate in a way that consistently conveys authority, professionalism and compassion.

2007 proved to be a record year, both in terms of square centimeters, and in the value of the free media coverage Barnardos achieved. The volume of the coverage increased by 18% on 2006 and represented 470,207 square centimeters. This equates to a media value (AVE) of just under €3 million, up over €500,000 on the value in 2006.

We have grown understanding of our cause considerably. In 2006, 61% of those who were aware of Barnardos recognised us as a children's charity. In 2007 that figure had increased to 75% which demonstrates that we are getting our message across.

2007 also saw the roll-out of the brand standards and the introduction of the new literature suite which standardised all materials across the organisation and introduced easy to use templates to assist in reducing the work load in producing essential information leaflets in the projects.

More information on the services and achievements of the charity are included in the 2007 Annual Review. Further copies are available from National and Regional Offices or can be downloaded from our website: **www.barnardos.ie**.

Statement of Total Recognised Gains and Losses

For the Year Ended 31 December 2007

	Note	**2007** **`000's**	2006 €000's
Net incoming resources for the year		**136**	141
Actuarial (loss)/gain on defined benefit pension scheme	17	**(403)**	613
Total recognised gains and losses for the year		**(267)**	754

Reconciliation of Movement in Reserves

for the Year Ended 31 December 2007

	Note	**2007** **`000's**	2006 €000's
Net incoming resources for the year		**136**	141
Actuarial (loss)/gain on defined benefit pension scheme	17	**(403)**	613
Total recognised gains and losses for the year		**(267)**	754
Reserves at the beginning of the year		**7,546**	6,792
Reserves at the end of the year	14	**7,279**	7,546

Balance Sheet

At 31 December 2007

	Note	**2007** **`000's**	2006 €000's
Fixed assets			
Tangible assets	10	**2,150**	2,288
Current assets			
Debtors	11	**1,964**	1,322
Cash at bank and short term deposits		**7,603**	6,692
		9,567	8,014
Current liabilities			
Creditors: amounts falling due within one year	12	**(4,039)**	(2,556)
Net current assets		**5,528**	5,458
Total assets less current liabilities		**7,678**	7,746
Provision for liabilities and charges	13	**(60)**	(116)
Net assets before pension liability		**7,618**	7,630
Defined benefit pension scheme liability	17	**(339)**	(84)
Net assets		**7,279**	**7,546**
Represented by			
General fund	14	**6,488**	6,546
Restricted income fund	14	**791**	1,000
Total funds		**7,279**	7,546

On behalf of the board

Michael Mortell
Honorary Treasurer

Harry Slowey
Chairperson

Cash Flow Statement

For the Year Ended 31 December 2007

	Note	**2007** **`000's**	2006 €000's
Net cash inflow/(outflow) from operations	15	**475**	(11)
Returns on investment and servicing of finance			
Interest received		**266**	198
Investing activities			
Sale of fixed asset		**-**	11
Purchase of tangible fixed assets	10	**(2,079)**	(595)
Net cash (outflow)/inflow from investing activities		**(2,079)**	(584)
Financing activities			
Grants received	10	**2,029**	703
Increase in cash and cash equivalents		**691**	306
Cash and cash equivalents at beginning of year	16	**6,595**	6,289
Cash and cash equivalents at end of year		**7,286**	6,595

Statement of Accounting Policies

Basis of Preparation

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

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

Income Recognition

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

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

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

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

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

Cost Allocation

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

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

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

Statement of Accounting Policies (continued)

Cost Allocation (continued)

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

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

Fixed Assets and Depreciation

Depreciation is provided 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.

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

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 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.

Statement of Accounting Policies (continued)

Pension Costs

Defined Benefit Scheme

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

A full actuarial valuation is undertaken every three years and 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.

