



Barnardos
Annual Report
and Financial
Statements

2013

BUILDING LASTING RELATIONSHIPS BY LISTENING
TO THOSE THAT MATTER MOST


Barnardos

Our 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.

Our Vision

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

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Chairman's Statement

Alan Wyley

In 2013 Barnardos worked with almost 9,000 children and families across Ireland to change their lives for the better. We supported them to build their skills, abilities and capacity to change their lives for the better.

But you can't do that without building trust with those we work with. It is long term intensive work. Sometimes progress is measured in very small steps initially – like the child who sat under a table for three weeks and wouldn't speak to adults or make eye contact, coming out from under the table and beginning to interact with others.

And they did that because their key worker lay on the ground for those three weeks reading stories to the child. Earning their trust bit by bit every day and being there for them. Building the child's confidence by coaxing them gently – never pushing them or forcing them. Our people focus on strengths in children and parents and support them to be the best they can be. They deliver proven programmes with positive outcomes. Life changing outcomes.

At the heart of our work is a set of core values which inform every aspect of our services, policies and practices.

We're for children

- We work to improve children's lives and our approach is driven by children's needs.
- We recognise that parents are the most important people in a child's world.
- We also understand the importance of family and community in the lives of children and young people.
- We listen to what children and young people have to say and we help them to raise their voices and have their views heard.

We don't give up

- We never write-off any child or situation as hopeless.
- We help every child we work with to reach their full potential.
- In even the most difficult situations, we work hard to bring about change to improve a child's life and life chances.

We don't stand still

- We are a 'learning organisation' responsive to change, to new ideas and better ways of working.
- We provide leadership in our field of expertise.
- We challenge the status quo, praising where we can, criticising where we must.

We value and respect each other

- We provide a dynamic, rewarding and safe working environment for our staff, and offer ongoing support, training and development.
- We nurture a work ethic that is open, honest and co-operative.
- We operate in an inclusive, fair and ethical manner.

We are efficient and transparent in our work

- We operate to clear standards, which we regularly audit.
- We are transparent and accountable to all our stakeholders.
- Our work is based on best practice and proven solutions.

We are good partners

- We work collaboratively with a range of partners to deliver the best outcomes for children in Ireland.
- We deliver a high professional standard in every aspect of our work.
- We remain true to our mission and values.

Barnardos will continue to do the best we can in everything we do. The children and families we work with deserve that. The partners we work with and those who support us, expect nothing less.

I would like to thank all the people in Barnardos who work so hard to change lives every day. I would like to thank the Board who give of their time and expertise freely in support of that work. And I would like to thank all those who support Barnardos' work on an ongoing basis.



Chief Executive's Review

Fergus Finlay

If you're a child living in consistent poverty, you have to meet a number of criteria. You will live in a family where the income is very low, but you will also experience a number of things called "deprivation indicators".

That's a bit of jargon. When it's translated into English, it means that a child in consistent poverty in Ireland is more likely to be under-nourished, or even hungry. More likely to be cold and wet in the worst of Ireland's weather. More likely to have a chest infection because of damp housing. More likely to be afraid because of danger in the community in which they live.

And there are a few things less likely to happen. A child in consistent poverty is less likely to have treats in their life. Less likely to be guaranteed a visit from Santa Claus. Less likely to learn. Less likely to finish school.

Consistent poverty grinds. It wears childhood out. It gets in the way of potential, like a dam in a stream.

And it affects thousands of children. Enough children to fill every seat in the Aviva Stadium, more than twice. Officially, more than one in every 11 of Ireland's children lives in consistent poverty.

In the nine years I've worked in Barnardos, I've learned a little bit about consistent poverty. I'm no expert, but you can't meet our kids, or sit and chat to their mums and dads, or spend time with the people who work in our 40 projects, without getting some insight.

So let me tell you what I've learned. It's pretty simple.

First, kids are kids. They're born full of joy, full of excitement. And every kid can make it. But if you're born into poverty, and you grow up in a family that's totally

stressed out by it, and you live in a community damaged by disadvantage and neglect, that's a kind of three-way trap. "Making it", when you're carrying those burdens, is the same as climbing Mount Everest.

Second, parents really love their kids. But sometimes – and this can happen to any of us – loving your kids isn't the same as being an effective parent. All sorts of things get in the way, and they can damage our capacity to be the parents we want to be. And that's really tough – but especially tough on the kids.

Third, it's possible to make a difference. Nobody should ever be asked to climb Mount Everest without help. In Barnardos, we're sherpas. It's our job to help carry some of the load, and to help build some of the skills necessary for a tough journey. Skills like friendship, managing emotions, sharing, negotiating.

A mountain climber has to be able to trust the people around him or her totally. Our kids are mountain climbers, and they have to scale some challenging peaks. So they have to be able to trust us.

So do their mums and dads. We work with them too, because the single most important people in every child's life is their parents. We see parents change every day, especially when hopelessness is replaced by new possibilities.

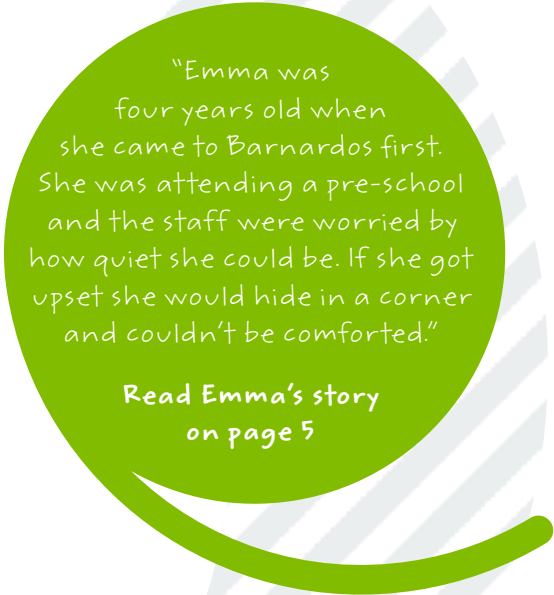
The key to it all is trust. The thing I value most is that there are people who work here – actually, all of them – who never want to turn their backs on a child, who never want to give up. I trust them totally. Of course we argue with each other, and no-one has enjoyed the restructuring we've had to do in these hard times, but throughout it all, it has been the children who come first.

Trust has other dimensions. We couldn't do what we do without the support of a lot of people. We work with other organisations in our sector, and we work alongside the social services provided by the HSE (which were all transferred into Tusla, the new Child and Family Agency, at the end of last year). They have to be able to trust us too – our standards, our reporting, our accountability.

And there are thousands of people who support us in other ways – regular donations, hours spent volunteering, running fantastic events to give the work a boost. They're doing it for the children and families we work with, and I hope they're doing it because they know they can trust that the contribution they make is going where it's needed.

In recent months, there has been a cloud over the charities sector in Ireland. It was put there by the behaviour of a few people, but it has meant (and maybe this is no bad thing!) that we can't take trust for granted. We all know now that trust has to be earned, day in and day out.

2013 was a better year for all of us in Barnardos, after several years of struggle. But things are still very tough in the world around us – especially for the children and families I've been writing about. We're dedicating ourselves to continue working, to build hope and a better future for thousands more children. We're hugely grateful to everyone who works with us – for their support, and for their trust.



"Emma was four years old when she came to Barnardos first. She was attending a pre-school and the staff were worried by how quiet she could be. If she got upset she would hide in a corner and couldn't be comforted."

Read Emma's story on page 5

Emma & Sharon

Emma was four years old when she came to Barnardos first, says Sharon, a Barnardos worker. She was attending a pre-school and the staff were worried by how quiet she could be. If she got upset she would hide in a corner and couldn't be comforted.

Emma started to come to Barnardos once a week. At first, she was very silent, only talking to ask permission; she'd ask if she could play with a certain game or doll. That was it.

Week after week, Sharon was there helping Emma to feel safe. She encouraged her to explore the play room a little more, supporting her to try a new toy in a different area of the room.

Slowly, Emma grew a little more in confidence and trust. She began to play more freely and enjoy lots of imaginative play. She particularly loved standing at the sand tray, scooping up the sand in cups and spilling it all out again, says Sharon.

As Emma's confidence grew in the play room, it grew in other parts of her life too. She started school last September and over the past few months her teacher has noticed Emma's progress too. She is making friends and is chatty in class. She is much more confident and regularly has her hand up with new ideas or a question.

"Emma has made lots of friends in school now, and she often helps other children when they are struggling with something. It's great she is getting on so well now."

Sharon, Barnardos
worker

Directors Report: The members of the Board hereby present their annual report and the financial statements for the year ended 31 December 2013.

Structure, Governance and Risk Management

Structure

Barnardo's - Republic of Ireland Limited ('Barnardos') is an Irish company incorporated under the Companies Acts, 1963 to 2013, 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.

