

VOLUNTARY SERVICE INTERNATIONAL
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

VOLUNTARY SERVICE INTERNATIONAL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2018

Directors	Aisling Twohill Cathy Boobbyer (appointed 10 September 2018) Kate Van Der Merwe (appointed 19 September 2018) Thomas Mc Garvey Siobhan Crombie Francis Bisset (appointed 17 November 2018, resigned 8 May 2019) Hazel Smith (appointed 12 February 2019, resigned 30 May 2019) Jason Campbell (appointed 30 April 2019) Robin Hanan (appointed 12 February 2019)
Company registered number	140520
Charity registered number	20023065
CHY (revenue) number	9220
Registered office	20 Dominick Street Lower Dublin 1
Company secretary	Helen Walmsley
Chief executive officer	Helen Walmsley
Independent Auditor	RBK Business Advisers Chartered Accountants and Statutory Audit Firm Boole House Beech Hill Office Campus Beech Hill Road Clonskeagh Dublin 4
Bankers	Permanent TSB 70 Grafton Street Dublin 2

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and audited financial statements for the year ended 31 December 2018.

This is the first set of financial statements prepared by Voluntary Service International in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015. Previously, the organisation applied FRS 102 but did not apply the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 Charities SORP).

Reference and Administrative details

The organisation is a charitable company limited by guarantee with a registered office at 20 Dominick Street Lower, Dublin 1. The Charity trades under the name Voluntary Service International (Seirbhis Deonach Idirnaisiunta). The registered number of the company is 140520.

The charity has been granted charitable tax status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity Number 20023065 and is registered with the Charities Regulatory Authority.

Directors and Secretary

The names of persons who at any time during the financial year and up to the date of approval of the financial statements were directors of the company are as follows:

Aisling Twohill
Cathy Boobbyer (appointed 10 September 2018)
Kate Van Der Merwe (appointed 19 September 2018)
Thomas McGarvey
Siobhan Crombie
Francis Bisset (appointed 17 November 2018, resigned 8 May 2019)
Hazel Smith (appointed 12 February 2019, resigned 30 May 2019)
Jason Campbell (appointed 30 April 2019)
Robin Hanan (appointed 12 February 2019)

The company secretary throughout the financial year was Helen Walmsley.

Principle activities and objectives

The aim of Voluntary Service International (Seirbhis Deonach Idirnaisiunta) is to promote peace, social justice, sustainable development and intercultural understanding through volunteering in Ireland and internationally. Our vision is a world of peace, social justice and sustainable development, where all people live together with mutual respect. We achieve our aims through arranging and managing volunteering activities and non-formal educational activities internationally and in Ireland. VSI works with people of all ages and backgrounds and we focus our work on young people living in Ireland. Social inclusion is core to our ideology and in our work we include young people who are vulnerable and marginalised such as young people who are experiencing poverty or the care system, young people with disabilities, migrants and asylum-seekers and elderly people. We also bring people together through our programmes to form diverse groups to promote integration. Our work with young people focuses on raising awareness of rights, peace and social justice, sustainable development, the environment and intercultural understanding; fostering active citizenship and promoting civic engagement; developing skills and competencies and enhancing employability and promoting social inclusion.

The Company is limited by guarantee not having share capital.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Business review

The principal sources of funding for VSI are the Department of Children and Youth Affairs (DCYA) and the European Commission (through the Erasmus+ programme, administered by Leargas). The company also receives a grant from the Health Service Executive. In 2018 VSI received project fees and generous donations from members and donors. Grants and donations of €128,082 were recognised in the current year.

Results

The deficit for the year amounted to €5,985 (2017: deficit of €3,900).

Achievements and performance

VSI had 90 members during 2018. We sent 26 volunteers abroad to 18 different countries. We delivered 12 volunteer projects with community, asylum seeker, disability and environmental organisations in Ireland with 95 volunteers from over 20 countries. VSI volunteers also completed cleaning, painting, and gardening work in the homes of 10 people in Dublin. We delivered talks and held information stands reaching over 850 young people and potential participants in VSI programmes.

