

**Respond (Support) Limited
(Company Limited by Guarantee)**

**Annual Report
Financial Period Ended 31 December 2016**

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DIRECTORS AND OTHER INFORMATION

Board of Directors at 6 October 2017

Tom Dileen
Edward Matthews
Cathleen Callanan
Brian Swift
Danette Connolly
Brendan Cummins

Solicitors

William Fry
Fitzwilliam House
Wilton Place
Dublin 2

P. J. O'Driscoll & Sons
73 South Mall
Cork

Secretary and Registered Office

Tom Power
Airmount
Dominick Place
Waterford

Advokat Compliance Limited
Merrythought House
Templeshannon
Enniscorthy
Co Wexford

Registered Number: 206013

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Ballycar House
Newtown
Waterford

Bankers

Allied Irish Bank
The Quay
Waterford

Ulster Bank
The Quay
Waterford

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the financial period ended 31 December 2016. The year end of the company has been changed to 31 December. Consequently these financial statements are for the six month period to 31 December 2016.

Principal activities

The company is a charity engaged in the promotion of social and community initiatives in estates, principally, managed by the Respond! Housing Association and in other marginalised communities.

Corporate governance

The Board currently comprises of six non-executive members, who are drawn from a wide background, bringing together professional, commercial and local experience. The Board meets formally at least six times a year. Local operational policies are delegated subject to approved budgets.

While the Board is responsible for the overall strategy and policy of the organisation, the day-to-day management is delegated to the Chief Executive Officer.

On 15 August 2016, Albert Perris was appointed the position of CEO of Respond (Support) Limited. The CEO chairs monthly management meetings that deal with all major management issues and decisions of the organisation. Additional meetings are held to discuss corporate issues that do not fit with the scheduled meetings.

In prior years the Finance, Risk and Audit Committee was common between Respond! and Respond Support, and comprised of four independent non-executive members, one of whom was a non-executive Board member who chaired the Committee. An independent Finance Audit and Risk Committee has been re-constituted in the first quarter of 2017. The CEO and Financial Controller will attend the meetings by invitation. The Committee will review financial performance, financial strategy, audit and risk policies and make recommendations to the Board on these matters.

Respond (Support) Limited, as a registered charity complies with the Governance Code for community, voluntary and charitable organisations in Ireland.

Internal financial controls

The Board has overall responsibility for the organisation's system of internal financial control which comprises:

- a clear organisation structure and well defined management responsibilities
- comprehensive budgeting systems with an annual budget that is approved by the Board
- regular consideration of actual results compared to budgets
- defined capital investment control protocols and procedures approved by the Board
- regular reporting of legal and accounting developments to the Board.

The organisation's control systems address key business, treasury and financial risks which are monitored by the CEO and Company Treasurer.

The company engages a firm of Chartered Accountants independent of the external auditor to conduct regular internal audit reviews of the company's activities under the direction of the Finance and Risk Committee.

The external auditors are engaged to express an opinion on the financial statements. They review and test the systems of internal financial control and the data contained in those statements to the extent necessary to express their audit opinion.

The Board wishes to emphasise that a system of internal financial control can only provide reasonable and not absolute assurance about material misstatement and loss.

DIRECTORS' REPORT - continued

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year that give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at the following address:

John's College
The Folly
Waterford

Business review

The excess of expenditure over income, reported as loss on page 8 arises from the various community based initiatives that the company is committed to delivering.

Both the level of business and the period-end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Principal risk and uncertainty

The company is largely dependent on the Irish Government for its funding which is primarily received from the Department of Children & Youth Affairs, the HSE and Pobal. The funding receivable is subject to certain conditions being adhered to and the directors are confident that all such conditions will be met. The company operates a number of core programmes on behalf of its funders.

DIRECTORS' REPORT - continued

Principal risk and uncertainty - continued

As the company's activities are conducted primarily in euro they are not subject to any material level of currency risk and due to there not being any bank loans or overdrafts in place, the company is not subject to interest rate risk. Due to the nature of the company's activities, they are not subject to credit risk.

Dividends

No dividend is payable in accordance with the company's Memorandum of Association.

Research and development

The company did not undertake any research and development during the period (30 June 2016: €Nil).

Events since the end of the financial period

There have been no significant events affecting the company since the end of the financial period.

Directors

The names of the persons who were directors of the company at any time during the financial period ended 31 December 2016 are set out below. The names of the directors below include directors appointed subsequent to period end. Except where indicated, they served as directors for the entire financial period.