Barnardos' Board, Officers and Management

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

The Board is supported by a Board committee structure which deals effectively with specific aspects of the business of the company. The Board Committees in place are the Audit Committee, Finance Committee, Nominations Committee and Services Committee. The Board members do not receive any remuneration in respect of their services to the charity.

The Board delegates the day-to-day management of Barnardos to an Executive Management team, which comprises the Chief Executive, a senior management team and other management groupings.

No member of the Board received payment or reimbursement of expenses for both 2013 and 2012.

Current Board Members

		Meeting Attendance
Alan Wyley	Chairperson	4/6
Tony Crooks	Vice Chairperson	5/6
Grainne Burke	Appointed 13 June 2013	2/3
Alan Crosbie		3/6
Sheila Greene	Retired 13 June 2013	2/3
John Lonergan		5/6
Leonie Lunny		6/6
Jim Mountjoy	Treasurer	4/6
Gerry Murphy		5/6
John O'Reilly	Appointed 13 June 2013	3/3
David Begg	Appointed 13 June 2013	2/3

Company Secretary

Dianne Moore

Executive Management Team

Chief Executive	Fergus Finlay
Director of Children's Services	Suzanne Connolly
Director of Finance	Dianne Moore
Director of Fundraising and Marketing	Ruth Guy
Director of Support Services	Jacki Conway

Audit Committee

The role of the Audit Committee is to keep under review the adequacy, scope and effectiveness of accounting and internal control systems of all activities carried out by Barnardos. This Committee is chaired by a Board member and consists of at least two other members who have audit experience within services or finance. Two members of the Executive Management team are in attendance, one of whom is the CEO. They meet four times a year in advance of Board meetings.

Audit Committee

Gerry Murphy	Chairperson
Michelle Clarke	
Peter Stewart	

Finance Committee

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

Finance Committee

Jim Mountjoy	Chairperson
Martin Dobey	
Liam Trundle	

Nominations Committee

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

Nominations Committee

Alan Wyley	Chairperson
Jacki Conway	
Tony Crooks	
Fergus Finlay	

Services Committee

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

Services Committee

Tony Crooks	Chairperson
Mark Dynarski	
Brid Featherstone	
Jane Forman	
Marie Kennedy	
Leonie Lunny	
Colette McLoughlin	



"When Jeni found out she was pregnant at 17 she felt alone and afraid. It was hard to learn how to become a mum, to parent a baby and then a toddler at such a young age."

Read Jeni's story on page 19

Governance Code and Charities Act

In Barnardos, we believe that accountability and transparency are vitally important in everything that we do. We publish our financial accounts annually and have always done so. They are prepared in accordance with UK best practice (SORP) in the absence of statutory reporting standards for charities in Ireland. We provide a 24 hour press office and respond to all queries with honesty and integrity. Our annual reports dating back to 2000 are available on our website www.barnardos.ie. We have always lodged our reports with the Companies Registration Office (CRO).

We comply fully with The Governance Code for the Community, Voluntary and Charitable Sector in Ireland. The Governance Code is principles-based and it is voluntary. It has been designed by the sector, for the sector. (Visit www.governancecode.ie)

We have long called for regulation of the charity sector and welcome the establishment of a Charity Regulatory Authority and Register of Charities under the phased implementation of the Charities Act 2009. Barnardos intends to be fully compliant.

Books of Account

The Board Members 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 Barnardos National Office, Christchurch Square, Dublin 8. These documents are prepared in accordance with the Companies Acts, 1963 to 2013 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. It is expected that the new SORP will take effect for financial years beginning on or after 1 January 2015.

Auditor

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

Risk Management

At Barnardos, risk is an everyday part of charitable activity and managing it effectively is essential for Barnardos to achieve its key objectives and safeguard our funds and assets. Our Risk Management Policy and the Governance Code require that we do a full risk assessment each year. This means:

- Identifying the organisational risks,
- Working out which ones are important, and
- Putting measures in place to avoid, minimise or mitigate our main risks.

This process is repeated annually, reviewed by the Audit Committee and approved by the Board. The responsibility for the management and control of Barnardos rests with the Board and their involvement in the key aspects of the risk management process is essential, particularly in setting the parameters of the process and reviewing and considering the results.

We have developed a risk management statement for the purpose of giving an insight into how we handle risk and an understanding of the major risks we are exposed to:

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

Barnardos' Top Risks in 2013 were:

1. Abuse of Children within our Services
2. Poor Quality of Service Delivery
3. Funding
4. Financial Controls
 - Income and expenditure processes
 - Assets
5. Loss of Public Credibility
6. Losing Touch with Stakeholders
 - Parents and children
 - Funders
 - Employees
7. Business Continuity
 - Loss of key personnel
 - IT related
 - Health and safety
8. Failure to Comply with Law, Regulations or to meet Responsibilities

In late 2013, in conjunction with our Audit Committee Barnardos reviewed the approach we use for our Risk Register. This new approach considers the inherent risks in our operations, examines the controls that are in place and assesses the residual risk.

Vetting

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

Reserves

In accordance with recommended best practice, each charity should have a reserve policy. Barnardos free reserves at 31 December 2013 are €3.7m, approximately nine weeks of budgeted operating costs, in line with our policy.

Gavin & Claire

"You feel that you have learned a lot about parenting, feel more confident and able to manage the children's behaviour better."

Gavin knew very little about Barnardos until the Public Health Nurse recommended that he get in touch. Now he dreads to think what life might be like for his family if they were not attending Barnardos. So much has changed he now finds it difficult to think back to how hard it was before.

We needed things to change, says Gavin. It was impossible to do anything together as a family as our two children fought constantly. The difficult behaviour of their youngest child was having a big impact on family life. After their first meeting with Barnardos, Gavin was really hopeful that three year old Eben would get a place in Barnardos pre-school service and luckily he did. Once he settled in, stay-at-home dad Gavin started to attend the Barnardos parents group too. He says he felt comfortable in Barnardos from the very first day.

Gavin and his partner Claire meet their Barnardos worker, Margaret, regularly to work on their parenting skills. They learn about setting boundaries, managing behaviour and routines. She has helped us to understand Eben's behaviour, says Gavin. We feel more confident and able to manage the children's behaviour better. We both find it really helpful and important to have a plan in place for times such as holidays and to have a plan A and a plan B.

Almost immediately, Gavin and Claire could see things changing. A turning moment says Gavin, was going to the park as a family and seeing the children enjoy themselves. It felt great, normal, the way it should be. We have been able to attend a family wedding, go for Sunday lunch at Eben's grandmother's house and take our first holiday as a family.

Eben loves coming to Barnardos. We can see his sense of humour and personality coming through. He has made friends which he never did before.

Our People

Never more so than in these difficult times, it is the commitment and resilience of all the people who work in Barnardos that underpins the organisation's achievements.

In 2013, children continued to bear the brunt of austerity and our people saw daily the impact of years of cuts to family income and services. The work of Barnardos' front line people supporting the most vulnerable children and families continued to become ever more challenging.

At the same time, Barnardos organisation continued to face its own challenges due to repeated cuts to statutory funding and an increasingly competitive funding environment. A voluntary redundancy programme for all employees, which commenced in December 2012, concluded in the first half of 2013. For the second year running, all employees were placed on a one week layoff during summer 2013, and a pay freeze remained in place for all staff.

Our people worked through the ongoing challenges and changes, demonstrating flexibility and commitment to the children and families we work with. The HR team continue to support the organisation through this change and to ensure a healthy and safe environment. As at 31 December 2013, Barnardos employed 351 people (2012: 380).

During 2013, 82 internal training courses were provided (2012: 99) for employees. There were just over three training days per person (2012: 2 days) in 2013 across a range of areas. Key training delivered included:

- Child Protection Training – exploring the roles and responsibilities of Barnardos employees in child protection as well as recording and report writing, the impact of Child Protection work on employees, definitions, signs and indicators of abuse and neglect and the legal and policy context of Child Protection in Ireland. This training is mandatory for all Barnardos employees.
- Partnership with Parents Training – equipping our staff to deliver Barnardos' one to one parenting programme.

"My four year old has a great relationship with all the staff in Barnardos. He talks about Susan, Sheila and Margaret at home."

Read Gavin's story on page 11

Children's Services Review

Barnardos works with children and young people, and their parents, who live in disadvantaged communities and experience daily challenges in their lives. We provide a range of child-focused and family-focused services, with the overall outcomes that children are

- Healthy and safe,
- Engaged in active learning,
- Part of positive networks of family, friends, neighbours and the community.

We achieve these outcomes for children by working in partnership with their parents, and with other agencies with whom the child/parent are involved.

We believe in the importance of a life cycle approach recognising the need for linked up services throughout the different stages of a child's/young person's development.

We are committed to a community model approach in which there is a mix of prevention, early intervention and high risk/crisis services for children and parents. In particular, we are committed to early intervention services for children in the pre-school to pre-teen age bracket, addressing a mix of emotional wellbeing and learning and educational needs. We believe that services, as well as being community based, need to have the capacity to be delivered in schools and in the home as appropriate.

