

NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

Directors Sonia Weafer
Thomas McManus
Trevor Moore
Mary Bambrick
Olive Phelan
Denis Foley
Sandra Nicholson
Liam Ahearn
Louise Canavan
Nuala Glanton
Patricia Ayton (Appointed 08/02/2017)
Lee Mitchell (Appointed 01/04/2017)
Ann Nicholas (Appointed 01/04/2017)
Maria O'Gorman (Appointed 01/04/2017)

Secretary Sonia Weafer

Company number 342807

CHY number 8506

CRA number 20020965

Registered office Sandford Lodge,
Sandford Close,
Ranelagh,
Dublin 6.

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

Business address Sandford Lodge
Sandford Close
Ranelagh
Dublin 6.

Bankers 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
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION**

Solicitors

Richard Black Solicitors,
Beechfield House,
Clonee,
Dublin 15.

NATIONAL ADULT LITERACY AGENCY (A COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their annual report and financial statements for the year ended 31 December 2017.

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 2017 - 2019, 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 strategic plan has three objectives:

- 1) Build awareness of the importance of literacy for a more inclusive Ireland
- 2) Lead innovation in the teaching and learning of adult literacy, numeracy and basic digital skills
- 3) Seek further investment in raising adult literacy levels in Ireland.

ACHIEVEMENT AND PERFORMANCE IN 2017

Build awareness of the importance of literacy for a more inclusive Ireland

- our information Helpline referred over 800 callers to adult education services, including ETB Adult Education Centres and NALA's Distance Learning Service
- 878 information packs were sent to individuals seeking details of learning or tutoring opportunities
- Two in three people who experience literacy difficulties reported seeing our new national awareness campaign, "take the first step"
- 81 mentions of literacy issues and services in national and regional papers and trade publications
- 30,000 promotional leaflets and 2,400 posters were distributed nationally through ETBs and at awareness raising events
- We worked with 4 local authorities to improve their communications
- 5,000 people visited simplyput.ie - our plain English website
- 1,000 people received our plain English training

Lead innovation in the teaching and learning of adult literacy, numeracy and basic digital skills.

- 919 people got QQI accreditation through our Distance Learning Service (writeon.ie) achieving 3,081 level 2 minor awards and 575 level 3 minor awards
- 1,418 students from 64 ETB centres took part in learning activities funded by our Student Development Fund and gave feedback on their learning experiences
- 174 people attended our student days in Dublin and Kilkenny and discussed their learning needs
- 93 tutors from 30 different adult education centres received training on how to use writeon.ie
- 530 people attended our professional development events on ESOL, numeracy, TEL
- Our promotional videos for our professional development events received 452 views
- 10 tutors worksheets were shared through our e-zine, and they were clicked on over 1,500 times
- 136 FET professionals took part in our integrating literacy workshops
- 178,000 people used helpmykidlearn.ie to support their children's learning

NATIONAL ADULT LITERACY AGENCY (A COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Seek further investment in raising adult literacy levels in Ireland

- We prepared a background paper to establish the baseline investment and output in adult literacy, numeracy and basic digital skills
- We designed an inquiry based approach to inform a new campaign for wider investment in raising adult, literacy, numeracy and digital skills.

NALA is funded primarily by SOLAS and also receives additional funding 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

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 2017 - 2019 by:

- Building awareness of the importance of literacy for a more inclusive Ireland;
- Leading innovation in the teaching and learning of adult literacy, numeracy and basic digital skills;
- Seeking further investment in raising adult literacy and numeracy levels in Ireland.

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. A new Constitution pursuant to the Companies Act 2014 was adopted on the 16th April 2016.

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 its' Constitution.

NATIONAL ADULT LITERACY AGENCY (A COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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 Directors who meet eight times a year and are responsible for the strategic direction and policy of the charity. At present, the Board has 12 Directors from a variety of 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 2017. 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.

**NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Results and dividends

The results for the year are set out on page 8.

