



**WE CAN'T
CHANGE
THE WORLD**



**BUT WE CAN
CHANGE A
CHILD'S LIFE**

**BARNARDOS –
REPUBLIC OF
IRELAND LIMITED**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2010

REGISTERED NUMBER: 141526

CHARITY NUMBER: CHY6015

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Barnardos – Republic of Ireland Limited

Director's Report

SECTION 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
Tony Crooks	
Sheila Greene	
Deirdre Kiely	
Deirdre Mortell	
Jim Mountjoy	
Alan Wyley	Appointed Hon Treasurer 15 July 2010
John Lonergan	Appointed 15 July 2010

Resigned

Michael Mortell	Hon Treasurer 15 July 2010
Michael Murray	16 July 2010

Deceased

Niamh Cleary R.I.P	Vice-Chair to 15 July 2010
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Company Secretary

Dianne O'Kelly

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Director's Report (continued)

1.3 Executive Management Team

Chief Executive	Fergus Finlay
Director of Children's Services	Suzanne Connolly
Director of Finance	Dianne O'Kelly
Director of Internal Services	Jacki Conway
Director of Fundraising and Marketing	Ruth Guy
Director of Advocacy and Central Services	Norah Gibbons
Assistant Director of Children's Services	Francis Chance
Head of Service – Guardian Ad Litem	Freda McKittrick

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
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2
Insurance Brokers	Willis Risk Services (Ireland) Limited Grand Mill Quay Barrow Street Dublin 4

The members of the Board hereby present their report and the financial statements for the year ended 31 December 2010.

These documents are prepared in accordance with the Companies Acts, 1963 to 2009 and, voluntarily in the absence of statutory reporting standards for charities in Ireland, in accordance with international best practice (Statement of Recommended Practice (SORP) (revised 2005)) as recommended by the Charity Commission for England and Wales. This Directors' Report contains the information required to be provided in the Trustee's Annual Report under the SORP guidelines.

SECTION 2 – STRUCTURE, GOVERNANCE AND MANAGEMENT

Barnardos – Republic of Ireland Limited ('Barnardos') is an Irish company incorporated under the Companies Acts, 1963 to 2009, 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. Board committees that are in place are the Best Practice Advisory committee, Audit committee, Finance committee, Property committee and Nominations committee. The Board members do not receive any remuneration in respect of their services to the charity. Expenses are reimbursed where claimed.

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

Niamh Cleary Vice-Chair of Barnardos

It is with deep sadness that we must tell you of the death of our cherished Board member Niamh Cleary on 15 July 2010. Niamh was Vice-Chair of Barnardos and a really active supporter and friend. She had served for a number of years as Chair of our fundraising efforts, and in that role she was hugely instrumental in devising several events (including the Spirit of Christmas) that have always been hugely successful for us. She also contributed hugely through supporting us with outdoor advertising space, and enabled us to spread the Barnardos message around the country.

But more than all that, Niamh was a wonderful person to work with. She was fun, vibrant, and lively. She was a real visionary, totally committed to Barnardos' work, but immensely practical in the way she approached every problem. You couldn't know Niamh or work with her without becoming a friend, and she was a true friend to all of us in the organisation. Even in her final illness, she wanted only the best for the children and families we work with.

We will really miss her, and treasure her memory.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

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 operating and 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.

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

The Board considers the management of risk in the organisation as a key corporate governance priority. An annual process to identify and manage the top risks for Barnardos is in place and is reviewed regularly.

Barnardos' policy is that all prospective staff and volunteers working in Barnardos, including the Board and the Board sub-committees, are subject to Garda vetting. We continue to apply our own Child Protection policies and recruitment policies and procedures. We continue to advocate externally for improvements in and the expansion of rigorous child protection procedures in the interests of child protection.

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

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

The vision and mission statements of the organisation are:

Barnardos' Vision

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

Barnardos' Mission

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

Barnardos – Republic of Ireland Limited

Director's Report (continued)

3.2 Principal Activities

Established in Ireland in 1962 and becoming wholly independent in 1989, Barnardos is one of Ireland's largest charities. We provide a range of services and we advocate in response to the needs of vulnerable children, young people and their families across Ireland. Our Family Support and Early Years services are situated in the heart of local communities and we 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 (Origins) for adults who were residents of former industrial schools in Ireland.

Our key concerns are that the children with whom we work and on whose behalf we advocate receive an effective service that delivers positive outcomes in relation to their emotional well-being and their 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 informed by principles and standards which draw on legislation, expert guidance, experience, research (both locally and internationally) and learning from the regular scrutiny of practice.

During 2010 our direct services worked with over 5,927 (2009: 5,672) children and their parents (family support projects, GAL services and bereavement counselling services). More than 5,100 children and parents accessed family support projects, while the GAL service worked with 403 children and young people. Approximately 395 children and their parents used the bereavement counselling service.

1,195 training places (2009: 1,722) were provided by the Barnardos Training and Resource Service (BTRS) during 2010 and the service dealt with 5,124 enquiries (2009: 4,884) from childcare professionals, parents and students. There were 7,850 visits (2009: 6,762) to our library website in 2010. The Post-Adoption Services dealt with 543 enquiries, of which 233 were inter-country adoption queries (2009: 250). A total of 360 enquiries (2009: 275) were dealt with through our Bereavement Counselling phone lines and another 1,113 enquiries (2009: 993) were handled through our Origins service.

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

In addition to its statutory funding, Barnardos has invested in the provision of services for which no statutory income is currently available, and in management and professional 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 2010, 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.

SECTION 4 – BARNARDOS' ACHIEVEMENTS AND PERFORMANCE IN 2010

Our achievements and performance in 2010 can be considered under a number of areas of activity:

- Direct Services to Children and Families (section 4.1);
- Advocacy (section 4.2);
- Fundraising (section 4.3); and
- Supporting Services (section 4.4).

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

4.1 Direct Services to Children and Families

Barnardos works with children from birth to age 18 years and their families living in disadvantaged communities. We support children to develop normally in the context of the adverse circumstances in which they live. The children and families with whom we work experience complex and often inter-related difficulties in a range of areas.

Service Portfolio

During 2010, we progressed our programme of developing and implementing a wide range of targeted services for children and families. Our commitment to investing in the design, development and evaluation of new services that we believe have the potential to meet significant needs continues, as does our commitment to quality practice. Some of the key achievements in 2010 include:

- The Wizards of Words (WOW) programme (a volunteer led literacy improvement programme) continued to be delivered in 4 schools in Dublin and 4 schools in Limerick. During the academic year 2009-2010, 99 children received the programme; a further 99 children are participating in WOW for the 2010-2011 academic year. The WOW manager's manual was finalised and printed during 2010. Year 2 of programme evaluation, being undertaken on our behalf by the Child and Family Research Centre in NUI Galway, began in September 2010.
- The Friendship Group programme (a peer relationship and social skills programme) continued to be implemented in 15 Barnardos sites nationally. In June 2010, two days of training was provided to 71 staff members (representing 15 projects). An implementation evaluation, which examined the experience of delivering the programme in Ireland, was completed in 2010 and gave encouraging findings.
- The Tús Maith programme (an early years programme for children aged 3-5 years, the focus of which is improved school readiness) was rolled out to 3 additional sites in 2010 and is now delivered in 8 Barnardos' sites nationally. The Tús Maith coach continues to provide support and training to all staff implementing the programme. During 2010, a new recording system was designed and an implementation plan for 2011 agreed. Work commenced on the development of two programme manuals – an implementation manual and a curriculum manual. An internal evaluation exploring programme development and implementation, staff support needs and structures necessary for programme delivery, was completed in 2010 and is assisting the development of the programme.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

