

Company Registration No. 342807 (Eire)

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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

---

	<b>Page</b>
Directors' report	1-5
Independent auditor's report	6 - 7
Income and expenditure account	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11 - 19

---

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

---

<b>Directors</b>	Edwin O'Hora Mairin Kenny Frank Locke Laura Foley Bernadette Hurley Sonia Weafer Mary Hilda Cavanagh Thomas McManus Trevor Moore Nuala Glanton Mary Bambrick Olive Phelan	(Appointed 21 March 2015)
<b>Secretary</b>	Sonia Weafer	
<b>Company number</b>	342807	
<b>Registered office</b>	Sandford Lodge, Sandford Close, Ranelagh, Dublin 6.	
<b>Auditors</b>	Browne Murphy & Hughes Chartered & Certified Accountants & Registered Auditors, 28 Upper Fitzwilliam Street, Dublin 2.	
<b>Business address</b>	Sandford Lodge Sandford Close Ranelagh Dublin 6.	
<b>Bankers</b>	A.I.B Bank, 37 Upper O'Connell St., Dublin 1.  Ulster Bank, 43 Ranelagh, Dublin 6.  An Post GPO, Dublin 1.	

---

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

The directors present their annual report and financial statements for the year ended 31 December 2015.

**Principal activities and review of the business**

**OBJECTIVES AND ACTIVITIES**

The National Adult Literacy Agency (NALA) is committed to making sure people with literacy and numeracy difficulties can fully take part in society and that they have access to learning opportunities that meet their needs. Drawing from our strategic plan 2014 - 2016, we aim to provide solutions to improve outcomes for adults with literacy and numeracy difficulties and highlight the value of improved literacy and numeracy skills to Ireland's social and economic development. We do this by working with three groups of people: policy makers, practitioners and the general public, including learners.

Our plan has three main objectives:

- 1) to support implementation of policy
- 2) to improve quality of teaching, learning and information provision
- 3) to build awareness of literacy and numeracy.

**ACHIEVEMENT AND PERFORMANCE**

To advance our objectives in 2015, the following work was carried out:

- We worked with SOLAS and other key stakeholders on the implementation of the first ever further education and training strategy, in particular on its adult literacy strategy.
- We provided support to the Department of Social Protection in order to enhance its work with people who are unemployed and have literacy difficulties.
- We advanced health literacy awareness with health practitioners and agreed literacy-friendly policies with a number of local authorities.
- We supported practitioners in the areas of further education and training to enhance their approach to teaching literacy and numeracy in the curriculum and through the use of blended learning solutions.
- We encouraged people with literacy difficulties to take up free learning opportunities, in particular through our AN POST sponsored advertising campaign.
- We referred thousands of callers to adult literacy and numeracy tuition, including our distance learning service and online learning programme, writeon.ie, to which we added new learning content.
- We asked adult learners to share their thoughts on Plain English, ETB Customer Charters and the planned National Learning Forum.
- We promoted the importance of parents helping their children learn through the broadcast of "The Family Project" and developed and promoted helpmykidlearn.ie as a resource for parents.
- We advanced research in the area of adult literacy.
- We provide a plain English and editing service and promoted the importance of using plain English in government communications.

NALA is funded primarily by SOLAS and also receives additional funding from the EU, from donations and membership subscriptions.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

**PLANS FOR FUTURE PERIODS**

# **NATIONAL ADULT LITERACY AGENCY LIMITED**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2015**

---

NALA plans to continue the activities outlined above in the coming years, subject to satisfactory funding arrangements. We plan to work towards the achievement of the objectives set out in the Strategic Plan 2014 - 2016 by:

- Supporting policy implementation - by working with a range of policy makers concerned with the implementation of Government policy;
- Improving the quality of teaching, learning and information provision- by providing supports to improve the quality of teaching and learning;
- Building awareness of literacy and numeracy - by working with the general public, including learners, to build awareness of the importance of having strong literacy and numeracy skills to more effectively manage their employment, health, family and community life.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk facing the organisation in the coming year is the level of funding it will receive from SOLAS and other sources. In the current economic climate, it is difficult to assess at this stage whether and to what extent funding levels may be cut. The directors are very aware of the possibility of cuts to future funding levels and are reviewing expenditure in order to reduce costs, where possible.

