

Company Registration No. 342807 (Eire)

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION

Directors

Patricia Ayton
Eileen Condon
Marian O'Reilly
Michael Power
Eddie Staunton
Gretta Vaughan
Bridie Daly
Breda Kavanagh
Bernadette Cogan (Appointed 28 March 2009)
Peggy Murphy (Appointed 28 March 2009)
Kevin O'Duffy (Appointed 28 March 2009)
Carmel Scott (Appointed 28 March 2009)
Jane Smith (Appointed 7 October 2009)

Secretary Frances Killeen

Company number 342807

Registered office 76 Lower Gardiner Street,
Dublin 1.

Auditors Browne Murphy & Hughes
Chartered & Certified Accountants
& Registered Auditors,
28 Upper Fitzwilliam Street,
Dublin 2.

Business address 76 Lower Gardiner Street,
Dublin 1.

Bankers A.I.B Bank,
37 Upper O'Connell St.,
Dublin 1.

Anglo Irish Bank Corp plc
18/21 St. Stephen's Green,
Dublin 2.

NATIONAL ADULT LITERACY AGENCY LIMITED (A COMPANY LIMITED BY GUARANTEE) CONTENTS

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NATIONAL ADULT LITERACY AGENCY LIMITED

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009.

Principal activities and review of the business

The National Adult Literacy Agency (NALA) was established in 1980 and from that time has campaigned for recognition and response to the adult literacy problem in Ireland. The agency continued that work in 2009 through:

- raising public awareness of the extent and the nature of adult literacy difficulties;
- answering literacy related queries from the general public and referring thousands of callers to the VEC adult literacy services as a result of the ongoing TV advertisement campaign supported by An Post;
- developing and broadcasting a new TV literacy series entitled "Written Off ?" to support a distance education strategy;
- advancing research in the area of adult literacy;
- lobbying for increased funding for adult literacy and numeracy work and for the VEC Adult Literacy Service; and
- lobbying to keep adult literacy as a priority within Government and the Further Education budget.

NALA is funded by the Department of Education and Science through the National Development Plan 2007 - 2016, other government Departments, FAS, the EU Structural Fund and it's members.

The results for the year and the financial position at the year end were considered satisfactory by the directors, who have worked in 2009 to cut costs and build up a reserve for the significant drop which they are anticipating in 2010.

The principal risks and uncertainty facing the organisation in the coming year is regarding the funding levels it will receive from the Department. In the current economic climate, it is difficult to assess at this stage whether and to what extent funding levels may be cut.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors were in office in 2009:

Patricia Ayton	
Eileen Condon	
Alison Hickey	(Resigned 28 March 2009)
Mary Kelly	(Resigned 2 September 2009)
Laureen Leslie	(Resigned 28 March 2009)
Marian O'Reilly	
Michael Power	
Eddie Staunton	
Gretta Vaughan	
Helen Walsh	(Resigned 28 March 2009)
Frances Killeen	(Resigned 28 March 2009)
Bridie Daly	
Breda Kavanagh	
Bernadette Cogan	(Appointed 28 March 2009)

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

Peggy Murphy	(Appointed 28 March 2009)
Kevin O'Duffy	(Appointed 28 March 2009)
Carmel Scott	(Appointed 28 March 2009)
Jane Smith	(Appointed 7 October 2009)

Books of account

The company's directors are aware of their responsibilities, under section 202 of the Companies Act 1990 to maintain proper books of account and are discharging their responsibility by employing experienced staff and ensuring that sufficient company resources are available for the task.

The books of account are held at the company's registered office, 76 Lower Gardiner Street, Dublin 1.