Defined Contribution Scheme

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

Stock

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

Operating Leases

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

Notes to the Financial Statements

1 Voluntary Income Includes the Following

	2007 `000's Unrestricted	**2007 `000's Restricted**	**2007 `000's Total**	2006 €000's Total
Fundraising activities				
Corporate (Alliances)	-	-	-	412
Major donors	200	-	200	257
Committed and cash giving	1,913	-	1,913	1,064
Corporate (generic)	462	-	462	365
Legacies and covenants	-	-	-	8
Events and campaigns	972	-	972	541
Total fundraising activities	**3,547**	**-**	**3,547**	**2,647**
Trusts and Foundations				
Barnardo's UK	-	-	-	76
Atlantic Philanthropies	-	633	633	1,299
Other trusts	-	1,014	1,014	1,490
Total Trusts and Foundations	**-**	**1,647**	**1,647**	**2,865**
Other Donations, legacies and similar incoming resources				
Legacies	282	-	282	-
Service income National Children's Resource Centre	275	-	275	77
Other donations/fees	27	669	696	1,529
Total donations, legacies & similar incoming resources	**584**	**669**	**1,253**	**1,606**
Total Voluntary Income	**4,131**	**2,316**	**6,447**	**7,118**

Notes to the Financial Statements (continued)

2 Income from Trading Activities

	2007 Unrestricted `000's	2006 Unrestricted €000's
The net result of shop operations is as follows:		
Sales	**1,396**	1,190
Operating expenses	**(1,277)**	(1,049)
Net shop contribution	**119**	141

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.

3 Incoming Resources for Charitable Activities

	2007 `000's Restricted	2006 €000's Restricted
Statutory Sources		
HSE South Western Area	**1,822**	1,683
HSE Northern Area	**1,402**	994
HSE East Coast Area	**713**	600
HSE Mid-Western Area	**1,618**	1,443
HSE Midland Area	**1,244**	1,171
HSE Southern Area	**398**	571
HSE South Eastern Area	**1,281**	896
HSE North Eastern Area	**444**	405
City of Dublin Vocational Education Committee	**59**	54
Department of Education and Science	**841**	764
Department of Social, Community and Family Affairs	**18**	34
Family Support Agency	**205**	156
Department of Justice, Equality and Law reform	**1,251**	1,020
	11,296	9,791
Service income from Guardian ad Litem	**1,265**	949
Other fees and grants	**919**	249
	13,480	10,989

Notes to the Financial Statements (continued)

4 Investment Income

	2007 Unrestricted `000's	2006 Unrestricted €000's
Deposit interest	**266**	198

5 Cost of Generating Funds

	2007 Unrestricted `000's	2006 Unrestricted €000's
Fundraising expenditure can be analysed as follows:		
Corporate Alliances	**-**	23
Major Donors	**130**	156
Trusts & Foundations	**-**	89
Committed & Cash Giving	**1,314**	980
Corporate (Generic)	**298**	246
Legacies & Covenants	**-**	2
Events & Campaigns	**537**	276
	2,279	1,772

Notes to the Financial Statements (continued)

6(a) 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	Total regional childcare `000's	National Office `000's	2007 Total `000's
Restricted									
Family support	1,788	2,036	2,245	1,731	2,515	1,484	11,799	224	12,023
NCRC	-	-	-	-	-	-	-	593	593
GAL	-	-	-	-	-	-	-	400	400
Solas	-	-	-	-	-	-	-	1,090	1,090
Origins & AAS	-	-	-	-	-	-	-	645	645
Garda vetting	-	-	-	-	-	-	-	17	17
Advocacy	-	-	-	-	-	-	-	477	477
Service design	-	-	-	-	-	-	-	613	613
Research	-	-	-	-	-	-	-	194	194
Direct costs	1,788	2,036	2,245	1,731	2,515	1,484	11,799	4,253	16,052
Support costs	179	197	213	157	249	148	1,143	290	1,433
Total costs	**1,967**	**2,233**	**2,458**	**1,888**	**2,764**	**1,632**	**12,942**	**4,543**	**17,485**
Unrestricted									
NCRC	-	-	-	-	-	-	-	262	262
Direct costs	-	-	-	-	-	-	-	262	262
Support costs	-	-	-	-	-	-	-	18	18
Total costs	-	-	-	-	-	-	-	280	280
Total charitable expenditure	**1,967**	**2,233**	**2,458**	**1,888**	**2,764**	**1,632**	**12,942**	**4,823**	**17,765**