#### **Risk Management**

The Board has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

#### **Health and Safety**

Procedures are in place to ensure the health and safety of staff and visitors.

#### **STRUCTURE , GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

NALA is a charitable company limited by guarantee, incorporated on 8 August 1992. The company was established under a Memorandum of Association that established the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding €1.27 per member of the company. NALA's goals and approaches are guided by its charitable objectives as laid out in these documents.

##### **Recruitment and Appointment of the Board**

NALA is a members-based organisation. Its members are individuals and organisations interested and involved in adult literacy. At the Annual General Meeting members elect a Board that oversees the work.

All members of the Board give their time voluntarily and receive no financial benefits from the charity. Any expenses reclaimed from the charity are detailed in the accounts. The Board seeks to ensure that the needs of learners are appropriately reflected through the diversity of the Board. To enhance the potential pool of the Board members, the charity has sought to identify adult learners who would be willing to become members of NALA and use their own experience to assist the charity.

The more traditional business and educational skills are well represented on the Board.

In an effort to maintain this board skill mix, individuals are approached to offer themselves for election to the Board.

##### **Organisational Structure**

NALA has a Board of up to 14 members who meet eight times a year and are responsible for the strategic direction and policy of the charity. At present, the Board has 14 members from a variety of

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day-to-day responsibility for the provision of the services rest with the CEO. The CEO is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

The directors are committed to maintaining the highest standards of Corporate Governance. At its January 2013 meeting, the Board formally adopted the Governance Code for Community, Voluntary and Charitable Organisations. In line with the Compliance requirements of the Governance Code the directors wish to make the following confirming statement,

*We comply with the Governance Code for community, voluntary and charitable organisations in Ireland. We reviewed our organisation's compliance with the principles in the Code on 3 February 2016. We based this review on an assessment of our organisational practice against the recommended actions for each principle.*

**Board Induction and Training**

New members of the Board are invited and encouraged to attend a training session to familiarise themselves with the charity and the content within which it operates. It covers:

- the obligations of Board members;
- the main documents which set out the operational framework for the charity including the Memorandum and Articles;
- resourcing and the current financial position, as set out in the latest published accounts.
- future plans and objectives.

A document called Functions and Duties of NALA Board and its officers is distributed to all new members of the Board, along with the Memorandum and Articles and the latest financial statements.

The Board has three sub-committees;

- 1) Audit and Finance sub-committee
  - 2) Staff and Policy sub-committee
  - 3) Student sub-committee
- each with their own terms of reference.

**Results and dividends**

The results for the year are set out on page 9.

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**Directors**

The following directors were in office in 2015:

Edwin O'Hora	
Pat Hallinan	(Resigned 21 March 2015)
Mairin Kenny	
Frank Locke	
Laura Foley	
Bernadette Hurley	
Sonia Weafer	
Gretta Vaughan	(Resigned 21 March 2015)
Mary Hilda Cavanagh	
Thomas McManus	
Trevor Moore	
Nuala Glanton	
Theresa Byrne	(Resigned 16 December 2015)
Mary Bambrick	
Olive Phelan	(Appointed 21 March 2015)

**Reserves Level Statement**

The purpose of the reserves policy for NALA is to ensure the stability of the mission, programmes, employment and ongoing operations of the organisation. The reserve is intended to provide an internal source for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. The Board of NALA judges that it needs to have a prudent reserves level that allows it to:

- meet its obligations as an employer by paying redundancy payments to its staff at the statutory minimum level
- continue to implement its activity plans should an important income stream cease unexpectedly or be delayed
- address an appropriate level of liability associated with the lease that it has on its office premises.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.

It takes into account:

- risks associated with each stream of income and expenditure being different from that budgeted
- planned activity level
- the organisation's commitments.

This policy is reviewed every year by the Audit and Finance sub-committee of the Board, or sooner if warranted by internal or external events or changes. Changes to the policy are recommended by the Audit and Finance sub-committee to the Board.