Patrick Cogan, ofm	(resigned 16 January 2017)	Edward Matthews	(appointed 27 July 2016)
Michael O'Doherty	(resigned 19 December 2016)	Siobhan O'Sullivan	(appointed 27 July 2016)
			(resigned 25 th July 2017)
Brian Hennebry	(resigned 19 October 2016)	Cathleen Callanan	(appointed 27 July 2016)
Tom Dilleen		Danette Connolly	(appointed 27 July 2016)
Brian Swift	(appointed 27 July 2016)	Brendan Cummins	(appointed 16 December 2016)

Alan Murphy resigned as company secretary on 31 July 2017.

Tom Power was appointed as company secretary on 31 July 2017.

Members

The company is registered as a company limited by guarantee not having a share capital. The members of the company have their liability limited to €6.35 each in the event of the company being wound up. There were 8 members at the date of the balance sheet.

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- As far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

Political donations

There were no political donations made during the period (30 June 2016: Nil).

The Charities Act 2009

The directors acknowledge The Charities Act 2009 and support its objectives and are endeavouring to ensure compliance with same.

Statutory auditors

The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board

B Swift

T Dilleen

Date: 6 October 2017



Independent auditors' report to the members of Respond (Support) Limited

Report on the financial statements

Our opinion

In our opinion, Respond (Support) Limited's financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2016 and of its loss and cash flows for the 6 month period (the "period") then ended;
 - have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
 - have been properly prepared in accordance with the requirements of the Companies Act 2014.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Profit and Loss Account for the period then ended;
- the Balance Sheet as at 31 December 2016;
- the Statement of Cash Flows for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
 - In our opinion the information given in the Directors' Report is consistent with the financial statements.
-

Matter on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.



Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give 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 Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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's 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Siobhán Collier
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Waterford
Date: 12 October 2017

PROFIT AND LOSS ACCOUNT
For the financial period ended 31 December 2016

	Notes	31 December 2016 €	30 June 2016 €
Turnover	5	1,261,599	2,423,022
Cost of sales		<u>-</u>	<u>-</u>
Gross profit		1,261,599	2,423,022
Administrative expenses		<u>(1,569,666)</u>	<u>(3,500,324)</u>
Operating (loss)	6	(308,067)	(1,077,302)
Interest receivable and similar income	8	<u>3,933</u>	<u>7,457</u>
(Loss) on ordinary activities before taxation		(304,134)	(1,069,845)
Tax on (loss) on ordinary activities		<u>-</u>	<u>-</u>
(Loss) for the financial period/year		<u>(304,134)</u>	<u>(1,069,845)</u>

STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 31 December 2016

The company had no recognised gains or losses in the financial period other than those included in the profit and loss account above and therefore no separate statement of comprehensive income has been presented.

BALANCE SHEET
As at 31 December 2016

	Notes	31 December 2016 €	30 June 2016 €
Current assets			
Debtors	9	145,184	191,876
Investments	10	60,201	60,201
Cash at bank and in hand		<u>6,889,588</u>	<u>6,866,227</u>
		7,094,973	7,118,304
Current liabilities			
Creditors - amounts falling due within one year	11	<u>(801,377)</u>	<u>(520,574)</u>
Net current assets		<u>6,293,596</u>	<u>6,597,730</u>
Financed by:-			
Retained funds		<u>6,293,596</u>	<u>6,597,730</u>
Total equity		<u>6,293,596</u>	<u>6,597,730</u>

On behalf of the board

B Swift

T Dileen

STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 December 2016

	Retained surplus €	Total €
Balance at 1 July 2015	7,667,575	7,667,575
Deficit for the financial year	<u>(1,069,845)</u>	<u>(1,069,845)</u>
Balance as at 30 June 2016	<u>6,597,730</u>	<u>6,597,730</u>
Balance at 1 July 2016	6,597,730	6,597,730
Deficit for the financial period	<u>(304,134)</u>	<u>(304,134)</u>
Balance as at 31 December 2016	<u>6,293,596</u>	<u>6,293,596</u>

STATEMENT OF CASH FLOWS

For the financial period ended 31 December 2016

	Notes	31 December 2016 €	30 June 2016 €
Cash from operations	13	19,428	(1,056,822)
Income taxes paid		-	-
Net cash generated from/(used in) operating activities		<u>19,428</u>	<u>(1,056,822)</u>
Cash flows from investing activities			
Liquidation of short term investments		-	7,021,326
Interest received	8	3,933	7,457
Net cash generated from investing activities		<u>3,933</u>	<u>7,028,783</u>
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		23,361	5,971,961
Cash and cash equivalents at beginning of financial period/year		<u>6,866,227</u>	<u>894,266</u>
Cash and cash equivalents at end of financial period/year		<u>6,889,588</u>	<u>6,866,227</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>6,889,588</u>	<u>6,866,227</u>
Cash and cash equivalents		<u>6,889,588</u>	<u>6,866,227</u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Respond (Support) Limited ('the company'), is a charity engaged in the promotion of social and community initiatives in estates, principally, managed by the Respond! Housing Association and in other marginalised communities.