4.1 Direct Services to Children and Families (continued)

- Work progressed on the design of Partnership with Parents (PWP), our intensive parent support programme for parents with complex needs who have children aged 0-18 years. A service design group, consisting of practitioners and managers, was established to support and inform the service design of PWP. This service design group met monthly during 2010. Dr. Crispin Day, Guys Hospital, London is providing expert advice on the design and development of the service. Informed by the research evidence, a framework and logic model for PWP has been developed.
- Growing Up Strong Together (GUST) is our service for individual work with children. We commenced the service design of this in August 2010 with a review of the evidence and literature in the area of resilience. A review of the work that we currently provide to children across our organisation was also completed.
- The service design process was completed for the Lorien and Rivendell service (a service for families impacted by parental drug misuse). This process analysed risk factors and the needs of children who live in drug using families. This analysis informed the design of a portfolio of seven services which are considered most effective in meeting the needs of this vulnerable group of children. These services are a mix of parent-focused services, child-focused services and parent and child services. A development plan, which outlines how the service will implement the new portfolio of services, has also been finalised.
- A study on the well-being of children living in the Knocknaheeny area was undertaken. The findings from the study will be used to inform the ongoing development of the Brighter Futures centre in Knocknaheeny, provide baseline data against which to measure the achievement of outcomes and provide research data that can be shared with other agencies in planning and providing services that meet the needs of the local community.
- A contract was signed with four funders for the provision of a pilot Child Contact Centre Service over a two year period in partnership with One Family in Dublin West and North. A review of the evidence of what works in the provision of contact was completed, which will inform the service design for Contact Centres.
- Work continued in partnership with Young Ballymun in 2010. Six early years providers commenced their implementation of the High Scope curriculum with staff and managers being provided with training. This training is supplemented with on-site coaching and mentoring and financial assistance for the purchase of necessary equipment.
- The Finglas Teen Parent Support Programme was established in 2007 and transferred to Barnardos' management in July 2010. The Teen Parent Support Programme targets young people who become parents when they are aged 19 years or under and generally supports them until their children are 2 years of age.
- Barnardos Early Years Service in Roselawn and Family Support Service in Roselawn transferred to our new purpose built facility at Church Road, Mulhuddart, Dublin 15.
- Discussions concluded and agreement was reached on the transfer of the Rialto Family Centre into Barnardos with effect from 1 January 2011.

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Director's Report (continued)

4.1 Direct Services to Children and Families (continued)

In addition to the provision of a range of family support services in our 42 community based projects, we provided:

- Barnardos Bereavement Counselling Service for Children who have suffered the loss through death of a close relative, carer or friend.
- Barnardos Origins Information, Counselling and Tracing Service which is for adults who were residents of the former industrial schools and reformatories.
- Barnardos Post Adoption Service (PAS) provides a therapeutic service to internationally adopted children living in the Eastern region as well as group and individual counselling and support to birth and adoptive families.
- Barnardos Guardian ad Litem Service (GAL) which provides independent reports on children who are the subject of court proceedings.

Barnardos also operates the Barnardos Training and Resource Service (BTRS), 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.

Barnardos' services were delivered in the following locations during 2010:

Dublin North Region

- TESO, Avila Close, Finglas West
- Barry Close, Finglas
- Church Road, Mulhuddart
- Buckingham Street, Dublin 1
- Mulhuddart/Corduff, Corduff, Dublin 15
- Finglas Teen Parents Support Programme, Finglas

South East Region

- Ballybeg, County Waterford
- Clonmel, County Tipperary
- Carrick on Suir, County Tipperary
- Dungarvan, County Waterford
- Gorey, County Wexford
- Waterford Student Mothers, Waterford City
- Waterford Family Welfare Conference
- Tullow Road, County Carlow

Midlands and North East

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

Dublin West

- Teen Parents, Newlands Cross
- YAP, Bawnlea Green, Tallaght
- Millbrook, Tallaght
- Special Needs, Jobstown
- Lorien Rivendell, Fettercairn
- Deerpark, Tallaght
- MacUlliam, Tallaght

Dublin South Region

- Tivoli Terrace South, Dun Laoghaire
- Loughlinstown Drive, Loughlinstown
- Patrick Street, Drugs Project, Dun Laoghaire
- Bray Drugs Project
- Cherry Orchard, Ballyfermot
- Labre Park, Ballyfermot
- Wizards of Words, Clondalkin

Southern Region

- Mahon, Cork
- Knocknaheeny, Cork
- Islandgate, Limerick
- Moyross, Limerick
- Southside, Limerick
- Thurles, County Tipperary
- Wizards of Words, Limerick

Barnardos – Republic of Ireland Limited

Director's Report (continued)

4.1 Direct Services to Children and Families (continued)

Developing the Quality of Barnardos' Services

Barnardos' strategy aims to ensure that all of our services are needs-led and result in measurable outcomes for children and families.

During 2010, the following were undertaken as part of Barnardos' ongoing commitment to developing the quality of its services:

- Our Practice Framework was published. This framework defines the standards which we aim to achieve in our work and the beliefs that underpin our approach to working with children and families. It outlines Barnardos' core belief statements that children have the capacity to develop to their potential, parents have the capacity to change and relationships are important. It also details the knowledge, skills and approach required by our staff in their work with children and families.
- An auditing and monitoring plan for Children's Services and Central Services 2010-2012 was finalised.
- Under the above auditing and monitoring plan, we completed an internal audit of Barnardos' Active Case Management (ACM) during 2010. ACM was introduced in Barnardos in 2007 to provide a framework to manage our work with children and families effectively. Barnardos completed this audit to establish the services' level of adherence to the ACM system. A general audit took place across all Barnardos services to children, and a detailed audit was carried out in six randomly selected services to children. We also completed a review of Barnardos' Bereavement Counselling for Children services in Dublin and Cork.
- We reviewed and updated Barnardos' comments and complaints policy in line with the HSE publication "Your Service, Your Say" (May 2009). We also created an explanatory leaflet for children and families to help them understand how they can provide us with comments and make a complaint.
- We continued to provide training aimed at enhancing the practice of staff and managers, e.g. Supervision, Child Protection, Assessment, Shared Language Training, Case Management, Engaging Families and Gathering Information.

Our Best Practice Advisory Committee continued to be an important resource and support to us in the development and evaluation of our services.

Research and Evaluation

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

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

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

Barnardos – Republic of Ireland Limited

Director's Report (continued)

4.1 Direct Services to Children and Families (continued)

Wizards of Words (WOW)

The Child and Family Research Centre (CFRC) at NUI Galway has been commissioned to evaluate Barnardos' WOW programme. The evaluation commenced in 2008 and will be completed in 2012. The evaluation has two phases:

Phase 1: process evaluation and pilot of outcome measures, 2008-2009

Phase 2: outcomes evaluation using randomised control trial, 2009-2012

Tús Maith

An evaluation of the Tús Maith programme was completed by our senior research manager during 2010. The findings from the evaluation of Tús Maith show that the programme is being successfully implemented in the participating early years centres. The successful implementation by staff has been supported by the Tús Maith coach, early years project managers, the Assistant Director leading the implementation, the Service Design and Development team and the Director of Children's Services. The evaluation provides promising findings on the achievement of outcomes in the four target areas of the programme: emotional well-being; social competence; language and literacy development; and healthy physical development. It is anticipated that the outcomes evaluation scheduled to begin in 2011 will confirm these findings.

Child Well-Being Study in Knocknaheeny

The purpose of the study was to explore the well-being of a representative sample of children and their families living in the Knocknaheeny community. Barnardos commissioned the social and economic researcher Trutz Haase to conduct the study in mid-2010. The purpose of the study was to:

- Explore the emotional and educational well-being of a representative sample of children living in the Knocknaheeny community
- Provide community baseline data against which the children attending Brighter Futures services can be compared

The data collected through this baseline study has also been used to provide research data that can be utilised by other agencies in planning and providing services that meet the needs of children in the Knocknaheeny area.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

4.2 Advocacy

Barnardos continued to be a leader in advocacy for children in Ireland. The final report of the Advocacy Initiative launched in November 2010 found that when respondents were asked to pick one non-profit organisation that they consider effective in its advocacy, Barnardos emerged as a clear leader, receiving a total of 24 citations. The next organisation listed received seven citations.