We continued to implement our EU-funded projects and to work with our international partners in these programmes. We hosted 5 EVS volunteers in VSI and supported 15 young people from Ireland to volunteer on the European Voluntary Service (EVS) programme in 8 different countries, these volunteers worked in the areas of childcare, teaching, drama, youth work and sports and on projects with refugees. In 2018 we were awarded funding for two places under the new European Solidarity Corps programme to employ and host participants in VSI during 2019-20.

Through implementing the DCYA's National Quality Standards Framework and meeting the requirements to continue as signatories to the Comhlámh Code of Good Practice for volunteer sending agencies and the Dochas Code of Conduct on Images and Messages, we maintained our standards of quality, respect and equality in delivering our work throughout the year. Over 25,500 hours of volunteering were delivered by VSI volunteers in Ireland and worldwide in 2018.

Structure, governance and management

The organisation is a charitable company limited by guarantee. The company does not have a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding one Euro (€1). VSI was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association and managed by a Board of Directors/Trustees.

VSI is governed by its members, who elect a non-executive Board (hereafter the Board) to manage the organisation on behalf of its members. The Board is the main decision making body of the organisation. The Board is elected by the Annual General Meeting and additional members are occasionally co-opted outside of the AGM to fulfil a particular need of the organisation. Board members who are co-opted between AGMs are required to present themselves for appointment at the following AGM. The Board members of VSI bring a broad range of skills and experience to Board deliberations.

The governance structure of VSI is evolving in line with the heightened governance expectations within the community and voluntary sector over recent years. In particular, the Board of VSI has grown from two directors in November 2016 to six directors in 2018. In growing the Board we have sought to find Board members who bring experience and skills in finance, governance and legislation, so that VSI will be served by a proficient Board now, and into the future. The current financial situation presents challenges for VSI as an organisation,

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

and the Board are committed to prioritising the survival of the organisation, and delivery of the core work of VSI. In seeking to navigate towards a healthier financial position, the Board have had to make difficult decisions and will continue to do so until there is confidence that VSI is on a sound and sustainable footing. The Board have worked to support the staff of VSI in rising to the challenge of the evolving governance landscape. The Board have requested increased scrutiny over productivity, the financial situation, and office management.

Future Developments

The Directors are not expecting to make any significant changes in the nature of the business in the near future.

Events after the balance sheet date

There have been no significant events affecting the company since the year end.

Going Concern

Having made appropriate enquiries, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

The Directors have considered the financial position and trading performance of the charity. They have prepared budgets and forecasts for the two years ending 31 December 2019 and 2020 respectively, which indicate that the charity will show surpluses for those two financial periods. The Board acknowledge that the future viability of the charity is underpinned by the successful achievement of the budgeted targets identified in the forecasts and projections.

In addition the Directors have obtained support from a number of creditors who have agreed not to demand repayment for at least 12 months from the date of approval of these financial statements. The Directors have obtained additional funding through the European Solidarity Corps, and we are confident that this funding will also be available in 2020.

For these reasons the Directors of the charity continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policy note 1.2.

Accounting records

The Directors acknowledge their responsibility under Sections 281 to 285 of the Companies Act 2014 to keep adequate accounting records for the company.

In order to comply with the requirements of the act, the services of a book-keeper has been employed in 2019. Prior to this the CEO was responsible for the accounting records. The accounting records of the company are kept at the principal place of business at 20 Dominick Street Lower, Co. Dublin.

Statement on relevant audit information

In accordance with Section 330 of the Companies Act 2014, so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware.

Having made enquiries of fellow directors, each director have taken all the steps they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Independent Auditor

In accordance with Section 383 (2) of the Companies Act 2014, the independent auditor, RBK Business Advisers were appointed on 19 November 2018 and have expressed willingness to continue in office.

This report was approved by the directors and signed on their behalf by:



Aisling Twohill
Director



Siobhan Crombie
Director

Date: 20 June 2019

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DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

Irish Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and accounting standards issued by the Financial Reporting Council (and promulgated by Chartered Accountants Ireland) including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in Ireland) as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as to the financial year end and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record 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, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Aisling Twohill
Director



Siobhan Crombie
Director

Date: 20 June 2019

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOLUNTARY SERVICE INTERNATIONAL
FOR THE YEAR ENDED 31 DECEMBER 2018**