Directors

The following Directors were in office in 2017:

Sonia Weafer	
Thomas McManus	
Trevor Moore	
Mary Bambrick	
Olive Phelan	
Denis Foley	
Sandra Nicholson	
Liam Ahearn	
Louise Canavan	
Nuala Glanton	
Edwin O'Hora	(Resigned 01/04/17)
Laura Foley	(Resigned 01/04/17)
Billy Molloy	(Resigned 08/02/17)
Patricia Ayton	(Appointed 08/02/17)
Lee Mitchell	(Appointed 01/04/17)
Ann Nicholas	(Appointed 01/04/17)
Maria O'Gorman	(Appointed 01/04/17)

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 cost associated with maintaining an 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.

**NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

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 auditor 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.

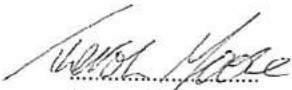
Irish company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial 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



Thomas McManus
Director

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

TO THE MEMBERS OF NATIONAL ADULT LITERACY AGENCY

Opinion

We have audited the financial statements of National Adult Literacy Agency (the 'company') for the year ended 31 December 2017 which comprise the Income and Expenditure Account, the Statement Of Financial Position and the related notes. 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*.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 required to report that fact.

We have nothing to report in this regard.

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

TO THE MEMBERS OF NATIONAL ADULT LITERACY AGENCY

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that in our opinion:

- the information given in the Directors' Report is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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, and the financial statements are in agreement with the accounting records.

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.

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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

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.

Jon Byrne

for and on behalf of Browne Murphy & Hughes

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

NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

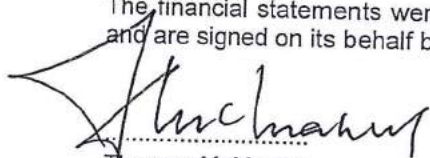
		2017 €	2017 €	€	2016 €
		Restricted Funds €	Unrestricted Funds €	Total Funds €	Total Funds €
	Notes				
Incoming Resources					
Voluntary Income	2	1,858,000	248,884	2,106,884	2,119,328
Investment Income		-	287	287	395
		<u>1,858,000</u>	<u>249,171</u>	<u>2,107,171</u>	<u>2,119,723</u>
Resources Expended					
Charitable Activities		(1,561,620)	(124,530)	(1,686,150)	(1,763,219)
Management, Admin & Governance Costs		(302,238)	(112,844)	(415,082)	(363,974)
Total Resources Expended		<u>(1,863,858)</u>	<u>(237,374)</u>	<u>(2,101,232)</u>	<u>(2,127,193)</u>
Surplus/(deficit) for the financial year	12	<u>(5,858)</u>	<u>11,797</u>	<u>5,939</u>	<u>(7,470)</u>
Total comprehensive income for the year		<u><u>(5,858)</u></u>	<u><u>11,797</u></u>	<u><u>5,939</u></u>	<u><u>(7,470)</u></u>

**NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2017

	Notes	2017 €	€	2016 €	€
Fixed assets					
Tangible assets	5		14,583		9,211
Current assets					
Stocks	6	2,905		3,205	
Debtors	8	77,715		68,759	
Cash at bank and in hand		521,726		507,616	
		<u>602,346</u>		<u>579,580</u>	
Creditors: amounts falling due within one year	9	(114,093)		(83,955)	
Net current assets			<u>488,253</u>		<u>495,625</u>
Total assets less current liabilities			<u>502,836</u>		<u>504,836</u>
Accruals and deferred income			(9,358)		(17,297)
Net assets			<u>493,478</u>		<u>487,539</u>
Reserves					
Unrestricted Funds	12		<u>493,478</u>		<u>487,539</u>

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


Thomas McManus
Director


Trevor Moore
Director

Company Registration No. 342807

**NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1 Accounting policies

Company information

National Adult Literacy Agency 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 and in accordance with FRS 102 as adapted for Section 1A. 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.

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 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 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 credited or charged to surplus or deficit.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and 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.

1.8 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

Loans and receivables

Trade debtors 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.

1.9 Financial liabilities

Basic financial liabilities, including creditors are classified as debt, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.10 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.

NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.11 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.