Barnardos Advocacy Department focused its energies on the following key areas in 2010:

Child Welfare and Protection: Saving Childhood Ryan

To mark the first anniversary of the Ryan report on 20 May 2010, Barnardos and seven other organisations working directly with children or adult survivors of child abuse came together to launch the Saving Childhood Ryan campaign. The other organisations were Children at Risk Ireland, Children's Rights Alliance, Dublin Rape Crisis Centre, ISPCC, Irish Association of Young People in Care, One in Four and Rape Crisis Network Ireland. The campaign aimed to lobby the Government to implement the Ryan Implementation Plan recommendations which would seriously improve the child welfare and protection systems and reduce the risk of harm to children across Ireland. It looked specifically at the progress of ten selected aspects of the Plan, recognising and welcoming where progress has been made while also highlighting the impact of the absence of progress in other areas especially when the agreed timeframes had been passed.

The Advocacy Department followed the campaign with an ongoing series of actions on key child welfare and protection issues including a presentation to the Joint Oireachtas Committee (JOC) on Health and Children on 27 July 2010. Barnardos' submission and presentation challenged the Committee to look at the wider state of child welfare and protection services particularly highlighting the lack of leadership, clear national standards, a clear assessment model and national agreement on the threshold needed in respect of protecting children. Barnardos particularly highlighted the need for prevention and early intervention models of practice in child welfare and protection services and legislation to ensure the voice of the child is heard in proceedings affecting them. Barnardos' strong message regarding the 'growing gap between the lip service paid to policy and implementation where it matters' had a considerable impact on the Committee. The need for urgent attention with regard to child welfare and protection services was heightened; as a direct result of Barnardos' presentation, the JOC established a Sub-Committee on Children. This cross party group of TDs and Senators aims to add transparency and oversight to the ongoing process of implementing the various recommendations contained in the many childcare reports which have been published in recent years.

Overall, Barnardos efforts with regard to child welfare and protection both as part of the Saving Childhood Ryan group and unilaterally were successful in driving a number of actions towards the implementation of the Ryan Implementation Plan including the appointment of a new National Director for Children and Family Services in the HSE. Barnardos also welcomed the appointment of 200 social workers to child welfare and protection services, the development of a national policy for aftercare, and the roll out of the equity of care policy for separated children. The Advocacy Department lobbied strongly for amendments in the Child Care Amendment Bill and garnered overwhelming Opposition Party support for the statutory provision of aftercare and inclusion of the voice of the child in child welfare and protection procedures.

4.2 Advocacy (continued)

Separated Children

Barnardos' advocacy team got funding from the One Foundation to recruit a Separated Children's Officer in March 2010. Itayi Viriri joined the team in April and has facilitated the team to focus on the issues arising for this vulnerable group of children. The HSE's Equity of Care policy was rolled out over 2010 moving separated children from hostels to foster and residential care. The Advocacy Department was heavily involved in the HSE's development of training for social workers who have not previously worked with separated children and has made links with foster care agencies now responsible for the care of these children. The Separated Children's Officer focused on building networks with separated children and those who work with them across Ireland and building a solid policy base for Barnardos through the development of briefing papers and submissions on a range of issues affecting separated children. Barnardos also scoped a possible evaluation model for services for separated children to inform the work of the One Foundation led HSE/ NGO Forum.

Child Poverty: Dreading December

The Dreading December 2010 documentary and report was launched on 11 November 2010. The event aimed to highlight the ongoing effect of the recession on children and families and to promote the maintenance of current rates of social welfare payments and frontline health and education services. The Advocacy Department worked with the Dolphin House and Fatima Mansion communities to make the documentary and used the Barnardos' Staff Council survey of Projects to underpin the message about the effect of the recession on the ground.

Advocacy also worked directly with a number of projects, including Mahon, Athlone, Labre Park and Mulhuddart to build a picture of the realities facing children in our services. Carmel O'Donovan from the Mahon Project spoke at the launch.

The event was a huge success. The Advocacy Department had put out a call to Barnardos staff across the country to encourage their TDs to attend the event and many of those TDs who came along did so because of the emails they got from Barnardos' project staff in their constituencies. Media coverage of the event was significant and in social media, the online teaser posts for the launch received over 70 responses on the 10th and 11th November while 156 people viewed the documentary on YouTube between the time of launch on 11th and lunchtime on the 12th. The campaign creative also won the Evening Herald marketing column's best advertisement.

Despite Barnardos' and others' efforts to influence the budget, Budget 2011 did little to protect children. Barnardos responded to the Budget with deep concern for children and families living on low incomes; the cuts to working age social welfare rates, Child Benefit and the minimum wage in addition to the introduction of the universal social charge which even low paid employees will have to pay means that many families will be pushed into or further into poverty in 2011.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

4.2 Advocacy (continued)

Educational Disadvantage

In addition to keeping educational disadvantage on the agenda through ongoing submissions and the Dreading December campaign, the Advocacy Department launched its annual Back to School Costs Briefing in July 2010. The aim of the briefing is to highlight the high costs of the “free” education system in Ireland. The aim was to show that for many parents dependent on social welfare or in low paid employment, school costs are prohibitive and the negative impact the stress associated with these costs can have on children's educational experience. The Advocacy Department conducted an online survey among Barnardos' projects and also among the general public. We received input from over 200 parents. Many verified the ongoing concerns Barnardos has regarding the ongoing high costs associated with sending children to school.

The Back to School Costs briefing represented a hugely important opportunity to demonstrate the importance of maintaining funding for educational supports and services in Budget 2011 and to keep educational disadvantage on the political agenda. The briefing received a huge amount of media attention.

Children's Rights/Constitutional Amendment

The eight organisations involved in Saving Childhood Ryan came together again in June 2010 to call on the Government to set a date for a referendum on children's rights. Saving Childhood broadened to focus on the need for a Constitutional amendment to strengthen children's rights in the Irish Constitution. Research conducted by Behaviour and Attitudes for the campaign showed that the majority of Irish adults, 62%, would vote in favour of such an amendment. Only 1% would vote against it and 37% said they did not know how they would vote.

The campaign received significant support from Opposition Parties. The Government delayed holding a referendum in order to look at a number of legal implications of the wording proposed and at year end 2010 had not come back with an alternative. Barnardos will continue to work towards a Referendum, particularly focusing on the advocacy opportunity created by a General Election in 2011.

Submissions

Barnardos' continued to be a credible policy voice across the range of issues affecting children in Ireland in 2010. We continued to build on our reputation as thought leaders across the sector through our ongoing action across a broad spectrum of issues. We made the following submissions to various statutory and political bodies over the year:

- 2nd Submission on Child Care Amendment Bill (April 2010)
- 3rd Submission on Child Care Amendment Bill (Nov 2010)
- Barnardos Submission on the National Substance Misuse Strategy 2009-2016 (Feb 2010)
- Submission into Disclosure of Information in Cases of Abuse (June 2010)
- Submission on HSE Draft Aftercare Strategy (July 2010)
- Submission on Standards for Residential and Foster Care Services (March 2010)
- Submission on Suicide Prevention in Secondary Schools (July 2010)
- Submission to the DSFA Value for Money Review of Child Income Supports Steering Committee (March 2010)
- Submission on the Immigration, Residence and Protection Bill (August 2010).

Barnardos – Republic of Ireland Limited

Director's Report (continued)

4.3 Fundraising

As with previous years, 2010 was a very challenging year for fundraising for Barnardos. In a very tough economic environment, the whole sector saw a decline in voluntary and statutory income early on and the competition for funds in the market place was acute.

The strategy of investing in the growth of the individual donor database over the last few years stood Barnardos in good stead in 2010 with donors responding to our appeals for vital extra support during the year. Following on from our integrated campaign in 2009, the increase in the donor database and the response of those donors, enabled us to continue to provide the necessary funds to support service delivery in 2010.