Notes to the Financial Statements (continued)

6(b) Activities Included in Support and Governance Costs

		2007 Support costs `000's	2007 Governance costs `000's
	Cost Drivers		
Gain on pension movements		-	(148)
Human resources	Head Count	419	48
Finance	Expenditure	431	57
Information technology	No of PC's	167	20
Corporate	Head Count	434	155
		1,451	**132**

7 Staff Costs

The average weekly number of employees, including part-time staff, but not including volunteers, during the year was 340 (2006: 314). This equates to 290 full time equivalent staff (2006: 263).

	2007 `000's	2006 €000's
Staff costs comprises:		
Wages and salaries	**12,517**	11,265
Social welfare costs	**1,238**	1,097
Pension costs	**545**	392
	14,300	12,754

Staff activities are as follows:	2007 Number	2006 Number
Direct charitable activities	**286**	260
Support costs	**19**	19
Generating funds shops	**17**	17
Generating funds fundraising	**10**	11
Governance costs	**8**	7
	340	314

Notes to the Financial Statements (continued)

7 Staff Costs (continued)

The number of higher paid employees was:	**2007**	2006
€80,000 - €90,000	**5**	2
€90,000 - €100,000	**4**	4
€100,000 - €110,000	**-**	1
€110,000 - €120,000	**2**	1
€120,000 - €130,000	**2**	1
€130,000 - €140,000	**-**	-
€140,000 - €150,000	**-**	2
€150,000 - €160,000	**2**	-
	15	11

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

8 Board Member Expenses

No member of the board receives payment other than the reimbursement of expenses incurred which were under €1,000 in total for both 2007 and 2006.

9 Net Incoming/(Outgoing Resources) for the Year

	2007 `**000**	2006 €000
Net surplus for the year is arrived at after charging/(crediting):		
Auditor's remuneration	**32**	19
Depreciation	**269**	280
Amortisation of grants	**(81)**	(78)
Operating leases – primarily land and buildings	**835**	751

Notes to the Financial Statements (continued)

10 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 2007	4,663	1,054	200	364	6,281
Additions	1,851	143	-	85	2,079
Disposals	-	-	-	(69)	(69)
At 31 December 2007	**6,514**	**1,197**	**200**	**380**	**8,291**
Depreciation					
At 1 January 2007	1,062	625	200	150	2,037
Charge for the year	91	130	-	48	269
Disposals	-	-	-	(29)	(29)
At 31 December 2007	**1,153**	**755**	**200**	**169**	**2,277**
Net book amounts					
At 31 December 2007	**5,361**	**442**	**-**	**211**	**6,014**
At 31 December 2006	3,601	429	-	214	4,244
Capital grants					
At 1 January 2007	1,786	80	-	310	2,176
Received in the year	1,831	113	-	85	2,029
Disposals	-	-	-	(69)	(69)
At 31 December 2007	**3,617**	**193**	**-**	**326**	**4,136**
Capital grants - amortisation					
At 1 January 2007	99	20	-	101	220
Charge for the year	27	8	-	46	81
Disposals	-	-	-	(29)	(29)
At 31 December 2007	**126**	**28**	**-**	**118**	**272**
Net book amounts					
At 31 December 2007	**3,491**	**165**	**-**	**208**	**3,864**
At 31 December 2006	1,687	60	-	209	1,956
Net book amounts – xed assets & capital grants					
At 31 December 2007	**1,870**	**277**	**-**	**3**	**2,150**
At 31 December 2006	1,914	369	-	5	2,288

Notes to the Financial Statements (continued)

10 Tangible Fixed Assets (continued)

	2007 `**000's**	**2006** €000's
Freehold and leasehold properties – carrying value net of unamortised grants		
Freeholds	**367**	357
Long leaseholds (over 50 years)	**1,315**	1,354
Short leaseholds (50 years and under)	**188**	203
	1,870	1,914

The following capital grants become repayable to the funders under certain circumstances
1: Family Support Centre Thurles - €190,460 becomes repayable to the HSE in the event of the assets being disposed of before 2023.
2: Family Support Centre in Mullingar - €300,000 becomes repayable to the HSE in the event of the asset being disposed of, unless replaced by mutually agreed premises.
3: Brighter Futures Centre in Knocknaheeney - €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.