Our services

The services Barnardos operates include

- Eight Early Intervention services for children aged two to five years,
- 20 Family Support projects,
- Four Teen Parents programmes, and
- Five Family Welfare Conferences.

We also have some specialist programmes such as a Guardian ad Litem service, a Post Adoption Service, and Roots of Empathy – a school based programme which is designed to reduce levels of aggression in school going children and raise social and emotional competency and empathy.

Highlights

Some of the highlights of 2013 included

- The continued commitment and dedication of our people working to support children and families in the heart of disadvantaged communities.
- The establishment of our **Best Practice, Training, and Consultancy Department**, which involved a merger of our Service Design and Development team and the Training and Resource service. The department's purpose is to align and integrate Barnardos' capacity to provide internal and external training, publications, and practice and programme development. In 2013 the department undertook new work with the development of a Quality Assurance Framework, with Limerick City Children's Services Committee. The department has also been involved in some very exciting work in relation to the growth of our Partnership with Parents programme which is now being delivered in Belfast and Bulgaria.

- Barnardos has been involved in the implementation of the **Differential Response Model (DRM)**, in partnership with the HSE and the Daughters of Charity. Our role in DRM is to undertake initial assessments on behalf of the HSE. We are delighted with the really positive feedback we have received from parents in regard to the efficiency and effectiveness of the service Barnardos has delivered.
- Our **Tús Maith** programme continued to be delivered in eight Barnardos locations nationally. This is a programme for children aged three to five years, the focus of which is improved school readiness. The programme is being evaluated by the Centre for Social and Educational Research at DIT, in partnership with the Geary Institute at UCD.
- In 2013 the **Homemaker Family Support Service** in Limerick began. This is a home-based family support service that emphasises working with parents in a practical way to support them in their parenting capacity and household routines. This service has been developed in partnership with Limerick City Children's Services Committee.
- The second new service in Limerick is an **inter-agency after-schools programme** in Limerick's south side. Barnardos is co-ordinating an afterschool programme for children from Southill Junior School and Southill Gaelscoil. The programme began in September 2013 and is a partnership between Barnardos and other agencies including Southill Junior School, Southill Gaelscoil, School Completion, the HSE, and Southill After-schools Group.
- The design and implementation of a **new service user database** was a major achievement in 2013. This new database will provide Barnardos with essential operational and strategic information. As part of its implementation, 250 staff received database training.

- We were delighted to re-open our **Wizard of Words (WoW)** intergenerational literacy programme in two demonstration sites in Dublin at the end of 2013, thanks to funding from a philanthropic organisation. A three-year outcomes evaluation of WoW, which concluded in early 2012, found very positive, statistically significant differences between the children participating in WoW and children in the control group in terms of reading accuracy and phonemic awareness. Statistically significant differences were also found between the WoW group and the control group on enjoyment of reading at the end of the programme.

Briefing papers for policy makers, schools, volunteers and parents about WoW were finalised in 2013. We hope that having the demonstration sites, the briefing papers, and the positive evaluation findings, will enable Barnardos to secure funding for WoW to continue into the future.
- In 2013, we were able to expand the delivery of the **Roots of Empathy** programme, thanks to the support of a private foundation. By the end of 2013, a total of 49 schools were hosting the programme across Dublin, the south east and the midlands, with almost 2,200 children receiving the programme. There is further interest in the programme from schools in Cork and Limerick, and from additional schools in Dublin. Two Barnardos employees have completed Roots of Empathy training and are now accredited mentors for the programme.

- **Amplifying Voices (AV)** is an initiative aimed at strengthening the voice of children and young people on issues affecting them. The project commenced in 2012 in Tallaght, Finglas and Blanchardstown. Eleven different groups, supporting young people to address a range of issues important to them have been established since the programme commenced. Over 100 young people are taking part in these different groups. In 2013, Barnardos entered into a partnership with the Department of Children and Youth Affairs to develop a *participation toolkit for seldom heard young people*. The toolkit aims to support people with an interest and/or belief in the voice of children and young people to reflect on their practice and consider how to support the participation of seldom heard children and young people in their day-to-day work. In 2013, 'Hear our Voices', a short documentary film produced by a group of young people involved in Amplifying Voices, was screened. The children were delighted to have interviewed Minister Frances Fitzgerald, Minister for Children and Youth Affairs, who appeared in the documentary.
- **Partnership with Parents (PWP)**, our intensive parent support programme for parents with complex needs who have children under 18 years continues to be rolled out in all of our family support services. In 2013 we began planning for the programme evaluation, which will commence in early 2014. Dr. Crispin Day, Centre for Parent and Child Support, South London and Maudsley NHS Foundation Trust, London continues to provide expert advice on the development and evaluation of the service.
- Barnardos' remains committed to the **auditing and monitoring** of our practice in order to ensure that all of our services remain needs-led and outcomes-focused. We are fortunate to have the expert advice of external professionals who sit on our Services and Audit Committees. In 2013 we completed an audit of the implementation of our Promoting Positive Behaviour policy and a systems audit of our Guardian ad Litem service.

- Barnardos continues to review policies every three years to ensure they are in line with current research and promote best practice. The following children's services policies were revised in 2013:
 - Working with Drugs and Alcohol Misuse,
 - Responding to an Allegation against a Staff Member, Student, or Volunteer,
 - Domestic Violence,
 - We also developed a new policy on Parent's Participation.

Challenging Times

In 2013 Barnardos had to make some difficult decisions due to an increasingly challenging funding environment. While we made every effort to protect our core services for children and families, some services were impacted. With great regret our Early Years Service in Labre Park, Dublin 10, closed in June 2013. Since opening in 1986, the service provided pre-school and after-school services for children aged three to eight years, informal family support, and information and advice to the parents of children who attended the service. The team hosted an exhibition of photographs reflecting the work of the service over its 27 year history to mark the closure. Many families took photos home with them, valuing the memory of the impact the service has had on their lives.

- The **Barnardos & One Family Child Contact Centre Service** closed in December 2013. The service was established on a two year pilot basis in three locations in Dublin in 2011, funded by the Department of Children and Youth Affairs, the Family Support Agency, the Health Service Executive and Ballymun Regeneration. The service was provided to children whose parents are separated and who are unable to agree safe and appropriate arrangements for contact. The service evaluation highlighted positive outcomes for 151 children from 63 families. However, we were unable to secure a long-term source of funding.
- Due to the impact of funding decisions in 2010 and 2012, it became necessary to restructure Barnardos' **Family Welfare Conference** service in the north east. Barnardos delivered this service for over 12 years. The restructuring will result in a reduction in service provision in Cavan, Monaghan and Meath.

Use of Barnardos Services during 2013

During 2013 a total of 7,919 children and families benefited from participation in Barnardos targeted services and Roots of Empathy around the country. Approximately 70 per cent, or 5,525, were children.

An additional 1,061 parents and children participated in our open access universal services. Between our targeted and universal services, Barnardos worked with 8,980 children and their families.

Table 1: Total Direct Work with Children and their Parents, 2013

	Children's Services	Roots of Empathy	GAL	Total
Children	3,068	1,660	797	5,525
Parents	2,232	N/A	N/A	2,232
Other Carers	132	N/A	N/A	132
Other	30	N/A	N/A	30
Sub-total	5,462	1,660	797	7,919
Universal service users	1,061	N/A	N/A	1,061
Total	6,523	1,660	797	8,980

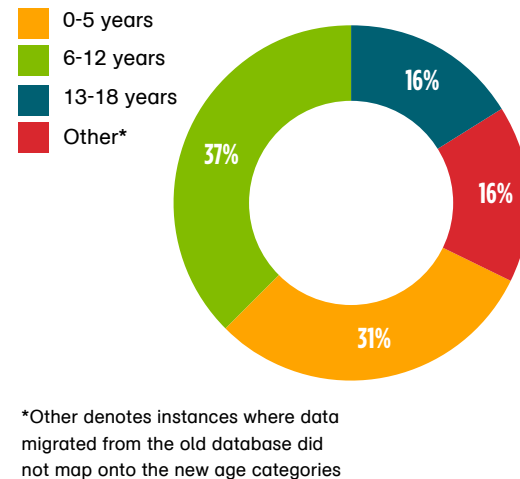
Family Support and Universal Services

Family support services include projects that provide targeted early years support, intensive family and individual support or family welfare conference services; it also includes our therapeutic bereavement support and post adoption services.

Universal services include interventions that are delivered to whole school communities such as Roots of Empathy; during 2013 49 schools and almost 1,660 students participated in the Roots of Empathy programme. Universal services also include services such as toy libraries and playground facilities that can be accessed by all members of the local community in which Barnardos works and training events provided by our Post Adoption Service and Barnardos Training and Resource Service.

With respect to children and parents accessing our targeted family support services, the majority of children are between six and 12 years, with more than a quarter aged from birth to five years. The remaining children and young people are aged between 13 and 18 years.