Fundraising activities for the year generated €4.80m (2009: €5.10m): Unrestricted Trusts, Legacies & Donations income generated €0.37m (2009: €0.06m): and Restricted Trusts & Donations income was €2.1m (2009: €3.13m) giving a total Fundraising income of €7.27m (2009: €8.29m) in the year.

We recruited over 5,000 new individual donors (against a target of 3,500) and exceeded our income target in the Individual Giving area of fundraising. Events and Campaigns grew significantly in terms of the number of people taking part in events for Barnardos – however the average amount raised fell in 2010 thus impacting income. A number of new events such as the Big Buggy Push for Barnardos and the Full Moon treks were launched in 2010 which saw us increase activity in our events calendar. We saw an increase in community based fundraising for Barnardos which can be directly attributed to our increased profile and awareness. In a year where corporate support for the sector tightened considerably due to the economic downturn, Barnardos corporate income grew, the result of many strong partnerships that have been fostered over the years. In addition we were very lucky to be the charity of choice for the Us2 Book, from the Ray D'Arcy show in Today FM, sponsored by Meteor and the charity partner for Christmas FM to which we saw a phenomenal response.

Awareness and understanding of Barnardos increased significantly in 2010 driven by our fundraising, communications and advocacy work.

Barnardos shops performed well in delivering sales of €1.05 million (2009: €1.14million). This was an incredible result in a year that saw retail sales continue to fall, compounded by the extreme weather conditions in the run up to Christmas. One of the main challenges was the continued move by the mainstream retailers to heavily discount merchandise and deliver almost year round sales. This has increased the competition on the high street and made new goods more accessible to all, at a lower cost. We have also seen a fall off in Brand New donations as retailers and manufacturers hold on to stock in an attempt to drive more income. In addition the weather in December impacted the Barnardos stores as it did the entire retail sector.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

4.4 Supporting Services

Human Resources

Barnardos believes that supporting our staff is vitally important and our Human Resources team plays an important role in ensuring best practice procedures and in supporting staff and management to ensure that the children and families that we work with are best served. We set high employment standards, ensuring that all staff are fully qualified for their role in providing and supporting our services.

The HR Team remain committed to working in partnership with our stakeholders to ensure a professional level of service is provided and to support the achievement of Barnardos' objectives and strategy.

At the 2010 year end our total staff headcount was 410 (2009: 404) in addition to 70 community employment staff and over 230 regular volunteers. Volunteers support Barnardos throughout the organisation – as Board members, administrative volunteers, researchers, Children's Services volunteers, fundraisers and within our charity shops. Our volunteers contributed a record 32,925 hours in 2010, an increase of 6,925 on 2009 figures. This is the equivalent of 889 working weeks or 4,445 working days.

Following a pay freeze for all staff and a pay cut of 5% for senior staff in 2009, we implemented pay cuts of 5-10% across the organisation in 2010 in order to maintain services and avoid job losses in the face of funding challenges. Despite this, staff engagement remained high with no difficulties to report in relation to employee relations.

Our commitment to enhancing the development of our staff by developing their expertise continued in 2010 despite funding challenges. Our core training programme saw the delivery of over 88 scheduled training courses (2009: 110) to ensure that training needs were met, with an average of a little over 2 training days per staff member. In addition all our staff are encouraged and supported to continually develop their skills by seeking further qualifications and to apply continuous learning and growth through our education assistance policy.

The Barnardos Garda Vetting Service continues to provide a vetting service on behalf of the Office of the Minister for Children. This service acts as a clearing house for vetting applications to the central vetting unit in Thurles for providers covered by the Pre-school Regulations, Boards of management, other children services and to host families of children from Belarus. The service also provides training on best practice recruitment in relation to vetting.

Communications

Numerous events and campaigns kept Barnardos in the media throughout 2010. These included Saving Childhood Ryan, The Danone Big Toddle for Barnardos, the Back to School Cost analysis, and Dreading December 2010 pre-budget campaign to name but a few. Barnardos continued to be the first organisation that many media called when looking for a comment or response and our vocal and credible spokespeople ensured that Barnardos' voice continued to grow. Both Fergus Finlay (Chief Executive) and Norah Gibbons (Director of Advocacy and Central Services) regularly commented on difficult issues relating to children during the year, particularly on the death of children in state care.

Towards the end of the year, Barnardos launched the 'Change a Child's Life' fundraising campaign which used Barnardos' own staff to tell the story of the work they do. This campaign, rooted with a TV advert had a huge impact on Barnardos brand awareness score with market research in November 2010 showing that spontaneous awareness of the brand had increased to 14%, moving Barnardos into the top five charities in the Irish market. The 'Change a Child's Life' campaign added great momentum to the ongoing work across the organisation to grow Barnardos' profile and awareness through advocacy, fundraising and communications.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

4.4 Supporting Services (continued)

The market research study also showed that 36% of people said Barnardos when asked to name an organisation, group or charity linked with children, while 53% recalled seeing the Barnardos advert on TV.

In terms of media coverage, 2010 was the most successful year for Barnardos to date. Volume increased by 11% overall, while Advertising Value Equivalent (AVE) gained 29%, an increase of €557,448 on the previous year. 2010 saw a record number of articles printed in magazines, national daily titles and national Sunday titles. Most notable was the impressive 86% rise in coverage in national Sunday publications.

Despite the decline in the regional newspaper industry nationally, Barnardos maintained its regional coverage with 1,104 articles; 54% of regional coverage stemmed from Leinster with 182 articles in Dublin-based publications.

During 2010 our online and social media communications played an integral part in campaigns, engaging with supporters and inviting them to participate in fundraising events and lend their support to Advocacy campaigns. Our supporters on Facebook increased to more than five thousand with supporters regularly asking how they can get involved and sharing their experience and approval of Barnardos' work. Twitter attracted followers of more than 2,000 and became a useful tool for engaging with media in a very direct and open way.

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

SECTION 5 – FINANCIAL REVIEW

5.1 Results for the year

The financial results for the year ended 31 December 2010 are shown in the Statement of Financial Activities and Income and Expenditure Account on page 24.

These results show a net deficit of €1,641,000, which includes an exceptional loss relating to a property impairment of €1,780,000 (2009: net surplus €2,931,000, including exceptional gain on property disposal of €1,496,000).

5.2 Income Generation

Barnardos raised total income of €24.0m in the year ended 31 December 2010 (2009: €26.1m, excluding capital gain), a decrease of 8% on 2009. Income may be analysed by source as follows:

	2010	2009
Statutory	64%	62%
Donations	22%	21%
Shops	4%	5%
Trusts, Foundations & Legacies	9%	11%
Other	1%	1%
	<hr/>	<hr/>
	100%	100%

Barnardos – Republic of Ireland Limited

Director's Report (continued)

5.3 Resources Expended

Total resources expended by the organisation, excluding the property impairment loss of €1.8m, amounted to €23.9m (2009: €24.7m). Of the organisation's expenditure, when pension movements and the costs of running the shops are excluded, 90% (€20.8m) was spent on direct charitable activities, 9% on the cost of generating funds and 1% on governance. Support costs allocated to direct charitable activities are detailed in Note 6 to the financial statements in line with requirements under the SORP.

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

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 has the responsibility for establishing an appropriate reserve policy. Having reviewed the reserves of the charity, a policy of retaining 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 was adopted by the Board in 2008.

This policy means that the free reserves should be approximately:

- (a) one month of statutory income projected for the coming year (with the exception of Guardian ad Litum); and
- (b) two months of Guardian ad Litum income projected for the coming year; and
- (c) three months of non-statutory income projected for the coming year. This includes income from trusts and foundations.

In 2011 this equates to approximately €4.2m in free reserves. The free reserves are €3.8m at 31 December 2010. The difference is not an area for concern as a property donated in 2010 was sold post year end and subsequently increases this figure from €3.8m to €4.1m.

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 was reviewed in 2007 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 financial institutions.