Auditors

In accordance with the Companies Act 1963, section 160(2), Browne Murphy & Hughes continue in office as auditors of the company.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing those 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

Michael Power
Chairperson
10 February 2010

Marian O'Reilly
Honorary Treasurer

NATIONAL ADULT LITERACY AGENCY LIMITED (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL ADULT LITERACY AGENCY LIMITED

We have audited the financial statements of National Adult Literacy Agency Limited for the year ended 31 December 2009 set out on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the company's balance sheet and its income and expenditure account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding the directors' remuneration and transactions is not disclosed and, where practicable, include such information in our report.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

TO THE MEMBERS OF NATIONAL ADULT LITERACY AGENCY LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2009 and of its surplus for the year then ended ; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

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

Browne Murphy & Hughes

10 February 2010

Chartered Accountants

Registered Auditor

Chartered & Certified Accountants
& Registered Auditors,
28 Upper Fitzwilliam Street,
Dublin 2.

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 €	2008 €
INCOME	2 - 4	2,704,797	2,875,238
Property Expenses		(61,455)	(84,370)
Administrative expenses		(91,186)	(181,413)
Objective & Project Expenses		(2,345,870)	(3,127,972)
SURPLUS/(DEFICIT) FOR THE YEAR		<u>206,286</u>	<u>(518,517)</u>

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income and expenditure account.

Approved by the board on 10 February 2010

Michael Power
Chairperson

Marian O'Reilly
Honorary Treasurer

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2009

	Notes	2009 €	€	2008 €	€
Fixed assets					
Tangible assets	5		14,892		23,073
Current assets					
Stocks	6	12,619		13,424	
Debtors	7	27,625		33,775	
Cash at bank and in hand		330,115		402,782	
		370,359		449,981	
Creditors: amounts falling due within one year	8	(46,118)		(124,101)	
Net current assets			324,241		325,880
Total assets less current liabilities			339,133		348,953
Accruals and deferred income	9		(163,589)		(379,694)
			175,544		(30,741)
Represented by:					
Surplus/(Deficit)	11		175,544		(30,741)
	12		175,544		(30,741)

Approved by the board and authorised for issue on 10 February 2010

Michael Power
Chairperson

Marian O'Reilly
Honorary Treasurer

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	€	2009 €	€	2008 €
Net cash outflow from operating activities		(2,375,901)		(3,012,633)
Capital expenditure				
Payments to acquire tangible assets	-		(39,046)	
Net cash outflow for capital expenditure		-		(39,046)
Net cash outflow before management of liquid resources and financing		(2,375,901)		(3,051,679)
Financing				
Government grant received	2,305,099		2,466,454	
Net cash inflow from financing		2,305,099		2,466,454
Decrease in cash in the year		70,802		(585,225)

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

1 Reconciliation of operating surplus/(deficit) to net cash outflow from operating activities	2009	2008
	€	€
Operating surplus/(deficit)	206,286	(518,517)
Depreciation of tangible assets	8,180	39,229
Decrease in stocks	805	8,762
Decrease in debtors	6,150	14,009
(Decrease)/Increase in creditors within one year	(76,118)	50,163
Movement on grant provision	(2,521,204)	(2,606,279)
Net cash outflow from operating activities	(2,375,901)	(3,012,633)

2 Analysis of net funds	1 January 2009	Cash flow	Other non-cash changes	31 December 2009
	€	€	€	€
Net cash:				
Cash at bank and in hand	402,782	(72,667)	-	330,115
Credit Card Balance	(2,792)	1,865	-	(927)
	<u>399,990</u>	<u>(70,802)</u>	<u>-</u>	<u>329,188</u>
Bank deposits	-	-	-	-
Net funds	<u>399,990</u>	<u>(70,802)</u>	<u>-</u>	<u>329,188</u>

3 Reconciliation of net cash flow to movement in net funds	2009	2008
	€	€
Decrease in cash in the year	(70,802)	(585,225)
Movement in net funds in the year	(70,802)	(585,225)
Opening net funds	399,990	985,215
Closing net funds	329,188	399,990

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), which have been applied consistently (except as otherwise stated).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office Equipment	25% Straight Line
Computer equipment	25% Straight Line
Fixtures, fittings & equipment	25% Straight Line

1.4 Stock

Stock is valued at the lower of cost and net realisable value. Cost is defined as the purchase price of the books and manuals. The net realisable value would be defined as obsolescence value of the books.