Figure 1: Age Range of Children Attending Family Support



There were a number of sources of referral into Barnardos services. The main sources were social workers or other HSE child and family services with 37 per cent of all referrals coming from this statutory source representing a significant increase from the 15 per cent recorded as HSE referrals in 2012. This reflects the changing nature of child protection and child welfare services during 2013, with the establishment of the Child and Family Agency, and new initiatives such as Local Area Pathways as referral routes, and the provision of interventions such as initial family assessments and parenting capacity assessments.

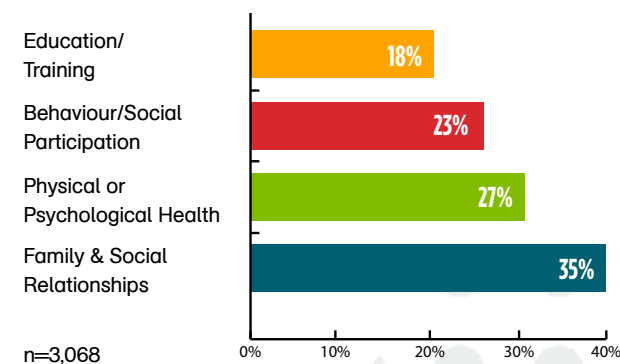
A further 25 per cent of referrals were self, parent or family-made. Other sources include schools and school staff (nine per cent), Public Health Nurses (four per cent) and other voluntary and community agencies (three per cent). The remainder of referrals came from a variety of sources including other Barnardos projects, other non-statutory community services and health professionals.

Of the children who accessed targeted family support services (excluding family welfare conference services) our assessment process showed that:

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

However, it is important to note that children were often assessed as having multiple needs in different areas of their lives.

Figure 2: Needs of Children Attending Targeted Family Support Services



Project/Service Enquiries

During 2013, approximately 1,600 enquiries were received by our community-based projects, from parents, professionals and community members. Almost 43 per cent of these enquiries were made by parents and a further 36 per cent were made by professionals.

Information services

During 2013, our Barnardos Training and Resource Service (BTRS), Post Adoption Service and Children's Bereavement Service Helpline dealt with more than 5,100 face-to-face or telephone enquiries from parents, children and young people, professionals, students and other members of the public between them.

Table 2: Enquiries During 2013

Information Services 2013	
Barnardos Training and Resource Service (BTRS)	4,243
Post Adoption Service	597
Children's Bereavement Service Helpline	263
Total	5,103

In addition BTRS provided 1,771 training places, and the library and library catalogue web pages had more than 19,000 online visits.

"We needed things to change. It was impossible to do anything together as a family as our two children fought constantly."

Read Gavin's story on page 11

Jeni, Brooke & Esther

When Jeni found out she was pregnant at 17 she felt alone and afraid. She dropped out of school and didn't like meeting new people or doing new things.

She heard about Barnardos in the maternity hospital and got in touch with the Teen Parent Support Programme and they quickly arranged for Esther, a Barnardos worker, to visit Jeni in her home. At first she was nervous, Jeni admits, but once she met Esther she was relieved to have someone to talk to. "She let me tell her what I needed for myself and my baby. She helped me make a plan to be a good mum, to stay in education and also get to be a teenager."

With the support of Barnardos, Jeni now has a home for herself and Brooke. Living independently was one of the biggest parts of her plan, she says. Jeni also went back to education after Brooke was born. Barnardos supported her with finding childcare and helped her pick her course.

It was hard to learn how to become a mum, to parent a baby and then a toddler at such a young age. Jeni had to learn how to manage a home, budget, pay bills and have a good daily routine for herself and Brooke, all while still a teenager. Jeni was delighted to have support from Esther with practical things – but also that she could talk to her, get advice and felt she had someone to turn to if she needed help. Without Barnardos, Jeni says she would have had a very different life now, with fewer options for herself and her daughter's future.

Brooke is a very happy outgoing four year old and Jeni is looking forward to starting college in September.

"Things are going really well for me and Brooke. I have my own apartment with my little girl. I am starting college in September and am hoping that I will get a full time job when I finish - maybe I might even work in Barnardos some day. Getting this support has been really great for our little family, Brooke doesn't understand that Esther is from Barnardos, she sees her as our friend, and she thinks that Esther can fix anything."



Advocacy Review - Standing Up for Children

In 2013, the pressure to enact key legislation to move child welfare and protection services from the HSE grew, while the Child and Family Agency began to take shape as the vision of how we can better protect children in the future. As ever, Barnardos strove to put children at the centre of national policy, law and practice, representing their voices and interests in our advocacy work. We could not do this without the people who help, support and sometimes challenge us – our colleagues on the front line, those who work for the same change in the not-for-profit sector, our supporters and those across the State sector; in political parties and Government departments. Together we can make all the difference in the world.

Advocacy Highlights 2013

Child and Family Agency Act 2013

The Child and Family Agency Act 2013 passed at the end of 2013. The Act represents a huge step forward in Ireland's child welfare and protection system. Barnardos was heavily involved in lobbying on the Bill as it passed through the various stages of drafting and debate in the Oireachtas. Our key priorities were to ensure that the legislation:

- Included a statutory obligation for the provision of early intervention services, such as family support services, to ensure children and families can access the support they need before situations reach crisis point,
- Included a right for children to have their voices heard and best interests prioritised when courts are making decisions about their care.

Sections eight and nine of the Act cover both these priorities, and represent a positive change in the legislative provision for child welfare and protection services in Ireland. The Act allowed for the official establishment of the Child and Family Agency to start from 1 January 2014. We are hopeful that the strength of the Child and Family Agency Act 2013 will underpin continued reform in child welfare and protection services and that the new Agency, together with its partners, will succeed in providing better protection for this and future generations of children in Ireland.

Family Law Reform

When relationships break down and parents decide to separate, children's relationships with their parents can change. In 2013, the Minister for Justice and Equality announced plans to significantly reform the family law system. On foot of this announcement, Barnardos held the 'What about me?' conference in May 2013 to highlight the importance of keeping children at the centre of legal proceedings affecting their lives and their relationship with their parents. The conference brought together high level stakeholders from across the legal, NGO, political and media sectors.

Barnardos set out a vision for reform which aims to link existing systems with a greater emphasis on availability of support services. Ultimately, Barnardos' vision is for a family law system that puts children at the centre and aims to support families to separate in the most positive way possible. The essential components to the reform Barnardos set out are:

- Comprehensive and holistic information for parents who decide to separate, and for their children;
- An entry point to the system that assesses a family's needs and refers them to appropriate services i.e. mediation, wherever possible, or courts if issues such as domestic violence or child protection concerns are a factor;
- Court Welfare Officers to act as a liaison between the courts and mediation services, to keep courts informed and updated on mediation progress;
- Standardised and regulated *Guardian ad Litem* (GAL) services to represent children's voices and best interests in all cases; and
- Support services, such as contact centres and therapeutic/counselling services to support children and parents to continue, or to develop, strong, positive relationships throughout and beyond separation.

Reform of the family law system, including the progression of the Children and Family Relationships Bill, is ongoing and Barnardos continues to contribute to the policy debate on the issue.

Educational Disadvantage

The high cost associated with sending children to school continued to be a priority issue for Barnardos in 2013. We worked with colleagues in St Vincent de Paul and the National Parents Council to address how schools' choice of uniform can put families under pressure. As part of that work we met with various education stakeholders. In December 2013, the Minister for Education and Skills announced an initiative whereby all schools are to consult parents on uniform options before decisions are made. The first survey of parents will take place in 2014. A national approach to how decisions are made will allow parents direct access to their school's Board of Management and will hopefully result in parents being able to suggest more affordable uniform options that benefit every child in school.

Barnardos' School Cost Survey 2013 continued to reflect the challenges facing parents in relation to school costs. More than 1,000 parents took part in the survey in 2013. As always, the survey created widespread media debate ahead of the pre-budget process. On foot of the survey results, Barnardos continued to call for the roll out of national school book rental schemes. One of the results of the ongoing pressure to extend such schemes was the Government's announcement in Budget 2014 of additional funding to ensure all primary schools have a school book rental scheme. This is a substantial step forward, although Barnardos will continue to campaign for a consistent national system that ensures the provision of subsidised school books for all pupils at primary and secondary level.

Child Poverty

Barnardos continued to highlight the impact of five years of recession on children in 2013. Ahead of Budget 2014, the advocacy team spoke to families and staff in our services to build a picture of how tough things are for families and children. Our lobbying efforts were relatively successful in protecting children and families from further hardship, although in the context of continued austerity, Budget 2014 did little to make things better. The maintenance of Child Benefit, Family Income Supplement and basic social welfare rates were very welcome in at least protecting children and families from further hardship. The introduction of free GP care for children under six years of age was also very welcome and something that Barnardos has been calling for for many years. Access to affordable GP care is crucial for children; early diagnosis and treatment of developmental and health difficulties can make all the difference to children's lives.