SECTION 6 – CHALLENGES AND FUTURE PRIORITIES

The backdrop for children in Ireland is ominous – economic collapse, reductions in social spending, high levels of child poverty and limited early childhood and education services and with the Ryan and Roscommon reports exposing serious deficits in children's protection and services.

The Roscommon Report, published in October 2010 under the chairmanship of Norah Gibbons from Barnardos, contained many shocking findings and recommendations that sounded familiar as they are to be found in the reports of other cases such as the Kilkenny incest case (1993), the Kelly Fitzgerald case in Mayo (1986), the McColgan cases in Sligo (1995), as well as case reviews into the more recent deaths of children in care such as Tracey Fay and David Foley. Yet most of the recommended changes – better co-operation between State agencies; a standardised approach to dealing with abuse concerns; more emphasis on more robust preventive measures – are marked by the same pattern of inaction.

Public services remain inadequate and under-resourced, adversely affecting the most vulnerable children in Ireland. Children's lives are stunted by poverty, disadvantage and an uneven playing field in terms of access to education, health and housing services. This access to and provision of comprehensive essential social services has always played second fiddle to other priorities and now in an era of recession they are pushed further down the Governmental agenda.

2010 has been a real struggle for many families and children across the country and there is no indication that 2011 will see any improvement. For low income families, every day is a struggle to cover even the basics. These families have paid their share towards economic recovery through reduced social welfare payments, income levies and stealth taxes. This reality is against the backdrop of the Government's ongoing support for failing banks which subsequently results in a constant commentary of insufficient resources to improve public services and supports. This raises serious questions of societal and Governmental priorities and responsibilities.

2010 was a tough but successful year for Barnardos. We maintained our services, met all our targets and awareness of Barnardos and our work has grown considerably through the year.

2011 will be just as challenging. Our objectives for the year include the completion and launch of a new phase of strategy; a focus on child protection, child poverty and a referendum for Children's Rights; and protecting and expanding our service delivery to children and families suffering the effects of disadvantage. A significant challenge for Barnardos over the next three to five years will be the lack of Government resources to invest in public services. Barnardos will continue to push for the protection of the most vulnerable children but even maintaining current spending on social welfare, education and health over the next few years will be challenging.

However, the current economic collapse is all the more reason to think constructively. This is an important time with the Irish report to the United Nations Convention on the rights of the child and a new children's strategy due in 2011. There are urgent policy challenges, such as the need to create an effective and functioning system of child protection, address child poverty and remedy under-investment in education and early childhood care and education. They are underlined by demographic projections that the number of children is expected to rise from 606,500 in 2011 to 615,900 in 2016 and 665,400 in 2021.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

Challenges and Future Priorities (continued)

In light of the Roscommon Report, Barnardos, CARI, the Children's Rights Alliance, the Dublin Rape Crisis Centre, the ISPCC, the Irish Association of Young People in Care, One in Four and Rape Crisis Network Ireland continue to call on the Government to urgently resource and standardise struggling child protection services. The group have highlighted that many of its member's services were facing increasing demand while operating with decreasing resources. They emphasised the urgency of holding a referendum on children's rights that must include provisions for the voice of the child and the best interests of the child. A dual approach of constitutional change and concrete change in practice on the ground is necessary to improve current supports to children at risk of abuse and neglect.

SECTION 7 – PRINCIPAL RISKS AND UNCERTAINTIES

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

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

1. Abuse of a child within our services
2. Poor quality of service delivery
3. Business continuity
4. Monitoring of our income and expenditure
5. Loss of public credibility
6. Losing touch with stakeholders
7. Failure to comply with law, regulations or to meet responsibilities

SECTION 8 – STATEMENT OF THE RESPONSIBILITIES OF MEMBERS OF THE BOARD IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

Barnardos – Republic of Ireland Limited

Director's Report (continued)

Statement of the responsibilities of members of the Board in respect of the financial statements (continued)

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Acts, 1963 to 2009.

The Finance committee meets five times a year. It is chaired by a Board member and two other members who are not Directors. Its function is to keep under review the adequacy, scope and effectiveness of accounting and internal control systems of all financial activities carried out by Barnardos. The Finance committee reports to the Board.

The Audit committee meets a minimum of twice a year. It is chaired by a Board member and includes two other members who are not Directors. Its functions include the review of the annual statutory financial statements of Barnardos before submission to the Board, review and approval of the internal audit plan based on the risk identification process and the reporting on its implementation to the Board.

SECTION 9 – BOOKS OF ACCOUNT

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

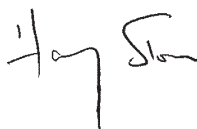
SECTION 10 – AUDITOR

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

On behalf of the Board



Alan Wyley
Honorary Treasurer



Harry Slowey
Chairperson

21 April 2011

Barnardos – Republic of Ireland Limited

Director's Report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARNARDO'S – REPUBLIC OF IRELAND LIMITED

We have audited the financial statements of Barnardo's – Republic of Ireland Limited for the year ended 31 December 2010 which comprises the statement of financial activities and income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. 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 the responsibilities of members of the board in respect of the financial statements as set out on page 21.

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 2009 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 misstatements within it.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

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

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 judgments 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 misstatement, 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 2010 and of its net deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

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.



Chartered Accountants
Registered Auditor

21 April 2011

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

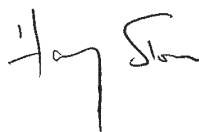
	Note	2010 Unrestricted Funds €000's	2010 Restricted Funds €000's	2010 Total Funds €000's	2009 Total Funds €000's
Incoming resources					
<i>Incoming resources from generating funds</i>					
– Voluntary income	1	5,292	2,171	7,463	8,500
– Income from trading activities	2	1,052	-	1,052	1,147
Incoming resources for charitable activities	3	-	15,268	15,268	16,162
Investment income	4	232	-	232	277
Other incoming resources	9	-	-	-	1,496
Total incoming resources		6,576	17,439	24,015	27,582
Resources expended					
<i>Cost of generating funds</i>					
– cost of generating voluntary income	5	2,124	-	2,124	2,247
– cost of trading activities	2	1,100	-	1,100	1,390
Charitable activities	6	228	20,529	20,757	20,650
Governance costs	6	(105)	-	(105)	364
Other resources expended	9	1,780	-	1,780	-
Total resources expended		5,127	20,529	25,656	24,651
Net (outgoing)/incoming resources before transfers		1,449	(3,090)	(1,641)	2,931
Transfers between funds	15	(2,558)	2,558	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		(1,109)	(532)	(1,641)	2,931

€139,000 (2009: €1,435,000) of the above results are derived from continuing activities. €1,780,000 is derived from non continuing operations, relating to a property value written down. The deficit for the year for Companies Act purposes was €1,641,000 (2009: €2,931,000 surplus).