11 Debtors (amounts falling due within one year)

	2007 `**000's**	2006 €000's
Trade debtors	**1,872**	1,207
Other debtors	**19**	9
Prepayments and accrued income	**73**	106
	1,964	1,322

12(a) Creditors (amounts falling due within one year)

	2007 `**000's**	2006 €000's
Trade creditors	**1,536**	317
Bank overdraft	**317**	97
Other creditors	**52**	31
Accruals	**565**	474
Deferred income	**1,569**	1,637
	4,039	2,556

Notes to the Financial Statements (continued)

12(b) Movements in Deferred Income

	Statutory deferred `000's	Non-statutory deferred `000's	Total `000's
Released from prior year	1,437	200	**1,637**
Deferred in the current year	1,425	144	**1,569**

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

13 Provision for Liabilities and Charges

	2007 `000's	2006 €000's
At beginning of year	**116**	-
Charged in the year	**-**	116
Released in the year	**(56)**	-
At end of year	**60**	116

The provision relates to legal cases.

14(a) Statement of Movement on Funds

	General fund `000's	Restricted fund `000's	Total `000's
Balance at beginning of year	6,546	1,000	7,546
Net incoming resources/(resources expended)	345	(209)	136
Actuarial gain on pension scheme (Note 18)	(403)	-	(403)
Balance at end of year	**6,488**	**791**	**7,279**

Notes to the Financial Statements (continued)

14(b) 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	Total regional childcare `000's	National Office `000's	2007 Total `000's
Restricted									
Opening balance	5	-	650	-	51	-	706	294	1,000
Income	1,672	1,891	1,990	1,755	2,584	1,468	11,360	4,436	15,796
Charitable activities costs	(1,967)	(2,233)	(2,458)	(1,888)	(2,764)	(1,632)	(12,942)	(4,543)	(17,485)
Transfers	300	342	193	133	344	164	1,476	4	1,480
Closing balance	**10**	**-**	**375**	**-**	**215**	**-**	**600**	**191**	**791**
Unrestricted									
Opening balance	-	-	-	-	-	-	-	6,546	6,546
Income	-	-	-	-	-	-	-	5,793	5,793
Actuarial loss on pension scheme	-	-	-	-	-	-	-	(403)	(403)
Charitable activities costs	-	-	-	-	-	-	-	(280)	(280)
Cost of generating funds	-	-	-	-	-	-	-	(3,556)	(3,556)
Governance costs	-	-	-	-	-	-	-	(132)	(132)
Transfers	-	-	-	-	-	-	-	(1,480)	(1,480)
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,488**	**6,488**
Restricted and Unrestricted	**10**	**-**	**375**	**-**	**215**	**-**	**600**	**6,679**	**7,279**

Transfers relate to the funding of the organisations charitable activities with available unrestricted funds.

Notes to the Financial Statements (continued)

15 Reconciliation of Incoming Resources to Net Cash Flow from Operating Activities

	2007 `**000's**	2006 €000's
Net incoming resources	**136**	141
Depreciation charges	**269**	280
Amortisation government grant	**(81)**	(78)
(Increase)/decrease in debtors	**(642)**	263
Increase/(decrease) in creditors	**1,263**	(345)
(Decrease) in pension provision	**255**	(676)
Actuarial gain/(loss) on pension scheme	**(403)**	613
Interest (earned)	**(266)**	(198)
(Profit) on the sale of fixed asset	**-**	(11)
(Decrease) in provisions for liabilities and charges	**(56)**	-
Net cash inflow/(outflow) from operating activities	**475**	(11)

16 Analysis of Change in Cash and Cash Equivalents During the Year

	2007 `**000's**	2006 €000's
Balance at beginning of year	**6,595**	6,289
Net cash inflow	**691**	306
Balance at end of year	**7,286**	6,595

	At 1 January 2007 `**000's**	**Cashflows during the year** `**000's**	**At 31 December 2007** `**000's**
Short term deposits	6,692	(84)	6,608
Bank current accounts	-	995	995
Bank overdrafts	(97)	(220)	(317)
Total cash and cash equivalents	6,595	691	7,286

Notes to the Financial Statements (continued)

17 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 ended 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 2006 and the valuation recommended an employer contribution rate of 31.8% from 1 January 2007.