Advocacy Review - Standing Up for Children *(continued)*

The cut to Maternity Benefit was deeply disappointing. Barnardos, with colleagues in other organisations including Start Strong, OPEN and the National Women's Council, has been calling for increased investment in parental leave during the first year of children's lives. The first year of a child's life is fundamental to their development and families need to be supported during this time. We continue to call for improved parental leave options in the first year of a baby's life.

Linked to this issue, Barnardos, Start Strong, OPEN and the National Women's Council held the "Scandinavian Childcare: Making it Happen" seminar to highlight the need for increased investment in childcare and afterschool services for children in Ireland. In Budget 2014, Government announced increased investment to further the development of consistent quality across all childcare services in Ireland. The four organisations continue to campaign for a subsidised model of quality childcare and afterschool care for all children in Ireland.

Submissions

Barnardos continued to influence policy makers in 2013, by making contributions to various statutory and political bodies covering a broad spectrum of issues relating to children and families. Submission topics ranged from child welfare and protection, to the cost of attending school, to the needs of children visiting prisoners, and changes to the family law system. All our submissions are available at www.barnardos.ie



Our Community Supporters – Our Volunteers

Our volunteers are a key part of our work in effecting positive change. In 2013 Barnardos benefited from the involvement of 274 volunteers (2012: 294) within our services and shops, and more than 300 occasional volunteers who supported the organisation with fundraising activities.

Over the course of 2013, 50 new volunteers were recruited and assisted in a variety of roles across the organisation including administration support, retail, breakfast clubs, the special needs service, a literacy programme and after-school groups.

Thanks to funding from a philanthropic organisation, Barnardos was in a position to operate two demonstration sites in primary schools in Dublin for the Wizard of Words (WoW) intergenerational literacy programme. We are delighted that 12 of our wonderful and dedicated WoW volunteers returned to support the delivery of the programme. An additional 12 volunteers were recruited to the programme and began training in October 2013. They started delivering WoW in January 2014.

Another service that relied heavily on the support of volunteers, the Barnardos & One Family Child Contact Centres, had to close at the end of 2013 as no long-term funding could be sourced. Twenty-one volunteers are now on a break and considering opportunities for 2014.

Barnardos volunteers play a key part in the delivery of our services, in our shops and in providing office support and raising funds. We are deeply grateful for their commitment to helping Barnardos achieve better outcomes for children. Without their dedication and generosity, we could not do the work we do.

Rachael heard about Barnardos work on the radio; it really struck a chord. As a mum of three she felt the need to get involved, to help other children get the right start in life and break the perpetuating cycle of disadvantage.

**Read Rachael's story
on page 27**

Fundraising, Shops and Communications Review

Fundraising

The story of Barnardos is the story of the children and families we work with. Every day we see the difference that the work we do makes to their lives. Our job is to keep telling the story of those children and families and make sure as many people as possible hear it and join us in changing lives – in whatever way they can.

Key to our work is engaging people in what we do, how we do it and explaining why. We do that through building relationships with our supporters, our donors and our funders. We explain the complex challenges that more than 113,700 children living in poverty in Ireland today face and how Barnardos addresses those challenges by providing vital supports to help children and families build their skills, break the cycle of poverty and change their lives.

The integrity and quality of our services and our record in achieving the best outcomes for children and families are key factors in building trust with our supporters. We have spent many years asking people to commit to supporting Barnardos with a monthly donation. The regular income we receive from those monthly donations is critical in helping us plan our services.

In 2013 that support was vital. Thousands of people supported our work - through a monthly donation, by responding to appeals, by organising an event or sponsoring others and by supporting our annual collection day either by volunteering to fundraise, or donating on the day.

Our corporate supporters continued to deliver life changing funding and thousands of employees across Ireland took part in fundraising challenges and raised awareness with their colleagues and customers to support Barnardos throughout the year.

And despite the scandals that affected the not-for-profit sector at the end of 2013, our donors clearly showed us that they trust us, and our ability to do the work, by continuing to support us.

Barnardos Shops and Bridal Rooms

In a very tough retail climate where high street shops continued to discount all year round, Barnardos network of seven shops and two Bridal Rooms delivered a year of increased sales and profit, which goes directly to support the work on the ground.

More people donated to our shops; more people bought brand new and pre-loved items; and more brides found their brand new dream wedding dress in our Bridal Rooms in Dun Laoghaire and Wexford. We also opened a new Children's Shop in Carlow which has been hugely popular.

Aside from the valuable income our shops generate, we also provide opportunities in local communities for training and employment through the Community Employment (CE) scheme. We have seen a strong progression of CE scheme participants move from Barnardos shops to paid employment, reflecting the Fetac accredited training and skills they have developed with Barnardos. We have also developed a Tús community workplace initiative across the network of Barnardos shops.

Barnardos shops could not operate without the continued support and dedication of our volunteers and staff whose commitment to Barnardos has enabled us to achieve so much.

Communications

The communications team support the organisation in communications with all our stakeholders – internal and external. It provides a full press office and works with Advocacy and Fundraising to support their campaigns and maximise all their activities.

In 2013 our Barnardos ambassadors continued to engage in a meaningful way with our work and use their profile to support Barnardos, drive awareness and fundraising campaigns. We have been delighted with their support. Particular thanks to Alison Canavan, Tom Vaughan Lawlor and Richie Sadlier.

In 2013 we re-designed our website to make it more easily accessible for the increasing number of visitors using mobile and tablet devices. As a result more people than ever are using www.barnardos.ie to access information on our services, support materials and advice.

"I love being able to talk about Barnardos. A man I chatted with at our last fundraiser said he was going to make a donation to Barnardos in his will because of our chat."

Read Rachael's story on page 27



Rachael & Claire

Eight years ago Rachael organised her first fundraiser for Barnardos. She started out with a coffee morning. Cakes and biscuits were generously donated by family and friends, and gobbled up by those same family and friends, she smiles.

Rachael had heard about Barnardos work on the radio; it really struck a chord. As a mum of three she felt the need to get involved, to help other children get the right start in life and break the perpetuating cycle of disadvantage.

Fundraising is always a positive experience, says Rachael. When I ask people to get involved, they always do. It's a lovely feeling, the people are so passionate about their crafts, and excited about the charity aspect. They want to raise loads.

For the last two years Rachael - who describes herself as a fidget with an addiction to wool, needles and beads - has organised craft days in support of Barnardos. She has brought together milliners, stitchers and knitters who set up stalls to demonstrate their craft and raise money for Barnardos.

Rachael's entire family likes to get involved. Her teenagers work the door and shake Barnardos buckets, while 11 year old Claire hosted a 'Knit and Knatter Corner' at the latest event to encourage other kids to sit and learn how to knit. Some of the older crafters joined in, delighted to share their skills and passion with the younger generation.

Rachael is thrilled with the support from the craft community and even more ambitious for her next fundraiser. She's on the look-out for a better venue so even more crafters can attend.

"I feel like my children are privileged, they have lots of support and got the right start in life. Barnardos does that for other children, that's why I fundraise."

Rachael, Barnardos fundraiser for eight years.



Financial Review – Investing in Children

Barnardos is financed by a mix of statutory and voluntary funding. In 2013 Barnardos raised a total income of €22.7m, down from €23.4m in 2012. The income was generated through various channels. 65 per cent was government funding, primarily allocated through the Health Service Executive; and the majority of the remainder was raised through our fundraising activity. Fundraising activity generated €4.9m, down from €5.2m in 2012.

Our investment in supporting children and families in 2013 was made possible both through the statutory funding we received through the HSE, government departments and agencies, and the significant support of our voluntary funders. We would like to pay tribute to the generosity of all our donors – who ranged from businesses engaged with social responsibility to individuals who brought their communities together to host an event for Barnardos. We would also like to acknowledge the support of our philanthropic partners, Atlantic Philanthropies and The One Foundation, as well as all those who gave their time and expertise on a pro bono basis.

In 2012 and 2013 we took steps internally to restructure Barnardos, reduce our cost base and ensure that we could deliver a break even budget for 2014. We achieved what we set out to do, and we were able to do that through the support of our donors and funders who continued to stand by us.

2013 has been a positive year financially, which will return Barnardos to a sustainable operating base for 2014. We are planning not to repeat the one week closure of our services in 2014, which we had to do in 2012 and 2013 as a cost saving measure. We have completed an extensive restructuring programme which unfortunately was very painful for some of our service users and many of our employees. We are still facing cuts in income in 2014 from our statutory partners, however we are moving towards a better model of cost recovery for services we deliver under service level agreements from 2015 onwards.