On behalf of the Board



Alan Wyley
Honorary Treasurer



Harry Slowey
Chairperson

FINANCIAL STATEMENTS (CONTINUED)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 €000's	2009 €000's
Net (outgoing)/incoming resources for the year		(1,641)	2,931
Actuarial (loss)/gain on defined benefit pension scheme	18	(226)	3,429
Total recognised gains and losses for the year		(1,867)	6,360

RECONCILIATION OF MOVEMENT IN RESERVES

	Note	2010 €000's	2009 €000's
Net (outgoing)/incoming resources for the year		(1,641)	2,931
Actuarial (loss)/gain on defined benefit pension scheme	18	(226)	3,429
Total recognised gains and losses for the year		(1,867)	6,360
Reserves at the beginning of the year		10,762	4,402
Reserves at the end of the year	15	8,895	10,762

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

BALANCE SHEET AT 31 DECEMBER 2010

	Note	2010 €000's	2009 €000's
Fixed assets			
Tangible assets	10	3,168	4,073
Term deposits	11	1,311	-
		<u>4,479</u>	<u>4,073</u>
Current assets			
Debtors	12	951	809
Short term deposits	11	5,600	3,719
Cash at bank		1,397	5,817
		<u>7,948</u>	<u>10,345</u>
Total current assets			
		<u>7,948</u>	<u>10,345</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(3,318)	(3,390)
		<u>4,630</u>	<u>6,955</u>
Net current assets			
		<u>4,630</u>	<u>6,955</u>
Total assets less current liabilities			
Provision for liabilities	14	9,109	11,028
		(186)	(65)
		<u>8,923</u>	<u>10,963</u>
Net assets before pension liability			
Defined benefit pension scheme liability	18	(28)	(201)
		<u>8,895</u>	<u>10,762</u>
Net assets			
		<u>8,895</u>	<u>10,762</u>
Represented by			
Unrestricted fund	15	6,989	8,324
Restricted income fund	15	1,906	2,438
		<u>8,895</u>	<u>10,762</u>
Total funds			
		<u>8,895</u>	<u>10,762</u>

On behalf of the Board

Alan Wyley
Honorary Treasurer

Harry Slowey
Chairperson

FINANCIAL STATEMENTS (CONTINUED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	<i>Note</i>	2010 €000's	2009 €000's
Net cash (outflow)/inflow from operations	16	(202)	2,006
Returns on investment and servicing of finance			
Interest received	4	232	277
Investing activities			
Sale of fixed asset		5	-
Purchase of tangible fixed assets	10	(1,777)	(896)
Purchase of term deposits	17	(1,311)	-
Net cash outflow from investing activities		(3,083)	(896)
Management of liquid resources			
Purchase of short term deposits	17	(1,881)	(3,719)
Financing activities			
Grants received	10	514	221
(Decrease)/increase in cash and cash equivalents			
Cash at bank at beginning of year	17	5,817	7,928
Cash at bank at end of year	17	1,397	5,817

FINANCIAL STATEMENTS (CONTINUED)

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2010

Basis of preparation

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

Taxation

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

Income recognition

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

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

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

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

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

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

Cost allocation

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

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

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

FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

Fund accounting

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

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

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

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.

FINANCIAL STATEMENTS (CONTINUED)

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

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

Defined Contribution Scheme

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

Stock

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

Operating leases

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

FINANCIAL STATEMENTS (CONTINUED)

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

1 Voluntary income includes the following

	2010 €000's Unrestricted	2010 €000's Restricted	2010 €000's Total	2009 €000's Total
<i>Fundraising activities</i>				
Major donors	207	-	207	807
Committed and cash giving	2,848	-	2,848	2,688
Corporate	862	-	862	681
Events and campaigns	887	4	891	926
Total fundraising activities	4,804	4	4,808	5,102
<i>Trusts and foundations</i>				
Atlantic Philanthropies	-	1,853	1,853	1,230
Other trusts	122	-	122	1,685
Total trusts and foundations	122	1,853	1,975	2,915
<i>Other donations, legacies and similar incoming resources</i>				
Legacies	243	-	243	47
Barnardos Training & Resource Centre	111	48	159	205
Other donations/fees	12	266	278	231
Total donations, legacies & similar incoming resources	366	314	680	483
Total voluntary income	5,292	2,171	7,463	8,500

2 Income from trading activities

	2010 Unrestricted €000's	2009 Unrestricted €000's
The net result of shop operations is as follows:		
Sales	1,052	1,147
Operating expenses	(1,100)	(1,390)
Net shop cost	(48)	(243)

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.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

3 Incoming resources for charitable activities

	2010 €000's Restricted	2009 €000's Restricted
<i>Statutory Sources</i>		
HSE South Western Area	1,907	2,008
HSE Northern Area	1,666	1,763
HSE East Coast Area	698	790
HSE Mid-Western Area	1,746	1,963
HSE Midland Area	977	1,041
HSE Southern Area	462	494
HSE South Eastern Area	1,742	1,769
HSE North Eastern Area	373	409
HSE Total	9,571	10,237
City of Dublin Vocational Education Committee	74	68
Dublin City Council	123	237
Department of Education and Science	776	925
Department of Community, Rural and Gaeltacht Affairs	55	63
Family Support Agency	233	233
Office of the Minister for Children and Youth Affairs	544	418
Pobal	1,446	1,486
	12,822	13,667
Service income from Guardian ad Litem	1,766	1,762
Other fees and grants	680	733
	15,268	16,162

4 Investment income

	2010 Unrestricted €000's	2009 Unrestricted €000's
Deposit interest	232	277

5 Cost of generating funds

	2010 Unrestricted €000's	2009 Unrestricted €000's
Fundraising expenditure can be analysed as follows:		
Major donors	63	142
Committed & cash giving	1,319	1,474
Corporate	282	259
Events & campaigns	460	372
	2,124	2,247

Barnardos – Republic of Ireland Limited

Director's Report (continued)

NOTES (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	Regional Childcare €000's	National Office €000's	2010 Total €000's	2009 Total €000's
Restricted										
Family support	2,409	2,499	1,950	1,420	3,289	1,930	13,497	337	13,834	13,965
BTRS	-	-	-	-	-	-	-	655	655	633
Bereavement	-	-	-	-	-	-	-	1,552	1,552	1,367
GAL	-	-	-	-	-	-	-	410	410	431
Origins & PAS	-	-	-	-	-	-	-	716	716	721
Garda vetting	-	-	-	-	-	-	-	147	147	149
Advocacy	-	-	-	-	-	-	-	574	574	526
Service design	-	-	-	-	-	-	-	738	738	721
Research	-	-	-	-	-	-	-	274	274	277
Direct costs	2,409	2,499	1,950	1,420	3,289	1,930	13,497	5,403	18,900	18,790
Support costs	218	236	214	127	314	177	1,286	343	1,629	1,583
Total costs	2,627	2,735	2,164	1,547	3,603	2,107	14,783	5,746	20,529	20,373
Unrestricted										
BTRS	-	-	-	-	-	-	-	213	213	261
Direct costs	-	-	-	-	-	-	-	213	213	261
Support costs	-	-	-	-	-	-	-	15	15	16
Total costs	-	-	-	-	-	-	-	228	228	277
Total charitable expenditure	2,627	2,735	2,164	1,547	3,603	2,107	14,783	5,974	20,757	20,650

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

6(b) Activities included in support and governance costs

		2010 Support costs €000's	2010 Governance costs €000's	2009 Support costs €000's	2009 Governance costs €000's
Pension movements	-	(399)	-	124	-
Human resources	Head count	477	65	516	59
Finance	Expenditure	481	62	495	68
Information technology	No of PC's	171	20	188	22
Corporate	Head count	515	147	400	91
		1,644	(105)	1,599	364

7 Staff costs

The average weekly number of employees, including part-time staff, but not including volunteers, during the year was 403 (2009: 400).

	2010 €000's	2009 €000's
Staff costs comprises:		
Wages and salaries	14,930	15,315
Social welfare costs	1,509	1,529
Pension costs	553	648
	16,992	17,492

	2010 Number	2009 Number
Staff activities are as follows:		
Direct charitable activities	343	342
Support costs	24	24
Generating funds shops	18	16
Generating funds fundraising	11	11
Governance costs	7	7
	403	400

**FINANCIAL STATEMENTS
(CONTINUED)****NOTES (CONTINUED)****7 Staff costs (continued)**

The number of higher paid employees was:

	2010	2009
€80,000 – €90,000	3	1
€90,000 – €100,000	2	3
€100,000 – €110,000	2	4
€110,000 – €120,000	1	1
€120,000 – €130,000	-	-
	8	9

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

8 Board member expenses

No member of the Board receives payment other than the reimbursement of expenses incurred which were under €1,000 in total for both 2010 and 2009.