1.5 Revenue recognition

Income represents revenue received from a wide variety of sources , mainly in the form of grants received and income received in contribution to the general and specific expenses of the organisation. Revenue is recognised as received ,however when income is received with regard to specific activities , this income is recognised when the relating expenditure has being incurred.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the income and expenditure account over the expected useful life of the assets. Grants towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

2 Government Grants

		2009	2008
		€	€
Department of Education & Science	-Core Grant	333,000	339,000
	-Special Allocation	1,494,000	1,579,640
	-Deferred 2007	-	162,936
	-Deferred 2008	93,671	-93,671
	-Deferred 2009	-21,500	-
Department of Social & Family Affairs		25,000	50,000
	Deferred 2008	50,000	-50,000
	Deferred 2009	-25,000	-
FAS Income		7,022	380,675
FAS Deferred 2008		78,342	-78,342
Department of Enterprise & Trade		400,000	378,000
Deferred 2008		45,059	-45,059
		<u>2,479,594</u>	<u>2,623,179</u>

3 Other Income

	2009	2008
	€	€
Membership Fees	29,642	18,621
Conference Fees	10,330	13,910
Miscellaneous	3,204	11,231
Training Fees	-	-110
POBAL (ABE)	6,714	30,389
POBAL (ABE) Deferred 2008	12,479	-12,479
EU Projects	19,478	29,583
EU Projects Deferred 2009	-14,556	-
Plain English Income	43,610	160,470
Plain English Deferred 2008	80,143	-80,143
Plain English Deferred 2009	-37,915	-
Bank Interest Received	6,088	37,640
EBS	37,450	30,000
EBS Deferred 2008	20,000	-20,000
EBS Deferred 2009	-17,500	-
Age & Opportunity	-	15,000
LAT	4,895	3,400
Donations	321	500
Lottery Grant	45,294	-
Lottery Grant Deferred 2009	-45,294	-
An Post	5,000	10,890
	<u>209,383</u>	<u>248,902</u>

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

4 Resource Room	2009 €	2008 €
Opening Stock of Books	10,848	19,610
Purchases for the Year	31,124	36,562
	<u>41,972</u>	<u>56,172</u>
Closing Stock of Books	-10,043	-10,848
	<u>31,929</u>	<u>45,324</u>
Sale of Books	47,749	48,481
	<u>15,820</u>	<u>3,157</u>
Surplus for the Year	<u><u>15,820</u></u>	<u><u>3,157</u></u>

5 Tangible fixed assets

	Office Equipment €	Fixtures, fittings & equipment €	Total €
Cost			
At 1 January 2009 & at 31 December 2009	129,045	27,871	156,916
	<u>129,045</u>	<u>27,871</u>	<u>156,916</u>
Depreciation			
At 1 January 2009	120,518	13,326	133,844
Charge for the year	1,611	6,569	8,180
	<u>122,129</u>	<u>19,895</u>	<u>142,024</u>
At 31 December 2009	122,129	19,895	142,024
	<u>122,129</u>	<u>19,895</u>	<u>142,024</u>
Net book value			
At 31 December 2009	6,916	7,976	14,892
	<u>6,916</u>	<u>7,976</u>	<u>14,892</u>
At 31 December 2008	8,527	14,545	23,072
	<u>8,527</u>	<u>14,545</u>	<u>23,072</u>

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

6 Stocks	2009	2008
	€	€
Stock of Stationery	2,576	2,576
Stock of Books	10,043	10,848
	<u>12,619</u>	<u>13,424</u>

In the opinion of the directors, there is no material differences between the replacement cost of stock and the historic cost amounts.