Income

2013: €22.7m (2012: €23.4m)

Statutory - 65% | Voluntary - 35%

Figure 3: Breakdown of Income Sources

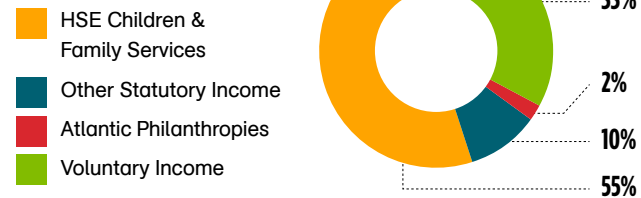


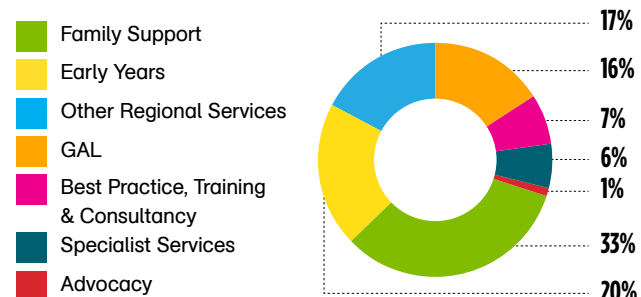
Figure 4: Expenditure

2013: €21.6m (2012: €24.7m)



The costs of running shops are excluded, as they are matched by income, as are once off redundancy costs. Support costs allocated to direct charitable activities are detailed in Note 6 to the financial statements in line with requirements under the SORP.

Figure 5: Breakdown of Service Delivery Areas



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

The Board Members 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.

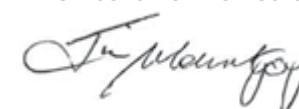
Company law requires the Board Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Board Members are required to:

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

The Board Members 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 2013. 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 Board Members are also responsible for preparing a Board Members' report that complies with the requirements of the Companies Acts, 1963 to 2013.

On behalf of the Board


Jim Mountjoy
Honorary Treasurer


Alan Wyley
Chairperson



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

We have audited the financial statements ("financial statements") of Barnardo's – Republic of Ireland Limited for the year ended 31 December 2013 which comprises the statement of financial activities and income and expenditure account, statement of total recognised gains and losses, balance sheet, cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 30, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2013 and of its net surplus for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

Matters on which we are required to report by the Companies Acts, 1963 to 2013

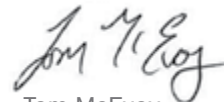
We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.



Tom McEvoy
for and on behalf of KPMG


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

9 April 2014

Statement of financial activities and income and expenditure account for the year ended 31 December 2013

	Note	2013 Unrestricted Funds €000	2013 Restricted Funds €000	2013 Total Funds €000	2012 Total Funds €000
Incoming resources					
Incoming resources from generating funds					
- Voluntary income	1	5,143	1,182	6,325	7,026
- Income from trading activities	2	1,210	-	1,210	1,156
Incoming resources for charitable activities	3	-	14,992	14,992	15,084
Investment income	4	140	-	140	135
Other incoming resources	10	2	-	2	-
Total incoming resources		6,495	16,174	22,669	23,401
Resources expended					
Cost of generating funds					
- cost of generating voluntary income	5	1,942	-	1,942	2,458
- cost of trading activities	2	934	-	934	1,004
Charitable activities	6a	127	18,539	18,666	19,946
Governance costs	6b	181	-	181	200
Other resources expended	9	(110)	-	(110)	1,132
Total resources expended		3,074	18,539	21,613	24,740
Net incoming/(outgoing) resources before transfers	10	3,421	(2,365)	1,056	(1,339)
Transfers between funds	16	(2,445)	2,445	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		976	80	1,056	(1,339)

On behalf of the Board


Jim Mountjoy
Honorary Treasurer


Alan Wyley
Chairperson

Statement of total recognised gains and losses for the year ended 31 December 2013

	Note	2013 €000	2012 €000
Net incoming/(outgoing) resources for the year		1,056	(1,339)
Actuarial loss on defined benefit pension scheme	19	(117)	(444)
Total recognised gains and losses for the year		939	(1,783)
Reconciliation of movement in reserves			
Net incoming/(outgoing) resources for the year		1,056	(1,339)
Actuarial loss on defined benefit pension scheme	19	(117)	(444)
Total recognised gains and losses for the year		939	(1,783)
Reserves at the beginning of the year		5,224	7,007
Reserves at the end of the year	16	6,163	5,224

Balance sheet

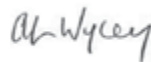
as at 31 December 2013

	Note	2013 €000	2012 €000
Fixed assets			
Tangible assets	11	2,337	2,418
Term deposits	12	1,439	1,395
		<u>3,776</u>	<u>3,813</u>
Current assets			
Debtors	13	1,023	1,320
Short term deposits	12	3,620	2,959
Cash at bank		1,576	691
		<u>6,219</u>	<u>4,970</u>
Total current assets			
Current liabilities			
Creditors: amounts falling due within one year	14	<u>(3,164)</u>	<u>(2,513)</u>
		<u>3,055</u>	<u>2,457</u>
Net current assets			
Total assets less current liabilities		<u>6,831</u>	<u>6,270</u>
Provision for liabilities	15	<u>(477)</u>	<u>(777)</u>
		<u>6,354</u>	<u>5,493</u>
Net assets before pension liability			
Defined benefit pension scheme liability	19	<u>(191)</u>	<u>(269)</u>
		<u>6,163</u>	<u>5,224</u>
Net assets			
Represented by			
Unrestricted fund	16	5,877	5,018
Restricted income fund	16	286	206
		<u>6,163</u>	<u>5,224</u>
Total funds			

On behalf of the board



Jim Mountjoy
Honorary Treasurer



Alan Wyley
Chairperson

Cashflow Statement

for the year ended 31 December 2013

	Note	2013 €000	2012 €000
Net cash inflow/(outflow) from operations	17	1,523	(844)
Returns on investment and servicing of finance			
Interest received	4	140	135
Investing activities			
Sale of fixed asset	11	(2)	-
Purchase of tangible fixed assets	11	(93)	(69)
Purchase of term deposits	18	<u>(44)</u>	<u>(43)</u>
		<u>(139)</u>	<u>(112)</u>
Net cash outflow from investing activities			
Management of liquid resources			
Transfers (into)/out of short term deposits	18	<u>(661)</u>	<u>442</u>
Financing activities			
Grants received	11	<u>22</u>	<u>130</u>
		<u>885</u>	<u>(249)</u>
Increase/(decrease) in cash and cash equivalents			
Cash at bank at beginning of year	18	691	940
		<u>1,576</u>	<u>691</u>
Cash at bank at end of year	18		

Statement of accounting policies

for the year ended 31 December 2013

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, (SORP).

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 one and two 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.

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

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

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

Computers purchased prior to 1 January 2005 are stated at cost and depreciated at 20 per-cent 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.

Reserves

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

This excludes the following:

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

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

The level and adequacy of the reserves are reviewed by the Audit Committee annually and the review is brought directly to the Board. The policy was updated in February 2013 to take account of changes in the risk attached to different funding sources and the current economic climate. Cash held on deposit and the balance sheet are reviewed at each finance committee meeting. The Finance Committee meets five times per annum and reports directly to the Board.

Statement of accounting policies for the year ended 31 December 2013 (continued)

It was agreed by the Board that seven to nine weeks of Barnardos budgeted operating costs (less costs covered by restricted income) for the coming year would be a reasonable target level of reserves. This equates to between €2.9m and €3.7m in 2014. Barnardos free reserves at 31 December 2013 are €3.7m. If the level of reserves falls under the range required by Barnardos policy, the Board commits to consider whether corrective action is required for the following years budgeting and the related impact it may have on service delivery.

Investment

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

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.

Notes forming part of the financial statements

1. Voluntary income includes the following

	2013 Unrestricted €000	2013 Restricted €000	2013 Total €000	2012 Total €000
Fundraising activities				
Major donors	55	-	55	70
Committed and cash giving	3,432	-	3,432	3,541
Corporate	699	-	699	691
Events and campaigns	651	13	664	819
Schools	35	-	35	58
Total fundraising activities	4,872	13	4,885	5,179
Trusts and foundations				
Atlantic Philanthropies	-	484	484	786
Other trusts	44	651	695	784
Total trusts and foundations	44	1,135	1,179	1,570
Other donations, legacies and similar incoming resources				
Legacies	130	-	130	60
Memberships, publication & training	96	-	96	63
Other donations/fees	1	34	35	154
Total donations, legacies and similar incoming resources	227	34	261	277
Total voluntary income	5,143	1,182	6,325	7,026

2. Income from trading activities

	2013 Unrestricted €000	2012 Unrestricted €000
The net result of shop operations is as follows:		
Sales	1,210	1,156
Operating expenses	(934)	(1,004)
Net shop contribution	276	152

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

Notes

forming part of the financial statements (*continued*)