OPINION

We have audited the financial statements of Voluntary Service International (the 'Charity') for the year ended 31 December 2018, which comprise Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of its deficit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard as issued by the Irish Auditing and Accounting Supervisory Authority ("IAASA") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1.2 in the financial statements, which indicates that the charity has negative reserves as at 31 December 2018. As stated in note 1.2, the existence of these negative reserves indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOLUNTARY SERVICE INTERNATIONAL
FOR THE YEAR ENDED 31 DECEMBER 2018

required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY COMPANIES ACT 2014

In our opinion, based on the work undertaken in the course of the audit:

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- 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;
- the information given in the Director's Report is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with the Companies Act 2014.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the directors (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOLUNTARY SERVICE INTERNATIONAL
FOR THE YEAR ENDED 31 DECEMBER 2018**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOLUNTARY SERVICE INTERNATIONAL
FOR THE YEAR ENDED 31 DECEMBER 2018**

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE ARE RESPONSIBILITIES

This report is made solely to the charitable company's members as a body in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit 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 or the company's members as a body for our audit work for this report, or for the opinions we have formed.



RBK Business Advisers

Chartered Accountants and Statutory Audit Firm
Boole House
Beech Hill Office Campus
Beech Hill Road
Clonskeagh
Dublin 4
Date:

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €	Total funds 2017 €
INCOME FROM:					
Donations and grants	2	1,836	126,246	128,082	165,317
Charitable activities	3	18,998	-	18,998	17,445
TOTAL INCOME		<u>20,834</u>	<u>126,246</u>	<u>147,080</u>	<u>182,762</u>
EXPENDITURE ON:					
Charitable activities:					
Governance costs	5	1,007	4,866	5,873	5,827
Other charitable activities	4	31,442	115,750	147,192	180,835
TOTAL EXPENDITURE		<u>32,449</u>	<u>120,616</u>	<u>153,065</u>	<u>186,662</u>
NET (EXPENDITURE) / INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		(11,615)	5,630	(5,985)	(3,900)
NET MOVEMENT IN FUNDS		(11,615)	5,630	(5,985)	(3,900)
RECONCILIATION OF FUNDS:					
Total funds brought forward		(1,252)	(30,930)	(32,182)	(28,282)
TOTAL FUNDS CARRIED FORWARD		<u>(12,867)</u>	<u>(25,300)</u>	<u>(38,167)</u>	<u>(32,182)</u>

The notes on pages 14 to 27 form part of these financial statements.


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BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	€	2018 €	€	2017 €
FIXED ASSETS					
Tangible assets	8		6,287		9,489
CURRENT ASSETS					
Debtors	9	9,834		8,348	
Cash at bank and in hand	14	148,203		165,790	
		158,037		174,138	
CREDITORS: amounts falling due within one year	10	(202,491)		(215,809)	
NET CURRENT LIABILITIES			(44,454)		(41,671)
NET LIABILITIES			(38,167)		(32,182)
CHARITY FUNDS					
Restricted funds	11		(25,300)		(30,930)
Unrestricted funds	11		(12,867)		(1,252)
TOTAL DEFICIT			(38,167)		(32,182)

The financial statements were approved and authorised for issue by the directors and signed on their behalf, by:


Aisling Twohill
Director


Siobhan Crombie
Director

Date: 20 June 2019

The notes on pages 14 to 27 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 €	2017 €
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	13	<u>(17,587)</u>	<u>117,129</u>
Change in cash and cash equivalents in the year		(17,587)	117,129
Cash and cash equivalents brought forward	14	<u>165,790</u>	<u>48,661</u>
Cash and cash equivalents carried forward	14	<u><u>148,203</u></u>	<u><u>165,790</u></u>

The notes on pages 14 to 27 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

1.1 General Information

These financial statements comprising the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes constitute the financial statements of Voluntary Service International for the financial year ended 31 December 2018.

Voluntary Service International is a company limited by guarantee and is a public benefit entity incorporated in Ireland with a registered office at 20 Dominick Street Lower Co. Dublin and its company registration number is 140520.

The nature of the organisation's operations and its principal activities are set out in the Directors report.

The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland however it is considered best practice. As noted below, the directors consider the adoption of the SORP requirements as the most appropriate accounting practice and presentation to properly reflect and disclose the activities of the organisation.

