

Company Registration No. 342807 (Republic of Ireland)

NATIONAL ADULT LITERACY AGENCY

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

Directors	Sonia Weafer Anna Tuohy Halligan David Heylin Mary Bambrick Olive Phelan Kevin Kelly Noel Phelan Sinead Ryan Louise Canavan Nuala Glanton Patricia Ayton Lee Mitchell Hazel Cryan Maria O'Gorman Ann Nicholas	(Appointed on 12/12/2018)
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 & Statutory 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) DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

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 2018

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

- our information Helpline referred over 1,000 callers to adult education services, including ETB Adult Education Centres and NALA's Distance Learning Service
- 750 information packs were sent to individuals seeking details of learning or tutoring opportunities
- Three in four people who experience literacy difficulties reported seeing our national awareness campaign, "take the first step"
- 10 national media interviews with students secured
- 1,600 posters were distributed nationally through ETBs and at awareness raising events
- 5,000 people visited simplyput.ie - our plain English website
- 1,400 people received our plain English training

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

- 1,001 people got QQI accreditation through our Distance Learning Service (writeon.ie) achieving 2,796 level 2 minor awards and 548 level 3 minor awards
- 1,840 students from ETB centres took part in learning activities funded by our Student Development Fund and gave feedback on their learning experiences
- 163 people attended our student days in Dublin and Galway and discussed their learning needs
- conducted research with learners and practitioners
- 1,663 people attended our professional development training and events on ESOL, numeracy, TEL
- Our promotional videos for our professional development events received 1,100 views
- 10 tutors worksheets were shared through our e-zine, and they were clicked on over 1,500 times
- we began development of writeon.ie 2
- 200,000 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 2018**

Seek further investment in raising adult literacy levels in Ireland

- we commissioned research papers to inform the development of a new strategy for raising adult literacy levels
- we met with over 40 TDs and Senators to build support for a new strategy for adult literacy

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 2018**

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 Constitution;
- 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 Constitution 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 2018**

Results and dividends

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

Directors

The following Directors were in office in 2018:

Sonia Weafer	
Thomas McManus	(Resigned on 14/04/2018)
Trevor Moore	(Resigned on 14/04/2018)
Mary Bambrick	
Olive Phelan	
Denis Foley	(Resigned on 14/04/2018)
Sandra Nicholson	(Resigned on 14/04/2018)
Liam Ahearn	(Resigned on 14/04/2018)
Louise Canavan	
Nuala Glanton	
Sinead Ryan	(Appointed on 07/02/2018)
David Heylin	(Appointed on 07/02/2018)
Noel Phelan	(Appointed on 14/04/2018)
Kevin Kelly	(Appointed on 14/04/2018)
Anna Tuohy Halligan	(Appointed on 26/06/2018)
Patricia Ayton	
Lee Mitchell	
Ann Nicholas	(Resigned on 03/01/2019)
Maria O'Gorman	
Hazel Cryan	(Appointed on 12/12/2018)

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 2018**

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.

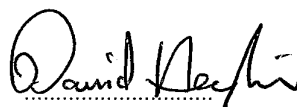
By order of the board



Nuala Glanton

Director

28/02/2019



David Heylin

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 2018 which comprise the Income and Expenditure Account, the Statement Of Financial Position, the Statement of Changes in Equity 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 2018 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 directors' 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.

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

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

28/02/2019

Chartered & Certified Accountants
& Statutory 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 2018

		2018 €	2018 €	€	2017 €
		Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	Notes	€	€	€	€
Incoming Resources					
Voluntary Income	2	1,923,440	182,241	2,105,681	2,106,884
Investment Income		-	18,095	18,095	287
		<u>1,923,440</u>	<u>200,336</u>	<u>2,123,776</u>	<u>2,107,171</u>
Resources Expended					
Charitable Activities		(1,524,090)	(149,456)	(1,673,546)	(1,686,150)
Management, Admin & Governance Costs		(350,245)	(40,924)	(391,169)	(415,082)
		<u>(1,874,335)</u>	<u>(190,380)</u>	<u>(2,064,715)</u>	<u>(2,101,232)</u>
Total Resources Expended					
Surplus for the financial year	12	<u>49,105</u>	<u>9,956</u>	<u>59,061</u>	<u>5,939</u>
Total comprehensive income for the year		<u><u>49,105</u></u>	<u><u>9,956</u></u>	<u><u>59,061</u></u>	<u><u>5,939</u></u>

NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

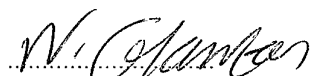
	Income and expenditure €
Balance at 1 January 2017	487,539
Year ended 31 December 2017:	
Surplus and total comprehensive income for the year	5,939
Balance at 31 December 2017	493,478
Year ended 31 December 2018:	
Surplus and total comprehensive income for the year	59,061
Balance at 31 December 2018	552,539

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

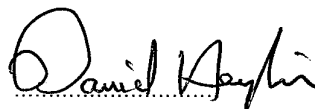
AS AT 31 DECEMBER 2018

	Notes	2018 €	€	2017 €	€
Fixed assets					
Intangible assets	5	91,836		-	
Tangible assets	6	19,288		14,583	
		<u>111,124</u>		<u>14,583</u>	
Current assets					
Stocks	7	2,276		2,905	
Debtors	9	42,057		77,715	
Cash at bank and in hand		523,599		521,726	
		<u>567,932</u>		<u>602,346</u>	
Creditors: amounts falling due within one year	10	(126,517)		(123,451)	
Net current assets		<u>441,415</u>		<u>478,895</u>	
Total assets less current liabilities		<u>552,539</u>		<u>493,478</u>	
Reserves					
Unrestricted Funds	12	<u>552,539</u>		<u>493,478</u>	

The financial statements were approved by the board of directors and authorised for issue on 28/02/2019 and are signed on its behalf by:



Nuala Glanton
Director



David Heylin
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 2018

1 Accounting policies

Company information

National Adult Literacy Agency is a limited company domiciled and incorporated in Republic of Ireland. 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 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Website development	25% Straight Line
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1.5 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.

NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

1.7 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.

1.8 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.

1.9 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 cost.

1.10 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.

NATIONAL ADULT LITERACY AGENCY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.11 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.

1.12 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.

1.13 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.

1.14 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.

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2 Income

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

		2018	2018	2017
		Restricted	Unrestricted	Total
		Funds	Funds	Funds
		€	€	€
Solas Core Grant		1,480,000	-	1,700,000
Solas National Awareness Campaign		160,000	-	158,000
Solas Writeon		260,000	-	-
Solas Family Literacy - received during the year	30,000			
Less: Grant deferred	(14,350)			
		15,650	-	-
Solas Disability - received during the year	30,000			
Less: Grant deferred	(30,000)			
		-	-	-
EU ERASMUS Grant - received during the year	12,600			
Less: Grant deferred	(4,810)			
		7,790	-	-
Health Literacy		-	-	13,251
Eirgrid		-	-	20,050
Plain English		-	120,155	154,884
Health MSD		-	8,600	6,000
EU Projects		-	-	2,377
The Wheel		-	-	-
Donations		-	10,202	12,541
Miscellaneous Income		-	2,784	4,565
Well Now		-	9,987	-
An Post and Bank Interest		-	18,095	-
Membership Fees		-	24,188	24,505
Training		-	-	4,365
Conference Fees		-	6,805	5,870
Resource Room		-	(480)	476
		<u>1,923,440</u>	<u>200,336</u>	<u>2,106,884</u>

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3 Operating surplus

	2018	2017
	€	€
Operating surplus for the year is stated after charging:		
Depreciation of owned tangible fixed assets	8,241	7,115

4 Employees

The average monthly number of persons employed by the company during the year was 30 (2017 - 28).

	2018	2017
	Number	Number
Total	30	28

	2018	2017
	€	€
Wages and salaries	1,106,019	1,045,260
Pension costs	49,716	48,890
	1,155,735	1,094,150

The number of employees whose remuneration was greater than €60,000 is 2 (2017: 2).

This is broken down as follows:

	2018	2017
€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 Intangible fixed assets

	Website development €
Cost	
At 1 January 2018	-
Additions	91,836
	<u>91,836</u>
At 31 December 2018	<u>91,836</u>
Amortisation and impairment	
At 1 January 2018 and 31 December 2018	-
	<u>-</u>
Carrying amount	
At 31 December 2018	91,836
	<u>91,836</u>
At 31 December 2017	<u>-</u>

6 Tangible fixed assets

	Office Equipment €	Fixtures, fittings & equipment €	Total €
Cost			
At 1 January 2018	128,847	29,902	158,749
Additions	12,945	-	12,945
	<u>141,792</u>	<u>29,902</u>	<u>171,694</u>
At 31 December 2018	<u>141,792</u>	<u>29,902</u>	<u>171,694</u>
Depreciation and impairment			
At 1 January 2018	115,238	28,927	144,165
Depreciation charged in the year	7,268	973	8,241
	<u>122,506</u>	<u>29,900</u>	<u>152,406</u>
At 31 December 2018	<u>122,506</u>	<u>29,900</u>	<u>152,406</u>
Carrying amount			
At 31 December 2018	19,286	2	19,288
	<u>19,286</u>	<u>2</u>	<u>19,288</u>
At 31 December 2017	<u>13,609</u>	<u>974</u>	<u>14,583</u>

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7 Stocks

	2018	2017
	€	€
Raw materials and consumables	2,276	2,905

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

8 Financial instruments

	2018	2017
	€	€
Carrying amount of financial assets		
Debt instruments measured at amortised cost	556,764	557,009
Carrying amount of financial liabilities		
Measured at amortised cost	74,689	67,017

9 Debtors

	2018	2017
	€	€
Amounts falling due within one year:		
Trade Debtors	28,354	29,531
Other debtors	13,703	48,184
	42,057	77,715

10 Creditors: amounts falling due within one year

	2018	2017
	€	€
Trade creditors	3,644	53,467
Other creditors including tax and social insurance	99,923	41,316
Accruals	22,950	28,668
	126,517	123,451

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

	2018	2017
	€	€
At the beginning of the year	493,478	487,539
Surplus for the year	59,061	5,939
At the end of the year	<u>552,539</u>	<u>493,478</u>

13 Operating lease commitments

Lessee

The company has a lease of ten years relating to its business premises at Sandford Lodge, Sandford Close, Ranelagh, Dublin 6. There are eight years and seven months remaining on this lease and the total remaining obligations under this lease total €944,167.

14 Related party transactions

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

15 Control

The company is controlled by the board of directors.

16 Approval of financial statements

The directors approved the financial statements on the 28/02/2019.