9 Net incoming resources for the year

	2010	2009
	€000	€000
This is arrived at after charging/(crediting):		
Auditor's remuneration	30	33
Depreciation	611	340
Amortisation of grants	(228)	(118)
Operating leases – primarily land and buildings	575	733
Realised gain on the disposal of a property	-	(1,496)
Impairment charge on property	1,780	-

An impairment of our Mulhuddart property of €1.8m was taken in 2010 following a review of the value in use of our properties in accordance with FRS 11.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

10 Tangible fixed assets

	Properties	Furniture, fittings and equipment	Computers	Motor vehicles	Total
	€000's	€000's	€000's	€000's	€000's
Cost – At 1 January 2010	9,805	1,752	200	389	12,146
Additions	1,701	19	-	57	1,777
Disposals	-	(26)	-	-	(26)
Reclassification	(53)	53	-	-	-
At 31 December 2010	11,453	1,798	200	446	13,897
Depreciation					
At 1 January 2010	1,484	1,288	200	253	3,225
Charge for the year	395	163	-	53	611
Impairment charge	1,780	-	-	-	1,780
Disposals	-	(21)	-	-	(21)
Reclassification	-	-	-	-	-
At 31 December 2010	3,659	1,430	200	306	5,595
Net book amounts					
At 31 December 2010	7,794	368	-	140	8,302
At 31 December 2009	8,321	464	-	136	8,921
Capital grants					
At 1 January 2010	4,925	319	-	355	5,599
Received in the year	458	-	-	56	514
Disposals	-	-	-	-	-
Reclassification	-	-	-	-	-
At 31 December 2010	5,383	319	-	411	6,113
Capital grants – amortisation					
At 1 January 2010	345	185	-	221	751
Charge for the year	134	43	-	51	228
Disposals	-	-	-	-	-
Reclassification	-	-	-	-	-
At 31 December 2010	479	228	-	272	979
Net book amounts					
At 31 December 2010	4,904	91	-	139	5,134
At 31 December 2009	4,580	134	-	134	4,848
Net book amounts – fixed assets net of capital grants					
At 31 December 2010	2,890	277	-	1	3,168
At 31 December 2009	3,741	330	-	2	4,073

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

10 Tangible fixed assets (continued)

The impairment charge of €1.8m under property relates to the Mulhuddart property following a "value in use" review in accordance with FRS 11.

	2010	2009
	€000's	€000's
<i>Freehold and leasehold properties – carrying value net of unamortised grants</i>		
Freeholds	1,346	2,072
Long leaseholds (over 50 years)	1,510	1,510
Short leaseholds (50 years and under)	34	159
	2,890	3,741

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

- 1 Family Support Centre, Thurles – €150,000 becomes repayable to the HSE in the event of the assets being disposed of before 2023.
- 2 Family Support Centre in Mullingar – €300,000 becomes repayable to the HSE in the event of the asset being disposed of, unless replaced by a mutually agreed premises.
- 3 Brighter Futures Centre in Knocknaheeny – €1,188,236 becomes repayable to Pobal and €988,403 becomes repayable to Cork City Council in the event that the centre ceases to be used for the purpose of the grant.
- 4 Mulhuddart – €325,000 of the NCIP grant becomes repayable if the project/service is not operated for a minimum of 15 years from December 2010.

11 Term deposits and short-term deposits

€1,311,000 (2009: €Nil) relates to funds invested in fixed term interest bearing deposits with financial institutions with a maturity of greater than 1 year.

€5,600,000 (2009: €3,719,000) relates to funds invested in fixed term interest bearing deposits with financial institutions with a maturity of between 90 days and 365 days.

12 Debtors (amounts falling due within one year)

	2010	2009
	€000's	€000's
Trade debtors	876	713
Other debtors	18	23
Prepayments and accrued income	57	73
	951	809

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

13 Creditors: amounts falling due within one year

	2010 €000's	2009 €000's
Trade creditors	1,144	1,438
Other creditors	57	77
Accruals	630	288
Deferred income	1,487	1,587
	3,318	3,390

Movements in deferred income

	Non- Statutory deferred €000's	Statutory deferred €000's	Total €000's
Released from prior year	(1,168)	(419)	(1,587)
Deferred in the current year	520	967	1,487

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

14 Provision for liabilities

	2010 €000's	2009 €000's
At beginning of year	65	60
Charged in the year	121	5
At end of year	186	65

The provision relates to legal cases.

15 Statement of movement in funds

	Unrestricted fund €000's	Restricted fund €000's	Total €000's
Balance at beginning of year	8,324	2,438	10,762
Net outgoing resources – after transfers	(1,109)	(532)	(1,641)
Actuarial gain on pension scheme (note 18)	(226)	-	(226)
Balance at end of year	6,989	1,906	8,895

Barnardos – Republic of Ireland Limited

Director's Report (continued)

NOTES (CONTINUED)

15 Statement of movement in funds (continued)

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

Regions/services	Dublin 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	2010 Total €000's
Restricted									
Opening balance	-	100	26	-	-	-	126	2,312	2,438
Income	2,180	2,226	1,737	1,373	2,938	1,916	12,370	5,069	17,439
Charitable activities costs	(2,627)	(2,735)	(2,164)	(1,547)	(3,603)	(2,107)	(14,783)	(5,746)	(20,529)
Transfers	447	409	422	174	665	191	2,308	250	2,558
Closing balance	-	-	21	-	-	-	21	1,885	1,906
Unrestricted									
Opening balance	-	-	-	-	-	-	-	8,324	8,324
Income	-	-	-	-	-	-	-	6,576	6,576
Actuarial loss on pension scheme	-	-	-	-	-	-	-	(226)	(226)
Charitable activities costs	-	-	-	-	-	-	-	(228)	(228)
Cost of generating funds	-	-	-	-	-	-	-	(3,224)	(3,224)
Governance costs	-	-	-	-	-	-	-	105	105
Impairment of fixed assets	-	-	-	-	-	-	-	(1,780)	(1,780)
Transfers	-	-	-	-	-	-	-	(2,558)	(2,558)
Closing balance	-	-	-	-	-	-	-	6,989	6,989
Restricted and Unrestricted	-	-	21	-	-	-	21	8,874	8,895

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

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

16 Reconciliation of (outgoing)/incoming resources to net cash flow from operating activities

	2010	2009
	€000's	€000's
Net (outgoing)/incoming resources	(1,641)	2,931
Depreciation and impairment charge	2,391	340
Amortisation of government grant	(228)	(118)
(Increase)/decrease in debtors	(142)	882
Decrease in creditors	(72)	(385)
Increase in provision for liabilities and charges	121	5
Decrease in pension liability	(173)	(3,305)
Actuarial (loss)/gain on pension scheme	(226)	3,429
Interest earned	(232)	(277)
Profit on the sale of fixed asset	-	(1,496)
Net cash flow from operating activities	(202)	2,006

17 Analysis of change in cash at bank, short term deposits and term deposits

	2010	2009
	€000's	€000's
Balance at beginning of year	9,536	7,928
Net cash (outflow)/inflow	(1,228)	1,608
Balance at end of year	8,308	9,536

	At 1 January 2010 €000's	Cashflows during the year €000's	At 31 December 2010 €000's
Term deposits	-	1,311	1,311
Short term deposits	3,719	1,881	5,600
Bank current accounts	5,817	(4,420)	1,397
Total cash and cash equivalents	9,536	(1,228)	8,308

**FINANCIAL STATEMENTS
(CONTINUED)****NOTES (CONTINUED)****18 Pension fund**

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

Defined benefit scheme

Contributions to the defined benefit scheme are assessed in accordance with the advice of an independent actuary on the basis of triennial valuations using the attained age method. The most recent actuarial valuation was conducted as at 1 September 2009. The Scheme did not meet the statutory Funding Standard as at 31 December 2009.

A funding proposal was prepared in September 2010. The funding proposal was designed to return the scheme to a solvent position by December 2018 on the minimum funding standard basis. While the funding proposal was not submitted to the Pensions Board, the recommended contribution rate has been implemented by Barnardos and backdated to 1 January 2010. Due to an improvement in the schemes deficit position since the funding proposal was drafted, Barnardos are currently considering applying a reduction to the contribution rate while still meeting the target of solvency by 31 December 2018.