3. Incoming resources for charitable activities

	2013 Restricted €000	2012 Restricted €000
Statutory Sources		
HSE Dublin North East:		
Dublin City North	1,553	1,594
Cavan/Monaghan	125	130
Louth/Meath	143	146
HSE Dublin Mid Leinster:		
Dublin South West	1,177	1,241
Dublin South Central	598	642
Midlands	841	783
Dublin South East/Wicklow	603	620
HSE West:		
Mid West	1,623	1,642
HSE South:		
Cork	444	450
Waterford/Wexford	800	833
Carlow Kilkenny/South Tipperary	833	846
HSE Other:		
HSE Other	107	-
HSE Total	8,847	8,927
City of Dublin Vocational Education Committee	45	82
Dublin City Council	78	105
Department of Education and Skills	423	592
Department of Environment, Community and Local Government	57	60
Family Support Agency	153	185
Office of the Minister for Children and Youth Affairs	161	159
Pobal (CCS)	428	462
Pobal (NCIP)	550	582
Pobal (NEYAI)	277	274
Department of Children and Youth Affairs (ECCE)	26	57
Pobal (DORM)	8	-
	11,053	11,485
Service income from Guardian ad Litem	3,582	3,236
Other fees and grants	357	363
	14,992	15,084

Notes

forming part of the financial statements (*continued*)

4. Investment income

	2013 Unrestricted €000	2012 Unrestricted €000
Deposit interest	140	135

5. Cost of generating funds

	2013 Unrestricted €000	2012 Unrestricted €000
Fundraising expenditure can be analysed as follows:		
Major donors	15	34
Committed & cash giving	1,223	1,672
Corporate	217	240
Events & campaigns	422	465
Schools	58	47
Trusts & foundations	7	-
	1,942	2,458

Notes

forming part of the financial statements (continued)

6.(a) Resources expended for charitable activities

	Dublin South & South West €000	Dublin North €000	Midlands €000	Southern €000	South Eastern €000	Total Regional Childcare €000	National Office €000	2013 Total €000	2012 Total €000
Restricted									
Early Years	1,155	1,138	-	1,202	-	3,495	-	3,495	3,658
Family Support	887	738	1,407	1,511	1,215	5,758	-	5,758	5,974
Other Regional Services	983	502	534	338	569	2,926	-	2,926	3,273
Specialist Services	-	-	-	-	-	-	965	965	1,103
GAL	-	-	-	-	-	-	2,801	2,801	2,434
BPTC*	-	-	-	-	-	-	1,205	1,205	1,612
Advocacy	-	-	-	-	-	-	174	174	397
Direct costs	3,025	2,378	1,941	3,051	1,784	12,179	5,145	17,324	18,451
Support costs	226	172	131	260	127	916	299	1,215	1,280
Total costs	3,251	2,550	2,072	3,311	1,911	13,095	5,444	18,539	19,731
Unrestricted									
BPTC*	-	-	-	-	-	-	121	121	204
Direct costs	-	-	-	-	-	-	121	121	204
Support costs	-	-	-	-	-	-	6	6	11
Total costs	-	-	-	-	-	-	127	127	215
Total charitable expenditure	3,251	2,550	2,072	3,311	1,911	13,095	5,571	18,666	19,946

*Best Practice Training and Consultancy

Notes

forming part of the financial statements (continued)

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

	Cost drivers	2013 Support costs €000	2013 Governance costs €000	2012 Support costs €000	2012 Governance costs €000
Human resources	Staff number	453	44	480	56
Finance	Expenditure	342	44	395	52
Information technology	Staff number	188	23	187	22
Corporate	Staff number	238	70	229	70
		1,221	181	1,291	200

7. Staff costs

The average weekly number of employees, including part-time staff, but not including volunteers, during the year was 359 (2012: 396).

	2013 €000	2012 €000
Staff costs comprises:		
Wages and salaries	12,657	14,224
Social welfare costs	1,323	1,461
Pension costs	433	500
	14,413	16,185

Staff activities are as follows:

	2013 Number	2012 Number
Direct charitable activities	311	339
Support costs	20	23
Generating funds shops	12	13
Generating funds fundraising	11	14
Governance costs	5	7
	359	396

Notes

forming part of the financial statements (continued)

7. Staff costs (continued)

The number of higher paid employees was:

	2013	2012
	Number	Number
€70,000 - €80,000	9	7
€80,000 - €90,000	1	3
€90,000 - €100,000	3	2
€100,000 - €110,000	-	-
€110,000 - €120,000	1	1
	<u>14</u>	<u>13</u>

Total staff in 2013 was 359 (2012: 396).

Remuneration includes basic pay and excludes employer pension and PRSI contributions. Barnardos CEO's salary was €111,711 in 2013. The CEO salary was originally set in 2010 on a scale comparable to that of a HSE Assistant National Director. Subsequently, in 2010 a pay cut was implemented for all staff, with higher cuts for higher salaries. In 2012 all Barnardos services closed for a week (an effective two per cent pay cut) and staff were placed on a one week lay off as a cost saving measure to protect services to children and families. This was repeated in 2013. A pay freeze remained in place in 2013 for all employees.

The CEO earns additional income through a regular newspaper column. This income is processed by Barnardos for taxation purposes, and the CEO pays a monthly fee to Barnardos in this respect. Further income generated by the CEO through speaking engagements is all donated to Barnardos.

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

8. Board member expenses

No member of the Board received payment or reimbursement of expenses for both 2013 and 2012.

Notes

forming part of the financial statements (continued)

9. Other resources expended

Other resources expended represents costs associated with the restructuring programme (predominantly redundancy costs) which were completed by end 2013.

	2013	2012
	€000	€000
Regional childrens services	(110)	521
Central childrens services	-	141
Support services, administration and fundraising	-	470
	<u>(110)</u>	<u>1,132</u>

10. Net incoming resources for the year

	2013	2012
	€000	€000
This is arrived at after charging/(crediting):		
Auditor's remuneration	30	31
Depreciation	326	489
Amortisation of grants	(174)	(225)
Operating leases – primarily land and buildings	412	552
Profit of the sale of fixed asset	2	-
	<u>2</u>	<u>-</u>

Notes

forming part of the financial statements (continued)

11. Tangible fixed assets

	Properties €000	Furniture, fittings and equipment €000	Computers €000	Motor vehicles €000	Total €000
Cost					
At 1 January 2013	11,163	1,924	200	453	13,740
Additions	65	28	-	-	93
Disposals	-	-	-	(17)	(17)
At 31 December 2013	11,228	1,952	200	436	13,816
Depreciation					
At 1 January 2013	4,119	1,795	200	399	6,513
Charge for the year	235	70	-	21	326
Disposals	-	-	-	(13)	(13)
At 31 December 2013	4,354	1,865	200	407	6,826
Net book amounts					
At 31 December 2013	6,874	87	-	29	6,990
At 31 December 2012	7,044	129	-	54	7,227
Capital grants					
At 1 January 2013	5,481	355	-	379	6,215
Additions*	-	22	-	-	22
Disposals	-	-	-	(17)	(17)
At 31 December 2013	5,481	377	-	362	6,220
Capital grants - amortisation					
At 1 January 2013	748	329	-	329	1,406
Charge for the year	137	25	-	20	182
Adjustments	-	(8)	-	-	(8)
Disposals	-	-	-	(13)	(13)
At 31 December 2013	885	346	-	336	1,567
Net book amounts					
At 31 December 2013	4,596	31	-	26	4,653
At 31 December 2012	4,733	26	-	50	4,809
Net book amounts - fixed assets net of capital grants					
At 31 December 2013	2,278	56	-	3	2,337
At 31 December 2012	2,311	103	-	4	2,418

* Pobal capital grants of 7,443 were received in 2013

Notes

forming part of the financial statements (continued)

11. Tangible fixed assets (continued)

	2013 €000	2012 €000
Freehold and leasehold properties – carrying value net of unamortised grants		
Freeholds	930	912
Long leaseholds (over 50 years)	1,333	1,378
Short leaseholds (50 years and under)	15	21
	2,278	2,311

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

- 1: Family Support Centre, Thurles - €150,000 becomes repayable to the HSE in the event of the assets being disposed of before 2023.
- 2: Family Support Centre in Mullingar - €300,000 becomes repayable to the HSE in the event of the asset being disposed of, unless replaced by a mutually agreed premises.
- 3: Brighter Futures Centre in Knocknaheeny - €1,188,236 becomes repayable to Pobal and €988,403 becomes repayable to Cork City Council in the event that the centre ceases to be used for the purpose of the grant.
- 4: Mulhuddart - €325,000 of the NCIP grant becomes repayable if the project/service is not operated for a minimum of 15 years from December 2011.

12. Term deposits and short-term deposits

€1,439,000 (2012: €1,395,000) relates to funds invested in fixed term interest bearing deposits with financial institutions with a maturity of greater than 1 year.

€3,620,000 (2012: €2,959,000) relates to funds invested in fixed term interest bearing deposits with financial institutions with a maturity of between 60 days and 365 days.