Currency

The financial statements have been presented in Euro which is also the functional currency of the company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.2 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention, and comply with the financial reporting standards of the Financial Reporting Council (and promulgated by Chartered Accountants Ireland) as modified by the Statement of Recommended Practice "Accounting and reporting by Charities" effective 1 January 2015 and the Companies Act 2014.

Going Concern

The financial statements are prepared on the going concern basis which assumes the entity will continue in operational existence for the foreseeable future and for at least 12 months from the date of approval of the financial statements.

The charity recorded a deficit for the year of €5,985, this resulted in a net liability position of €38,167 as at 31 December 2018. VSI has both negative restricted and unrestricted reserves. This casts a significant doubt on the solvency of the Charity and the charity's ability to continue as a going concern. If the charity was unable to continue in operational existence, adjustments would have to be made to adjust balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The Directors have considered the financial position and trading performance of the charity. They have prepared prudent and conservative budgets and forecasts for the two years ended 31 December 2019 and 2020 respectively which indicate that the charity will show modest surpluses for the next two financial years. The Board of Directors acknowledge that the future viability of the charity is underpinned by the successful achievement of the budgeted targets identified in the forecasts and projections. On reviewing the year to date activities it appears that the charity is on track to achieve the budgeted targets.

A large portion of the creditors balance in the financial statements as at 31 December i.e. €100,808 relates to deferred income. This relates to a longer term project (which will end in 2020) and a capital grant. Thus the cash outflow relating to these will be spread over the next two years as opposed to a creditor expecting immediate payment.

In addition to this the charity has received letters of support from a number of creditors (total value over €22,000) pledging not to demand payment or call in any debt before the end of 2020.

As a result, while recognising that there is uncertainty about these matters at present, the directors are satisfied that the charity has the necessary resources to continue trading for the foreseeable future and accordingly they believe that it is appropriate for the financial statements to be prepared on the going concern basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, the amount can be quantified with reasonable accuracy and it is probable the income will be received. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Income from government and other grants, whether 'capital' or 'revenue grants', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity is recognised within income from donations and legacies. Grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance and included within income from charitable activities.

Incoming resources from charitable trading activities are accounted for when earned which is usually when the risk and rewards of ownership transfers; the sale can be reliably measured and it is probable there will be future inflows of economic activity.

1.4 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees, costs of legal advice for trustees and costs linked to the strategic management of the charity including the cost of director meetings.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

Cost

Tangible fixed assets are recorded at historical cost or deemed cost, less accumulated depreciation (and impairment losses if applicable). Cost includes prime cost, overheads and interest incurred in financing the construction of tangible fixed assets. Capitalisation of interest ceases when the asset is brought into use.

The company's office furniture, fixtures, fittings & equipment and computers is deemed to be held for its service potential. Where there are indicators that the assets are not delivering on their anticipated service potential, consideration is given as to whether the asset is impaired or not. Accordingly, an impairment of these fixed assets will only arise where the asset suffers impairment in a physical sense resulting in physical damage or the assets are not delivering on their anticipated service potential.

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is provided on fixtures, fittings & equipment on a reducing balance basis (pre 2005) and straight line basis on the remaining cost. Computers costs are depreciated on a straight-line basis, so as to write off their cost less residual amounts over their estimated useful economic lives.

The estimated useful economic lives assigned to office furniture, fixtures, fittings & equipment and computers are as follows:

Fixtures and fittings	-	15% Reducing balance & straight Line
Office furniture	-	Fully written down
Computer equipment	-	20% Straight Line

The company's policy is to review the remaining useful economic lives and residual values of property, plant and equipment on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful economic life and residual value.

Fully depreciated office furniture, fixtures, fittings & equipment and computers are retained in the cost of the assets and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the Statement of financial activities.

1.6 Leases

Operating Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of financial activity on a straight-line basis over the period of the lease.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.7 Debtors

Trade and other debtors are recognised initially at transaction price (including transaction costs) unless a financing arrangement exists in which case they are measured at the present value of future receipts discounted at a market rate. Subsequently these are measured at amortised cost less any provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. All movements in the level of provision required are recognised in the statement of financial activity.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.9 Creditors

Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Provisions

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.

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. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be 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 obligation. The increase in the provision due to passage of time is recognised as a finance cost within expenditure on charitable activities.