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

	2010	2009	2008
Inflation rate	2.10%	2.25%	2.00%
Discount rate	4.50%	5.10%	5.50%
Expected return on assets over the next year	5.96%	6.90%	5.61%
Expected rate of salary increases	3.85%	4.00%	4.00%
Rate of pension increases in payment	0.00%	0.00%	2.00%
Rate of pension increases in deferment	2.10%	2.25%	2.00%

It is assumed that scheme members will withdraw on average 12.5% of their fund on retirement (2009: 25%).

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

	2010	2009	2008
Equities	7.30%	8.20%	7.00%
Bonds	3.70%	4.10%	3.85%
Other	5.50%	-	3.40%
Property	6.30%	7.20%	-
Cash	2.10%	2.25%	-

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

18 Pension fund

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

Defined benefit scheme

Contributions to the defined benefit scheme are assessed in accordance with the advice of an independent actuary on the basis of triennial valuations using the attained age method. The most recent actuarial valuation was conducted as at 1 September 2009. The Scheme did not meet the statutory Funding Standard as at 31 December 2009.

A funding proposal was prepared in September 2010. The funding proposal was designed to return the scheme to a solvent position by December 2018 on the minimum funding standard basis. While the funding proposal was not submitted to the Pensions Board, the recommended contribution rate has been implemented by Barnardos and backdated to 1 January 2010. Due to an improvement in the schemes deficit position since the funding proposal was drafted, Barnardos are currently considering applying a reduction to the contribution rate while still meeting the target of solvency by 31 December 2018.

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

	2010	2009	2008
Inflation rate	2.10%	2.25%	2.00%
Discount rate	4.50%	5.10%	5.50%
Expected return on assets over the next year	5.96%	6.90%	5.61%
Expected rate of salary increases	3.85%	4.00%	4.00%
Rate of pension increases in payment	0.00%	0.00%	2.00%
Rate of pension increases in deferment	2.10%	2.25%	2.00%

It is assumed that scheme members will withdraw on average 12.5% of their fund on retirement (*2009: 25%*).

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

	2010	2009	2008
Equities	7.30%	8.20%	7.00%
Bonds	3.70%	4.10%	3.85%
Other	5.50%	-	3.40%
Property	6.30%	7.20%	-
Cash	2.10%	2.25%	-

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

18 Pension fund (continued)

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

	2010	2009
Longevity at age 65 for current pensioners:		
Male	21.6	21.5
Female	23.3	23.2
Longevity at age 65 for members aged 45:		
Male	23.4	23.3
Female	25.2	25.1

The calculation of the defined benefit obligation is sensitive to the mortality assumptions set out above. As the actuarial estimates of mortality continue to be refined, an increase in one year in the lives shown above is considered reasonably possible in the next financial year. The increase of this change would be an increase in the employee benefit liability by €136,000.

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

The net pension deficit is analysed as follows:

	2010	2009	2008
	€000's	€000's	€000's
Equities	4,984	5,373	3,521
Bonds	1,435	1,290	1,276
Other	1,258	-	1,430
Property	243	177	-
Cash	750	738	-
AVCs	430	408	363
Total market value of assets	9,100	7,986	6,590
Actuarial value of scheme liabilities	(8,698)	(7,779)	(9,733)
AVCs	(430)	(408)	(363)
Deficit in scheme	(28)	(201)	(3,506)

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

	2010	2009
	€000's	€000's
Charged to expenditure		
Current service costs	103	147
(Credited)/charged to other finance income		
Interest on pension scheme liabilities	397	535
Expected return on scheme assets	(529)	(353)
Total (credit)/charge in statement of financial activities and income and expenditure account	(29)	329

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

18 Pension fund (continued)

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

	2010	2009
	€000's	€000's
Difference between actual and expected return on assets	346	943
Experience gain on schemes liabilities	304	264
Effect of changes in actuarial assumptions	(876)	2,222
	<hr/>	<hr/>
Actuarial (loss)/gain recognised in the statement of total recognised gains and losses	(226)	3,429

	2010	2009
	€000's	€000's
Movements in deficit during the year:		
Deficit in scheme at beginning of year	(201)	(3,506)
Contributions paid	370	205
Current service costs	(103)	(147)
Other financial credit/(charge)	132	(182)
Actuarial (loss)/gain	(226)	3,429
	<hr/>	<hr/>
Deficit in scheme at end of year	(28)	(201)

Reconciliation of change in value of scheme liabilities in the year

	2010	2009
	€000's	€000's
Scheme liabilities at start of year	8,187	10,096
Interest cost	397	535
Current service cost (net of member contributions)	103	147
AVC contributions	33	36
Change in value of AVCs	(12)	9
Actual member contributions	37	39
Actual benefit payments by the fund	(189)	(189)
Gain on change of assumptions	876	(2,222)
Experience gain	(304)	(264)
	<hr/>	<hr/>
Scheme liabilities at end of year based on end of period assumptions	9,128	8,187

Due to the current deficit in the pension scheme no pension increases have been assumed or included in the schemes liabilities as at 31 December 2010.

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

18 Pension fund (continued)

	2010	2009
	€000's	€000's
Reconciliation of changes in value of assets in the year		
Market value at beginning of year	7,986	6,590
Actual total benefit payments	(189)	(189)
Actual contributions – company (including benefits paid by the company)	370	205
AVC contributions	33	36
Change in value of AVCs	(12)	9
Actual contributions – members	37	39
Expected return on assets	529	353
Gain on assets	346	943
Market value at end of period	9,100	7,986

The company expects to contribute €370,500 to its defined benefit pension plan in 2011.

History of actuarial gains and losses

	2010	2009	2008	2007
	€000's	€000's	€000's	€000's
Gain/(loss) on scheme assets	346	943	(3,813)	(850)
% of scheme assets at end of year	3.80%	11.81%	(57.86%)	(8.7%)
Experience gain/(loss) on scheme liabilities	304	264	(151)	(136)
% of scheme liabilities at end of year	3.33%	3.22%	(1.49%)	(1.35%)
Total actuarial (loss)/gain recognised in STRGL	(226)	3,429	(3,197)	(403)
% of scheme liabilities at end of period	(2.47%)	41.88%	(31.67%)	(3.99%)

19 Commitments

Operating lease commitments payable during the next twelve months amount to €516,000 (2009: €526,000) and are payable in relation to equipment and property leases which expire as follows:

	Plant & equipment	Land & buildings	Total
	€'000	€'000	€'000
Within one year	7	136	143
Within two to five years	30	134	164
After five years	2	207	209
	39	477	516

Capital commitments payable within the next twelve months amount to €Nil (2009: €1,240,000) and relate to property building commitments and are contracted for and authorised.

Barnardos – Republic of Ireland Limited

Director's Report (continued)

FINANCIAL STATEMENTS (CONTINUED)

NOTES (CONTINUED)

20 Comparative amounts

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

21 Joint venture

During 2008, the company established a joint venture company, Partners in Education Limited together with the Congregation of Sisters of Bon Secours of Paris in Ireland. Partners in Education Limited is a company incorporated in the Republic of Ireland and its registered office is 4 Christchurch Square, Dublin 8. The principal activity of the company is to run a service in Knocknaheeny, Cork known as "Brighter Futures". The company has charitable status and is operated on a not-for-profit basis. The company holds an ordinary share of €1.00 in Partners in Education Limited which also represents its share of the net assets of that company at 31 December 2010.

22 Related party transactions

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

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

23 Guarantee liability

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

24 Approval of financial statements

The directors approved the financial statements on 21 April 2011.

Barnardos – Republic of Ireland Limited

Director's Report (continued)


NOTES

Barnardos – Republic of Ireland Limited

Director's Report (continued)

NOTES





Barnardos
Christchurch Square
Dublin 8

T: 01 453 0355
E: info@barnardos.ie
W: www.barnardos.ie

Design: Zinc
Photography: Patrick Bolger

Registered Charity 6015