**Accounting Records**

The company's directors are aware of their responsibilities under sections 281 to 285 of the Companies Act 2014 as to whether in their opinion, the accounting records of the company are sufficient to permit the financial statements to be readily and properly audited and are discharging their responsibility by employing experienced staff and ensuring that sufficient company resources are available for the task.

The accounting records are held at the company's registered office Sandford Lodge, Sandford Close, Ranelagh, Dublin 6.



**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**Taxation status**

The company is a registered charity CHY 8506.

**Auditors**

In accordance with the company's articles, a resolution proposing that Browne Murphy & Hughes be reappointed as auditors of the company will be put at a General Meeting.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 that law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council. 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 at the financial year end date and of the surplus or deficit of the company for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements 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, 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 surplus or deficit 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.

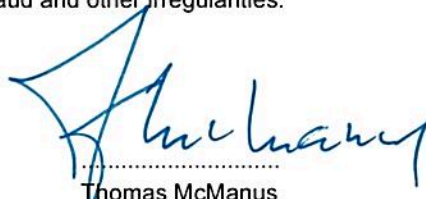
By order of the board



Trevor Moore

Director

15.10.16



Thomas McManus

Director



**NATIONAL ADULT LITERACY AGENCY LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S 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 2015 set out on pages 8 to 19. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

This report is made solely to the 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 we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. 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.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company'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. 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.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities and financial position of the company as at 31 December 2015 and of its deficit for the year then ended; and
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and, in particular, the requirements of the Companies Act 2014.

**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.

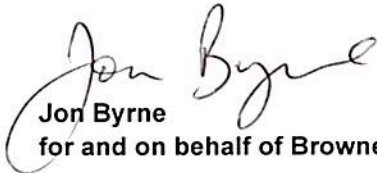
**NATIONAL ADULT LITERACY AGENCY LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF NATIONAL ADULT LITERACY AGENCY LIMITED**

---

**Matters on which we are required to report by exception**

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of director's remuneration and transactions specified by sections 305 to 312 of the Act are not made.



Jon Byrne

for and on behalf of Browne Murphy & Hughes

15/03/16

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 2015**

		2015 €	2015 €	€	2014 €
		Restricted Funds €	Unrestricted Funds €	Total Funds €	Total Funds €
	Notes				
<b>Incoming Resources</b>					
Voluntary Income	3	152,041	1,905,109	2,057,150	1,937,176
Investment Income		-	981	981	4,385
		<u>152,041</u>	<u>1,906,090</u>	<u>2,058,131</u>	<u>1,941,561</u>
<b>Resources Expended</b>					
Charitable Activities		(22,041)	(1,763,274)	(1,785,315)	(1,701,365)
Management, Admin & Governance Costs		(130,000)	(157,177)	(287,177)	(260,290)
<b>Total Resources Expended</b>		<u>(152,041)</u>	<u>(1,920,451)</u>	<u>(2,072,492)</u>	<u>(1,961,655)</u>
Deficit for the financial year	13	-	(14,361)	(14,361)	(20,094)
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>(14,361)</u>	<u>(14,361)</u>	<u>(20,094)</u>

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Notes	2015 €	€	2014 €	€
<b>Fixed assets</b>					
Tangible assets	7		12,338		8,072
<b>Current assets</b>					
Stocks		4,906		19,435	
Debtors	9	70,247		46,389	
Cash at bank and in hand		500,051		528,135	
		<u>575,204</u>		<u>593,959</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(83,645)</u>		<u>(81,412)</u>	
Net current assets			491,559		512,547
<b>Total assets less current liabilities</b>			503,897		520,619
<b>Accruals and deferred income</b>			(8,888)		(11,249)
<b>Net assets</b>			<u>495,009</u>		<u>509,370</u>
<b>Reserves</b>					
Unrestricted Funds	13		495,009		509,370

The financial statements were approved by the board of directors and authorised for issue on 15/03/16 and are signed on its behalf by:



Thomas McManus  
 Director



Trevor Moore  
 Director

Company Registration No. 342807

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 €	€	2014 €	€
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	16		(17,707)		(102,492)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(11,358)		(4,205)	
Interest received		981		4,385	
<b>Net cash (used in)/generated from investing activities</b>			(10,377)		180
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(28,084)		(102,312)
Cash and cash equivalents at beginning of year			528,135		630,447
<b>Cash and cash equivalents at end of year</b>			500,051		528,135



**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1 Accounting policies**

**Company information**

National Adult Literacy Agency Limited is a limited company domiciled and incorporated in Eire. The registered office is Sandford Lodge, Sandford Close, Ranelagh, Dublin 6.