Respond (Support) Limited, is a registered charity complies with the governance code for community, voluntary and charitable organisations in Ireland.

The company is incorporated as a company limited by guarantee in the Republic of Ireland. The address of its registered office is Airmount, Dominick Place, Waterford.

2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

(a) Basis of preparation

The entity financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

(b) Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the euro, denominated by the symbol "€".

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(c) Revenue recognition

(i) *Turnover*

Turnover is the amount of revenue derived from the provision of services falling within the company's ordinary activities. For Respond (Support) Limited turnover comprises revenue arising from both revenue grants and childcare fees.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises turnover as follows:

– *Revenue grants*

Grant income is recognised when there is: 1) entitlement to the grant; 2) virtual certainty that it will be received; and 3) sufficient measurability of the amount. Unspent grants are shown on the balance as a liability.

– *Childcare fees and training services income*

Revenue from services provided is credited to income in the period in which it is invoiced, or the services provided.

(ii) *Other income*

Interest income is recognised using the effective interest rate method. Interest income is presented as 'interest receivable and similar income' in the profit and loss account.

(d) Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) *Short term employee benefits*

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which the employees render the related service.

(ii) *Post-employment benefits*

Defined contribution plan

The company operates defined contribution plans for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the company in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

(e) Income tax

No liability to corporation tax arises as the company has been granted charitable tax exemption by the Revenue Commissioners.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(f) Cash at bank and in hand

Cash at bank and in hand includes cash in hand, cash held in bank current accounts, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

(g) Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

In particular:

- a) Restructuring provisions are recognised when the company has a legal or constructive obligation at the end of the financial year to carry out the restructuring. The company has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and the company has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected; and
- b) Provision is not made for future operating losses.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(h) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and cash equivalents, short-term deposits and investments are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(h) Financial instruments – continued

(i) *Financial assets - continued*

Trade and other debtors, cash and cash equivalents, investments and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such financial assets are subsequently measured at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans and loans from connected parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, loans from connected parties and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Deferred revenue

Grant income is recognised when there is: 1) entitlement to the grant; 2) virtual certainty that it will be received and; 3) sufficient measurability of the amount. Unspent grants are shown on the balance sheet as a liability. See note 11 for the amount of the deferred income.

5 Turnover

Analysis of turnover by category:

	31 December 2016 €	30 June 2016 €
Fee and service income	486,424	495,540
Grant income	775,175	1,927,482
	<u>1,261,599</u>	<u>2,423,022</u>

Analysis of turnover by geographical market:

	31 December 2016 €	30 June 2016 €
Ireland	<u>1,261,599</u>	<u>2,423,022</u>

6 Operating loss

	31 December 2016 €	30 June 2016 €
The operating loss is stated after crediting:		
Grant income	<u>(775,175)</u>	<u>(1,927,482)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Employees and directors

(i) Employees

The average number of persons employed by the company during the financial period was:

	31 December 2016 Number	30 June 2016 Number
Management	5	7
Operational	104	110
	<u>109</u>	<u>117</u>

Staff costs comprise:

	31 December 2016 €	30 June 2016 €
Wages and salaries	1,212,312	2,408,563
Social insurance costs	119,854	243,109
Pension costs	7,086	11,029
	<u>1,339,252</u>	<u>2,662,701</u>

(ii) Directors

	31 December 2016 €	30 June 2016 €
Emoluments	<u>-</u>	<u>21,759</u>
Contributions to retirement benefit schemes		
- Defined contribution	<u>-</u>	<u>1,123</u>

(iii) Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	31 December 2016 €	30 June 2016 €
Total key management compensation	<u>171,341</u>	<u>292,658</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Net interest expense*Interest receivable and similar income*

	31 December 2016 €	30 June 2016 €
Bank interest	3,933	7,457
Total interest receivable and similar income	<u>3,933</u>	<u>7,457</u>

9 Debtors

	31 December 2016 €	30 June 2016 €
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Amounts falling due within one year:

Prepayments	19,072	23,292
Accrued income	126,112	168,584
	<u>145,184</u>	<u>191,876</u>

10 Investments

	31 December 2016 €	30 June 2016 €
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Structured deposits	<u>60,201</u>	<u>60,201</u>
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11 Creditors - amounts falling due within one year