1.11 Taxation

No charge to current or deferred taxation arises as the charity has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No CHY 9220.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.12 Currency

(1) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in euro, which is the company's functional and presentation currency and is denoted by the symbol "€".

(2) Transactions and balances

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

At each period end foreign currency monetary items are translated 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 that relate to borrowings and cash and cash equivalents are presented in the statement of financial activity within 'costs of charitable activities'. All other foreign exchange gains and losses are presented in the statement of financial activity within 'expenditure on charitable activities'.

1.13 Fund accounting

The following funds are operated by the Charity

Restricted Funds

Restricted Funds represent grants, donations and sponsorships received which can only be used for particular purposes specified by the donors or sponsorship programmes binding on the directors. Such purposes are within the overall aims of the charity.

Unrestricted Funds

Unrestricted Funds includes general funds and designated funds and it represent amounts which are expendable at the discretion of the directors in furtherance of the objectives of the charity and which have not been designated for other purposes. Such funds may be held in order to finance working capital or capital expenditure.

1.14 Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. 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.

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1. ACCOUNTING POLICIES (continued)

1.15 Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

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NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €	Total funds 2017 €
Donations	1,836	-	1,836	2,388
Grants*	-	126,246	126,246	162,929
Total donations and grants	1,836	126,246	128,082	165,317
<i>Total 2017</i>	<i>2,388</i>	<i>162,929</i>	<i>165,317</i>	

*** Grants**

	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €	Total funds 2017 €
Department of Children & Youth Affairs	-	82,745	82,745	82,745
Health Service Executive	-	3,143	3,143	3,143
Leargas - Partnering the Refugees	-	4,988	4,988	-
Leargas - Participate Learn Grow 3	-	(2,363)	(2,363)	13,796
Leargas - EVS Up	-	5,085	5,085	3,688
Leargas - Beyond Borders	-	4,768	4,768	10,617
Leargas - Friend inDID	-	4,872	4,872	10,996
Leargas - Step Up	-	11,808	11,808	-
Leargas - CAT4YE	-	8,201	8,201	27,564
Leargas - Greenshoots	-	-	-	2,563
Leargas - IKIA	-	-	-	4,818
Department of Children & Youth Affairs capital grant amortisation	-	2,999	2,999	2,999
Total	-	126,246	126,246	162,929

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €	Total funds 2017 €
Membership & project fees	11,660	-	11,660	7,597
Killarney National park	5,796	-	5,796	6,615
Income from seminars and meetings	-	-	-	2,000
Other income	1,542	-	1,542	1,233
	<u>18,998</u>	<u>-</u>	<u>18,998</u>	<u>17,445</u>
<i>Total 2017</i>	<u>17,445</u>	<u>-</u>	<u>17,445</u>	

4. CHARITABLE ACTIVITIES

	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €	Total funds 2017 €
International volunteer projects programme	278	2,690	2,968	3,916
European voluntary service programme	3,030	28,106	31,136	45,627
Seminars, meetings and training	363	6,868	7,231	32,893
Grant reimbursement	1,249	-	1,249	856
Salaries	13,667	54,800	68,467	68,975
Employer PRSI contributions	1,486	5,946	7,432	7,324
Training & development	115	200	315	92
Staff travel and subsistence costs	30	-	30	-
Venue hire	184	32	216	154
Conference expenses	55	-	55	-
Rent payable	720	8,080	8,800	8,000
Insurance	198	1,835	2,033	1,541
Light and heat	94	1,291	1,385	1,231
Printing, postage and stationery	-	858	858	-
Publicity and promotion	128	556	684	298
Communication expenses	4	1,509	1,513	982
Stationary, office and computer expenses	531	2,979	3,510	3,630
Service civil international contribution	4,325	-	4,325	448
Sundry expenses	1,783	-	1,783	1,227
Depreciation fixtures fittings and equipment	51	-	51	60
Depreciation computers	3,151	-	3,151	3,307
Repairs, maintenance and building works	-	-	-	274
Total	<u>31,442</u>	<u>115,750</u>	<u>147,192</u>	<u>180,835</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. GOVERNANCE COSTS