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention. The financial statements are also prepared to comply with "Accounting and Reporting by Charities"(Charities SORP), the revised statement of recommended practice issued by the Accounting Standards Board in 2000 and revised in 2015.

These financial statements for the year ended 31 December 2015 are the first financial statements of National Adult Literacy Agency Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1st January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

**1.2 Income and expenditure**

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

**1.3 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**1.4 Impairment of fixed assets**

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1 Accounting policies**

**(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.5 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**1.6 Cash and cash equivalents**

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

**1.7 Financial assets**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through surplus or deficit are measured at fair value.

***Loans and receivables***

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.



**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1 Accounting policies**

**(Continued)**

**1.8 Financial liabilities**

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through surplus or deficit are measured at fair value.

**1.9 Taxation**

The company has obtained exemption from the Revenue Commissioners in respect of corporation tax, it being a company not carrying on a business for the purposes of making a profit. DIRT tax is payable on any interest income received in excess of €32.

**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

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.

**1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.13 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.

**2 Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**3 Income/Service charges**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in Eire.

**Government Grants**

		2015 Restricted Funds	2015 Unrestricted Funds	2014 Total Funds
Solas	Core Grant		1,478,467	1,556,400
	Special Allocation		175,275	-
	Rent Grant	130,000		130,000
LMETF Income		1,000		42,245
		<b>131,000</b>	<b>1,653,742</b>	<b>1,728,645</b>

**Voluntary Income  
Other Income**

		2015 Restricted Funds	2015 Unrestricted Funds	2014 Total Funds
Membership Fees			18,495	13,789
Conference Fees			5,790	5,280
Miscellaneous			65	341
EU Learning Fund		12,541		40,000
EBS Deferred 2013				15,806
Solas Training				9,720
HSE Funding		8,500	-	
EU Projects			5,019	13,791
Plain English			99,609	95,101
Literacy Advisory Service & Training			800	6,034
Donations			4,230	5,346
The Wheel			1,628	-
PIACC Research			33,000	-
Plain English Conference Income			80,290	-
Resource Room			2,441	3,323
		<b>21,041</b>	<b>251,367</b>	<b>208,531</b>
<b>TOTAL</b>		<b>152,041</b>	<b>1,905,109</b>	<b>1,937,176</b>

**4 Operating deficit**

**2015**                      **2014**  
**€**                                      **€**

Operating deficit for the year is stated after charging/(crediting):

Fees payable to the company's auditors for the audit of the company's financial statements	9,225	9,225
Depreciation of tangible fixed assets	7,092	9,023
	<u>          </u>	<u>          </u>

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Total	29	30
	<u>          </u>	<u>          </u>
	<b>2015</b>	<b>2014</b>
	<b>€</b>	<b>€</b>
Wages and salaries	1,069,145	1,095,815
Pension costs	51,521	57,112
	<u>          </u>	<u>          </u>
	<u>1,120,666</u>	<u>1,152,927</u>

The number of employees whose remuneration was greater than €60,000 is 2 (2014: 2).  
This is broken down as follows:

	<b>2015</b>	<b>2014</b>
€60,000 to €70,000	-	-
€70,001 to €80,000	1	1
€80,001 to €90,000	-	-
€90,001 to €100,000	1	1

The directors did not receive any remuneration during the year and vouched expenses to attend board meetings were provided.