7 Debtors	2009	2008
	€	€
Trade debtors	19,067	27,867
Staff Loans	-	232
Prepayments and accrued income	8,558	5,676
	<u>27,625</u>	<u>33,775</u>

8 Creditors: amounts falling due within one year	2009	2008
	€	€
Credit Card Balance	927	2,792
Trade creditors	7,332	71,458
Other creditors	25,918	28,666
Accruals and deferred income	11,941	21,185
	<u>46,118</u>	<u>124,101</u>

Included in other creditors are amounts relating to taxation, as follows:

P.A.Y.E. control account	<u>25,918</u>	<u>28,666</u>
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NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

9 Accruals and deferred income

	Government grants
	€
Balance at 1 January 2009	379,694
Grants received during the year	2,305,099
Amortisation in the year	(2,521,204)
Balance at 31 December 2009	<u>163,589</u>

Grants are deferred in respect of estimated, but specific expenditure, including monies received in 2009 for activities in 2010.

10 Pension and other post-retirement benefit commitments
Defined contribution

	2009	2008
	€	€
Contributions payable by the company for the year	<u>66,864</u>	<u>60,608</u>

11 Statement of movements on income and expenditure account

	Income and Expenditure Account
	€
Balance at 1 January 2009	(30,742)
Surplus for the year	206,286
Balance at 31 December 2009	<u>175,544</u>

12 Reconciliation of movements in funds

	2009	2008
	€	€
Surplus/(Deficit) for the financial year	206,286	(518,517)
Opening funds	(30,742)	487,775
Closing funds	<u>175,544</u>	<u>(30,742)</u>

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

13 Pension Information	2009	2009
	€	€
Employer Contribution to pension scheme	66,864	60,608
	<u> </u>	<u> </u>

The company operates a defined contribution scheme. The company contributes 10% of employees salary. The scheme is operated by New Ireland Assurance.

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2009	2008
Number	Number
18	19
<u> </u>	<u> </u>

Employment costs

	2009	2008
	€	€
Wages and salaries	1,140,052	1,202,419
Other pension costs	60,608	59,753
	<u> </u>	<u> </u>
	<u>1,200,660</u>	<u>1,262,172</u>

15 Directors Interests

The directors have no interests in the company.

16 Related party transactions

There were no related party transactions during the year except staff loans. At the start of the year, there were staff loans outstanding of €232, these were repaid in the year. There was no outstanding balance at the 31st December 2009.

17 Liability of Members

In the event of a winding up of the company, the liability of the members is limited to €1.

18 Approval of financial statements

The directors approved the financial statements on the 10 February 2010.

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2009

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009		2008	
	€	€	€	€
Income				
Department of Education & Science Grants		1,899,171		1,987,905
Other Government Grants		580,423		635,274
Other Income		209,383		248,902
Resource Room		15,820		3,157
		<u>2,704,797</u>		<u>2,875,238</u>
Property Expenses	61,455		84,370	
Administration Expenses	91,186		181,413	
Objective & Project Expenses	<u>2,345,870</u>		<u>3,127,972</u>	
		<u>(2,498,511)</u>		<u>(3,393,755)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>206,286</u></u>		<u><u>(518,517)</u></u>

NATIONAL ADULT LITERACY AGENCY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
SCHEDULE OF PROPERTY AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 €	2008 €
PROPERTY EXPENSES		
Rent & Cleaning	49,029	60,392
Insurance	4,214	4,433
Light & Heat	5,947	5,407
Repairs & Maintenance	2,265	14,138
	<u>61,455</u>	<u>84,370</u>
ADMINISTRATION EXPENSES		
Telephone	15,765	19,613
Stationery	8,087	36,977
Postage & Printing	11,584	13,395
Bank Charges	1,863	1,154
Accountancy	11,747	4,607
Audit Fees	9,113	9,113
Miscellaneous	4,994	6,726
Office Machine Maintenance	14,931	33,453
Depreciation	8,180	39,229
Bad Debts	-	1,018
EU Projects	4,922	16,128
	<u>91,186</u>	<u>181,413</u>