	31 December 2016 €	30 June 2016 €
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Trade creditors	21,066	28,717
Accruals	118,480	135,942
Deferred income	80,870	208,413
Amount owed to related companies	539,646	114,091
VAT	1,441	-
PAYE and social insurance	39,874	33,411
	<u>801,377</u>	<u>520,574</u>

Trade and other creditors are payable at various dates in accordance with the suppliers usual and customary credit terms.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Amounts due to related companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Financial instruments

The company has the following financial instruments:

	31 December 2016 €	30 June 2016 €
Financial assets that are debt instruments measured at amortised cost		
Investments in short term deposits	<u>60,201</u>	<u>60,201</u>
Cash at bank and in hand	<u>6,889,588</u>	<u>6,866,227</u>
Financial liabilities measured at amortised cost		
- Trade creditors	21,066	28,717
- Accruals	118,480	135,942
- Amounts owed to related companies	<u>539,646</u>	<u>114,091</u>
	<u>679,192</u>	<u>278,750</u>

13 Note to the statement of cash flows

	31 December 2016 €	30 June 2016 €
Loss for the financial period/year	(304,134)	(1,069,845)
Interest income	<u>(3,933)</u>	<u>(7,457)</u>
Operating (loss)	(308,067)	(1,077,302)
Working capital movements:		
- Decrease/(increase) in debtors	46,692	(67,853)
- Increase in creditors	<u>280,803</u>	<u>88,333</u>
Cash inflow/(outflow) from operating activities	<u>19,428</u>	<u>(1,056,822)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Grants

Grant income of €775,175 (30 June 2016: €1,927,482), in the profit and loss account for the year, arises from the following bodies:-

Name of Agency	Type of Funding/ Grant programme	Term of Grant	Use of Grant	Amount 31 December 2016 €	Amount 30 June 2016 €
Dept of Children & Youth Affairs	Early childhood	Annual	Delivery of Service	237,005	327,937
Dept of Children & Youth Affairs	Lottery	Annual	Delivery of Service	-	1,750
HSE	Section 39	Annual	Delivery of Service	136,181	677,515
Limerick City Council	Section 10	Annual	Delivery of Service	100,347	211,728
Pobal	Childcare	Annual	Delivery of Service	287,621	622,542
Pobal	CETS	Annual	Delivery of Service	12,107	39,481
South Tipperary Co.Co.	Arts Grant	Annual	Promoting Art	-	1,100
ESB	Education Grant	Annual	Promoting Education	-	10,000
Dublin Homeless Food Grants	Section 10 HSE	Annual Annual	Delivery of Service Delivery of Service	- 1,914	4,304 31,125
Total				775,175	1,927,482

15 Related party transactions

During the period some of the company's administration was managed by Respond! a company which is a charity engaged in building housing schemes and providing these for rental, below market rates. Costs incurred by Respond! relating to Respond (Support) which were recharged during the period amounted to €326,368 (30 June 2016: €585,334). The balance owed to that company at 31 December 2016 was €539,646 (30 June 2016: €114,091). In the past the two charities were under the control of common directors and therefore were deemed to be related parties. Although the boards are now fully independent of each other with no commonality, given the close links and shared history, transactions between the two entities are disclosed as related party transactions.

16 Contingencies and commitments

The company may be obliged to pay back the government funding received if certain conditions are not met as per the agreements.

A related company operates the defined contribution pension scheme. The assets of the scheme are held separately from those of the related company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €7,086 (30 June 2016: €11,091).

There are no other commitments at 31 December 2016.

17 Bank security

The company's bankers hold letters of lien, totalling €89,550, on deposit funds in respect of guarantees they have issued on behalf of the company (30 June 2016: €86,475).

18 Approval of financial statements

The financial statements were approved by the directors on 6 October 2017.

DETAILED PROFIT AND LOSS ACCOUNT
For the financial period ended 31 December 2016

	31 December 2016 €	30 June 2016 €
Turnover		
Grants	775,175	1,896,357
Course fees	25,760	66,063
Child care fees	135,766	343,125
Sundry income	199,898	117,477
Donation	125,000	-
	<u>1,261,599</u>	<u>2,423,022</u>
Administrative expenses		
Overseas costs	(22,275)	(54,238)
Homeless, day care and elderly projects	(462,400)	(1,198,268)
Child care schemes	(479,547)	(1,574,267)
Education costs	(149,655)	(297,388)
Better being and family support	(322,841)	(376,163)
Interest income	3,933	7,457
Admin costs	(132,948)	-
	<u>(1,565,733)</u>	<u>(3,492,867)</u>
(Loss) for the period/year	<u>(304,134)</u>	<u>(1,069,845)</u>