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

	2007	2006	2005
Inflation rate	**2.50%**	2.25%	2.25%
Discount rate	**5.50%**	4.60%	4.50%
Expected return on assets over the next year	**5.92%**	6.04%	6.12%
Expected rate of salary increases	**4.50%**	4.25%	4.25%
Rate of pension increases in payment	**2.50%**	2.25%	2.25%
Rate of pension increases in deferment	**2.50%**	2.25%	2.25%

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

	2007	2006	2005
Equities	**6.40%**	6.60%	6.90%
Bonds	**4.50%**	4.10%	3.60%
Other	**4.60%**	4.50%	3.90%

Notes to the Financial Statements (continued)

17 Pension Fund (continued)

The net pension deficit is analysed as follows:	**2007 `000's**	2006 €000's	2005 €000's
Equities	**7,234**	7,536	6,539
Bonds	**1,206**	1,108	1,021
Other	**1,328**	1,328	1,130
Total market value of assets	**9,768**	9,972	8,690
Actuarial value of scheme liabilities	**(10,107)**	(10,056)	(9,450)
Deficit in scheme	**(339)**	(84)	(760)

The following amounts have been recognised in the Statement of Financial Activities and Income and Expenditure Account.

	2007 `000's	2006 €000's
Charged to expenditure		
Current service costs	**189**	232
(Credited)/charged to other nance income		
Interest on pension scheme liabilities	**458**	422
Expected return on scheme assets	**(604)**	(534)
Total charge in statement of financial activities	**43**	120

Notes to the Financial Statements (continued)

17 Pension Fund (continued)

The following amounts have been recognised in the Statement of Total Recognised Gains and Losses:

	2007 `000's	2006 €000's
Difference between actual and expected return on assets	**(850)**	694
Experience (loss)/gain on scheme's liabilities	**(136)**	(234)
Effect of changes in actuarial assumptions	**583**	153
Actuarial (loss)/gain recognised in the statement of total recognised gains and losses	**(403)**	613

Movements in deficit during the year:	**2007 `000's**	2006 €000's
Deficit in scheme at beginning of year	**(84)**	(760)
Contributions paid	**191**	183
Current service costs	**(189)**	(232)
Other financial income	**146**	112
Actuarial (loss)/gain	**(403)**	613
Deficit in scheme at end of year	**(339)**	(84)

History of actuarial gains and losses

	2007 `000's	**2006 `000's**	**2005 `000's**	**2004 `000's**	**2003 `000's**
(Loss)/gain on scheme assets	**(850)**	694	982	456	286
% of scheme assets at end of year	**(8.7%)**	6.95%	11.30%	6.43%	4.60%
Experience (loss)/gain on scheme liabilities	**(136)**	(234)	22	477	309
% of scheme liabilities at end of year	**(1.35%)**	(2.33%)	0.23%	5.80%	4.41%
Total actuarial (loss)/gain recognised in STRGL	**(403)**	613	284	(235)	595
% of scheme liabilities at end of period	**(3.99%)**	6.09%	3.00%	(2.85%)	8.48%

Notes to the Financial Statements (continued)

18 Commitments

Operating lease commitments payable during the next twelve months amount to €791,000 and are payable in relation to equipment and property leases which expire as follows:

	Plant & equipment `'000	Land & buildings `'000	Total `'000
Within one year	35	157	192
Within two to five years	-	364	364
After five years	-	235	235
	35	**756**	**791**

Capital commitments payable within the next twelve months amount to €712,000 and relate to property building commitments.

19 Comparative Amounts

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

20 Approval of Financial Statements

The Directors approved the financial statements on 22 April 2008.

Notes

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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.

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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