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>6</b>	<b>Interest receivable and similar income</b>	<b>2015</b>	<b>2014</b>
		€	€
	Other interest receivable and similar income	981	4,385
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Tangible fixed assets</b>		
	<i>Current financial year</i>		<b>Office Equipment</b>
			€
	<b>Cost</b>		
	At 1 January 2015		141,674
	Additions		11,362
	Disposals		(9,414)
			<u>          </u>
	At 31 December 2015		143,622
			<u>          </u>
	<b>Depreciation and impairment</b>		
	At 1 January 2015		133,606
	Depreciation charged in the year		7,092
	Eliminated in respect of disposals		(9,414)
			<u>          </u>
	At 31 December 2015		131,284
			<u>          </u>
	<b>Carrying amount</b>		
	At 31 December 2015		12,338
			<u>          </u>
	At 31 December 2014		8,072
			<u>          </u>

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>7</b>	<b>Tangible fixed assets</b>	<b>(Continued)</b>	
	<i>Prior financial year</i>	<b>Office Equipment</b>	
			<b>€</b>
	<b>Cost</b>		
	At 1 January 2014		137,473
	Additions		4,205
	At 31 December 2014		<u>141,678</u>
	<b>Depreciation and impairment</b>		
	At 1 January 2014		124,583
	Depreciation charged in the year		9,023
	At 31 December 2014		<u>133,606</u>
	<b>Carrying amount</b>		
	At 31 December 2014		<u>8,072</u>
	At 31 December 2013		<u><u>12,890</u></u>
<b>8</b>	<b>Financial instruments</b>	<b>2015</b>	<b>2014</b>
		<b>€</b>	<b>€</b>
	<b>Carrying amount of financial assets</b>		
	Debt instruments measured at amortised cost	536,889	556,575
		<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>		
	Measured at amortised cost	58,036	50,351
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>
		<b>€</b>	<b>€</b>
	<b>Amounts falling due within one year:</b>		
	Trade Debtors	36,838	28,440
	Other debtors	33,409	17,949
		<u>          </u>	<u>          </u>
		<u>70,247</u>	<u>46,389</u>

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**10 Creditors: amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>€</b>	<b>€</b>
Other taxation and social security	25,609	31,061
Trade creditors	37,209	23,014
Other creditors	20,827	27,337
	<u>83,645</u>	<u>81,412</u>
	<u><u>83,645</u></u>	<u><u>81,412</u></u>

**11 Deferred Income**

	<b>2015</b>	<b>2014</b>
	<b>€</b>	<b>€</b>
Other deferred income	8,888	11,249
	<u>8,888</u>	<u>11,249</u>
	<u><u>8,888</u></u>	<u><u>11,249</u></u>

Deferred income is included in the financial statements as follows:

	<b>2015</b>	<b>2014</b>
	<b>€</b>	<b>€</b>
Non-current liabilities	8,888	11,249
	<u>8,888</u>	<u>11,249</u>
	<u><u>8,888</u></u>	<u><u>11,249</u></u>

**12 Members' liability**

The company is limited by guarantee, not having 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 €1.27.

**NATIONAL ADULT LITERACY AGENCY LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**13 Reserves**

	2015 €	2014 €
At beginning of year	509,370	529,464
Deficit for the year	(14,361)	(20,094)
At end of year	<u>495,009</u>	<u>509,370</u>

**14 Operating lease commitments**

**Lessee**

The company has a lease of nine years and eleven months relating to its business premises at Sandford Lodge, Sandford Close, Ranelagh, Dublin 6. There are 17 months remaining on this lease and the total remaining obligations under this lease total €177,152.

**15 Related party transactions**

There were no related party transactions during the year which are required to be disclosed.

**16 Cash generated from operations**

	2015 €	2014 €
Deficit for the year	(14,361)	(20,094)
<b>Adjustments for:</b>		
Investment income recognised in surplus or deficit	(981)	(4,385)
Depreciation and impairment of tangible fixed assets	7,092	9,023
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	14,529	(10,325)
(Increase) in debtors	(23,858)	(2,760)
Increase/(decrease) in creditors	2,233	(46,151)
(Decrease) in deferred income	(2,361)	(27,800)
<b>Cash absorbed by operations</b>	<u>(17,707)</u>	<u>(102,492)</u>