1.12 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.

1.13 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.

1.14 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
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

2 Income

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

	2017 Restricted Funds €	2017 Unrestricted Funds €	2016 Total Funds €
Solas Core Grant	1,700,000	-	1,489,611
Solas National Awareness Campaign	158,000	-	214,183
Solas Writeon	-	-	203,987
Health Literacy	-	13,251	17,032
Eirgrid	-	20,050	56,700
Plain English	-	154,884	98,784
Health MSD	-	6,000	-
EU Projects	-	2,377	-
The Wheel	-	-	5,475
Donations	-	12,541	3,230
Miscellaneous Income	-	4,565	37
Membership Fees	-	24,505	21,800
Training	-	4,365	3,760
Conference Fees	-	5,870	6,858
Resource Room		476	(2,129)
	<u>1,858,000</u>	<u>248,884</u>	<u>2,119,328</u>

3 Operating surplus/(deficit)

	2017 €	2016 €
Operating surplus/(deficit) for the year is stated after charging/(crediting):		
Depreciation of tangible fixed assets	<u>7,115</u>	<u>5,767</u>

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4 Employees

The average monthly number of persons employed by the company during the year was 28 (2016 - 26).

	2017	2016
	Number	Number
Total	28	26
	<u>28</u>	<u>26</u>
	2017	2016
	€	€
Wages and salaries	1,045,260	1,015,914
Pension costs	48,890	47,356
	<u>1,094,150</u>	<u>1,063,270</u>
	<u>1,094,150</u>	<u>1,063,270</u>

The number of employees whose remuneration was greater than €60,000 is 2 (2016: 2).
This is broken down as follows:

	2017	2016
€60,000 to €70,000	1	1
€70,001 to €80,000	-	-
€80,001 to €90,000	-	-
€90,001 to €100,000	1	1

The above relates to the key management personnel of the organisation.

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5 Tangible fixed assets

	Office Equipment	Fixtures, fittings & equipment	Total
	€	€	€
Cost			
At 1 January 2017	116,360	29,902	146,262
Additions	12,487	-	12,487
At 31 December 2017	<u>128,847</u>	<u>29,902</u>	<u>158,749</u>
Depreciation and impairment			
At 1 January 2017	109,096	27,955	137,051
Depreciation charged in the year	6,142	973	7,115
At 31 December 2017	<u>115,238</u>	<u>28,928</u>	<u>144,166</u>
Carrying amount			
At 31 December 2017	<u>13,609</u>	<u>974</u>	<u>14,583</u>
At 31 December 2016	<u>7,264</u>	<u>1,947</u>	<u>9,211</u>

6 Stocks

	2017 €	2016 €
Raw materials and consumables	<u>2,905</u>	<u>3,205</u>

The replacement cost of stock is not materially different to the balance sheet values.

7 Financial instruments

	2017 €	2016 €
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>557,009</u>	<u>572,960</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>57,659</u>	<u>14,340</u>

8 Debtors

Amounts falling due within one year:	2017 €	2016 €
Trade Debtors	29,531	60,928
Other debtors	48,184	7,831
	<u>77,715</u>	<u>68,759</u>

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9 Creditors: amounts falling due within one year

	2017	2016
	€	€
Trade creditors	53,467	9,423
Other creditors including tax and social insurance	31,958	34,096
Accruals	28,668	40,436
	<u>114,093</u>	<u>83,955</u>

10 Deferred Income

	2017	2016
	€	€
Other deferred income	9,358	17,297
	<u>9,358</u>	<u>17,297</u>

Deferred income is included in the financial statements as follows:

	2017	2016
	€	€
Non-current liabilities	9,358	17,297
	<u>9,358</u>	<u>17,297</u>

11 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.

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12 Income and expenditure account

	2017	2016
	€	€
At beginning of year	487,539	495,009
Surplus/(deficit) for the year	5,939	(7,470)
At end of year	<u>493,478</u>	<u>487,539</u>

13 Related party transactions

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

14 Control

The company is controlled by the board of directors.

15 Approval of financial statements

The directors approved the financial statements on the