	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €	Total funds 2017 €
Auditors' remuneration	-	3,690	3,690	3,567
Affiliations	800	-	800	1,050
Bank charges	(87)	-	(87)	329
Accountancy fees	294	1,176	1,470	-
Legal and professional	-	-	-	881
	<u>1,007</u>	<u>4,866</u>	<u>5,873</u>	<u>5,827</u>

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 €	2017 €
Depreciation of tangible fixed assets:		
Auditors' remuneration	3,202	3,367
	<u>3,690</u>	<u>3,567</u>

7. STAFF COSTS

Staff costs were as follows:

	2018 €	2017 €
Wages and Salaries	68,467	68,975
Employer's PRSI	<u>7,432</u>	<u>7,324</u>
	<u>75,899</u>	<u>76,299</u>

The average number of persons employed by the Charity during the year was 2 (2017: 3)

No employee received remuneration amounting to more than €60,000 in either year.

The total amount paid to key management personnel including Employer's PRSI was €44,340. (2017 €44,340).

During the year, no Director received any remuneration (2017 - €Nil)
During the year, no Director received any benefits in kind (2017 - €Nil)
Directors were reimbursed for vouched expenses if claimed.

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NOTES TO THE FINANCIAL STATEMENTS
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8. TANGIBLE FIXED ASSETS

	Office furniture €	Fixtures, fittings & equipment €	Computers €	Total €
Cost				
At 1 January 2018 and 31 December 2018	2,870	10,212	29,058	42,140
Depreciation				
At 1 January 2018	2,870	9,873	19,908	32,651
Charge for the year	-	51	3,151	3,202
At 31 December 2018	2,870	9,924	23,059	35,853
Net book value				
At 31 December 2018	-	288	5,999	6,287
<i>At 31 December 2017</i>	-	339	9,150	9,489

9. DEBTORS

	2018 €	2017 €
Other debtors & prepayments	9,834	8,348

10. CREDITORS: Amounts falling due within one year

	2018 €	2017 €
Accruals	67,755	3,567
PAYE/PRSI	5,047	6,617
Other creditors	28,881	22,518
Deferred income	100,808	183,107
	202,491	215,809

Deferred income

	€
Deferred income at 1 January 2018	183,107
Resources deferred during the year	2,363
Amounts released from previous years	(21,212)
Reclassified to accruals	(63,450)
Deferred income at 31 December 2018	100,808

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NOTES TO THE FINANCIAL STATEMENTS
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11. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2018 €	Income €	Expenditure €	Balance at 31 December 2018 €
Unrestricted funds	(1,252)	20,834	(32,449)	(12,867)
Restricted funds	(30,930)	126,246	(120,616)	(25,300)
Total of funds	<u>(32,182)</u>	<u>147,080</u>	<u>(153,065)</u>	<u>(38,167)</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2017 €	Income €	Expenditure €	Balance at 31 December 2017 €
Unrestricted funds	2,647	18,600	(22,499)	(1,252)
Restricted funds	(30,930)	164,162	(164,162)	(30,930)
Total of funds	<u>(28,283)</u>	<u>182,762</u>	<u>(186,661)</u>	<u>(32,182)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €
Tangible fixed assets	6,287	-	6,287
Current assets	20,770	137,267	158,037
Creditors due within one year	(39,924)	(162,567)	(202,491)
	<u>(12,867)</u>	<u>(25,300)</u>	<u>(38,167)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 €	Restricted funds 2017 €	Total funds 2017 €
Tangible fixed assets	9,489	-	9,489
Current assets	21,961	152,177	174,138
Creditors due within one year	(32,702)	(183,107)	(215,809)
	<u>(1,252)</u>	<u>(30,930)</u>	<u>(32,182)</u>

13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 €	2017 €
Net expenditure for the year (as per Statement of Financial Activities)	(5,985)	(3,900)
Adjustment for:		
Depreciation charges	3,202	3,367
Increase in debtors	(1,486)	(2,314)
(Decrease)/increase in creditors	(13,318)	119,976
Net cash (used in)/provided by operating activities	<u>(17,587)</u>	<u>117,129</u>

14. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 €	2017 €
Cash at bank and in hand	148,203	165,790
Total	<u>148,203</u>	<u>165,790</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

15. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

16. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

17. POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end which, in the opinion of the directors, require disclosure in the financial statements.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board on *20th June 2019.*