13. Debtors (amounts falling due within one year)

	2013 €000	2012 €000
Trade debtors	957	1,194
Other debtors	18	25
Prepayments and accrued income	48	101
	1,023	1,320

Notes

forming part of the financial statements (*continued*)

14. Creditors (amounts falling due within one year)

	2013	2012
	€000	€000
Trade creditors	686	549
PAYE/PRSI creditor	369	386
VAT creditor	2	2
Other creditors	14	146
Accruals	359	709
Deferred income	1,734	721
	<u>3,164</u>	<u>2,513</u>

Movements in deferred income

	Non-Statutory deferred	Statutory deferred	Total
	€000	€000	€000
Released from prior year	(144)	(577)	(721)
Deferred in the current year	1,060	674	1,734

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

15. Provision for liabilities

	2013	2012
	€000	€000
At beginning of year	777	110
Utilized in the year	(747)	(458)
Charged in the year	477	1,201
Released in the year	(30)	(76)
At end of year	<u>477</u>	<u>777</u>

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

16. Statement of movement in funds

	Unrestricted fund	Restricted fund	Total
	€000	€000	€000
Balance at beginning of year	5,018	206	5,224
Net outgoing resources – after transfers	976	80	1,056
Actuarial loss on pension scheme (note 19)	(117)	-	(117)
Balance at end of year	<u>5,877</u>	<u>286</u>	<u>6,163</u>

Notes

forming part of the financial statements (*continued*)

16. Statement of movement in funds (continued)

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

	2013	2012
	€000	€000
Restricted		
Opening balance	206	598
Income	16,174	16,787
Charitable activities costs	(18,539)	(19,731)
Transfers	2,445	2,552
	<u>286</u>	<u>206</u>
Unrestricted		
Opening balance		
Income	5,018	6,409
Actuarial loss on pension scheme	6,495	6,614
Charitable activities costs	(117)	(444)
Cost of generating funds	(127)	(215)
Governance costs	(2,876)	(3,462)
Other resources expended	(181)	(200)
Transfers	110	(1,132)
	<u>(2,445)</u>	<u>(2,552)</u>
	<u>5,877</u>	<u>5,018</u>
	<u>6,163</u>	<u>5,224</u>

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

Notes

forming part of the financial statements (continued)

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

	2013 €000	2012 €000
Net incoming/(outgoing) resources	1,056	(1,339)
Depreciation and impairment charge	326	489
Amortisation of government grant	(174)	(225)
Decrease in debtors	297	235
Increase/(decrease) in creditors	651	(351)
(Decrease)/increase in provision for liabilities and charges	(300)	667
(Decrease)/increase in pension liability	(78)	259
Actuarial loss on pension scheme	(117)	(444)
Interest earned	(140)	(135)
Profit on sale of fixed asset	2	-
Net cash inflow/(outflow) from operating activities	1,523	(844)

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

	2013 €000	2012 €000
Balance at beginning of year	5,045	5,693
Net cash inflow/(outflow)	1,590	(648)
Balance at end of year	6,635	5,045

	At 1 January 2013 €000	Cashflows during the year €000	At 31 December 2013 €000
Term deposits	1,395	44	1,439
Short term deposits	2,959	661	3,620
Bank current accounts	691	885	1,576
Total cash and cash equivalents	5,045	1,590	6,635

Notes

forming part of the financial statements (continued)

19. Pension fund

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

Defined benefit scheme

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

A Funding Proposal was submitted to the Pensions Board in December 2011 designed to enable the Defined Benefit Pension Scheme to satisfy the Funding Standard at 31 December 2018. The recommended contribution rate was 27% of pensionable salaries plus a fixed monthly contribution of €11,700 payable from 1 January 2013 until 1 December 2018. It is the view of our actuaries that the current contributions are adequate, and that the funding proposal is on track. The FRS17 position is calculated using different assumptions as prescribed in FRS17. The FRS17 assumptions should not be used to assess the funding position of the scheme. The schemes funding level improved to 96% at 31 December 2013, under the minimum funding standard (MFS) basis.

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

	2013	2012	2011
Inflation rate	2.00%	2.00%	2.00%
Discount rate	3.30%	3.60%	4.40%
Expected return on assets over the next year	3.75%	3.83%	4.25%
Expected rate of salary increases	3.50%	3.50%	3.75%
Rate of pension increases in payment	0.00%	0.00%	0.00%
Rate of pension increases in deferment	2.00%	2.00%	2.00%

It is assumed that scheme members will withdraw on average 12.5% of their fund on retirement (2012: 12.5%).

Notes

forming part of the financial statements (continued)

19. Pension fund (continued)

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

	2013	2012	2011
Equities	7.00%	6.50%	7.00%
Bonds	3.00%	2.50%	3.00%
Other	4.00%	5.50%	6.00%
Property	6.00%	5.50%	6.00%
Cash	2.00%	2.00%	2.00%

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:

	2013 Years	2012 Years
Longevity at age 65 for current pensioners:		
Male	21.9	21.8
Female	23.6	23.5
Longevity at age 65 for members aged 45:		
Male	23.6	23.6
Female	25.5	25.4

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 €241,000.

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.

Notes

forming part of the financial statements (continued)

19. Pension fund (continued)

The net pension deficit is analysed as follows:

	2013 €000	2012 €000	2011 €000
Equities	2,961	3,763	3,310
Bonds	2,637	2,825	2,539
Other	2,764	1,282	1,202
Property	251	226	227
Cash	966	1,239	1,416
AVCs	95	87	282
Total market value of assets	9,674	9,422	8,976
Actuarial value of scheme liabilities	(9,770)	(9,604)	(8,704)
AVCs	(95)	(87)	(282)
Deficit in scheme	(191)	(269)	(10)

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

	2013 €000	2012 €000
Charged to expenditure		
Current service costs	62	90
Charged/(credited) to other finance income		
Interest on pension scheme liabilities	346	383
Expected return on scheme assets	(354)	(366)
Past service gain	(52)	(49)
Total charge in statement of financial activities and income and expenditure account	2	58

Notes

forming part of the financial statements (continued)

19. Pension fund (continued)

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

	2013	2012
	€000	€000
Difference between actual and expected return on assets	159	460
Experience gain on schemes liabilities	165	132
Effect of changes in actuarial assumptions	(441)	(1,036)
Actuarial loss recognised in the statement of total recognised gains and losses	(117)	(444)
Movements in deficit during the year:	2013	2012
	€000	€000
Deficit in scheme at beginning of year	(269)	(10)
Contributions paid	196	243
Current service costs	(62)	(90)
Other financial credit	61	32
Actuarial loss	(117)	(444)
Deficit in scheme at end of year	(191)	(269)
Reconciliation of change in value of scheme liabilities in the year	2013	2012
	€000	€000
Scheme liabilities at start of year	9,691	8,986
Interest cost	346	383
Current service cost (net of member contributions)	62	90
AVC contributions	12	12
Change in value of AVCs	(3)	(207)
Actual member contributions	12	22
Actual benefit payments by the fund	(478)	(450)
Loss on change of assumptions	441	1,036
Experience gain	(165)	(132)
Past service gain	(53)	(49)
Scheme liabilities at end of year based on end of period assumptions	9,865	9,691

Notes

forming part of the financial statements (continued)

19. Pension fund (continued)

	2013	2012
	€000	€000
Reconciliation of changes in value of assets in the year		
Market value at beginning of year	9,422	8,976
Actual total benefit payments	(478)	(450)
Actual contributions – company (including benefits paid by the company)	196	243
AVC contributions	12	12
Change in value of AVCs	(3)	(207)
Actual contributions – members	12	22
Expected return on assets	354	366
Gain/(loss) on assets	159	460
Market value at end of period	9,674	9,422

The company expects to contribute €179,000 to its defined benefit pension plan in 2014.

History of actuarial gains and losses

	2013	2012	2011	2010
	€000	€000	€000	€000
Gain/(loss) on scheme assets	159	460	(404)	346
% of scheme assets at end of year	1.64%	4.88%	(4.50%)	3.80%
Experience gain on scheme liabilities	165	132	101	304
% of scheme liabilities at end of year	1.67%	1.36%	1.12%	3.33%
Total actuarial gain/(loss) recognised in STRGL	(117)	(444)	(382)	(226)
% of scheme liabilities at end of period	(1.19%)	(4.58%)	(4.25%)	(2.47%)

Notes

forming part of the financial statements (continued)

20. Commitments

Operating lease commitments payable during the next twelve months amount to €332,568 (2012: €400,072) and are payable in relation to equipment and property leases which expire as follows:

	Plant & equipment €000	Land & buildings €000	Total €000
Within one year	41	89	130
Within two to five years	19	108	127
After five years	-	75	75
	<u>60</u>	<u>272</u>	<u>332</u>

21. Comparative amounts

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

22. Joint venture

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

On 15 November 2012 Barnardos began the process of voluntarily striking Partners in Education Limited off the company register. At this date the company ceased trading and the amount of assets, liabilities and share capital of the company did not exceed €100. The process was completed on 24 February 2013 when Partners in Education Limited was officially struck off the register.

Notes

forming part of the financial statements (continued)

23. Related party transactions

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

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

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

24. Guarantee liability

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

25. Approval of financial statements

The directors approved the financial statements on 9 April 2014.



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Barnardos