

THE SHANTY EDUCATIONAL PROJECT LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st, 2012

Registered No. 131383

THE SHANTY EDUCATIONAL PROJECT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS for the year ended December 31st, 2012

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THE SHANTY EDUCATIONAL PROJECT LIMITED

COMPANY INFORMATION

DIRECTORS

Eileen Durkan
William Roche
Brenda O'Malley Farrell
Ellie Madden
Catherine Maunsell
Anna Durkan
Catherine Burke-Kennedy
Maura McGrath
Maureen Lynott
John Flavin
Emanuel Anifowose (Appointed March 2013)
Niamh Byrne (Appointed March 2013)
Gillian McWilliams (Appointed March 2013)
Olive Phelan (Appointed March 2013)
Joyce Cahill (Resigned April 2012)
Jennifer Nolan (Resigned November 2012)
Ann Louise Gilligan (Resigned October 2012)
Katherine Zappone (Resigned October 2012)
Ruth Molloy (Resigned March 2012)

SECRETARY

Anna Durkan (Appointed April 2012)
Joyce Cahill (Resigned April 2012)

REGISTERED OFFICE

Kiltalown Village Centre,
Fortunestown Road,
Jobstown,
Tallaght,
Dublin 24.

BANKERS

Bank of Ireland,
Donnybrook,
Dublin 4.

AIB Bank plc,
Main Street,
Tallaght,
Dublin 24.

AUDITORS

Reardon & Company,
Chartered Accountants &
Registered Auditors,
23 The Crescent,
Monkstown,
Co. Dublin.

SOLICITORS

Brophy Solicitors,
38-40 Parliament Street,
Dublin 2.

AN COSÁN THE SHANTY EDUCATIONAL PROJECT LTD

CHIEF EXECUTIVE'S REPORT FOR THE 12 MONTH PERIOD ENDED DECEMBER 2012

1. INTRODUCTION

These financial statements cover the 26th year of The Shanty Educational Project Limited, and our 13th year in An Cosán. It has been a year characterised by both challenge and opportunity.

Once again very significant challenges faced the organisation in 2012. We started the year with great uncertainty regarding income: unknown cuts across all national funding lines, fewer grant opportunities and limited cash reserves. National budgetary constraints implemented by Government in response to the economic crisis, continued to have a serious negative impact on this organisation and the entire community sector. All State multi annual programme grants were cut. Despite the apparent importance of education and training programmes as part of the economic recovery, it was increasingly difficult to access funding to deliver such programmes. When grants for programmes were made, they were woefully inadequate. Social Researcher, Brian Harvey, suggests that the investment of the State in the community and voluntary sector is repaid threefold; in 2010 the investment was €1.89 billion, while the return to the economy was €6.5 billion. Research conducted by Aontas for the Department of Education & Skills and The Centre for Non-Profit Management in Trinity College, also indicates a significant range of returns on State investment in the sector. In the light of the current economic crisis, it makes sense to ensure adequate investment is made in organisations offering innovative cost effective solutions to the challenges faced by families and communities struggling with poverty.

Our financial statements are showing a deficit of (€3,524) which represents a significant reduction in losses accumulated over the past few years. This break even position has been primarily due to the implementation of staff pay cuts and re-structuring strategies within the organisation. Demand for our services has increased considerably and this creates particular challenges for our organisation where there is little or no access to state funding to adequately support infrastructure and overheads. We have received significant reductions in state funding and the cessation of complete programme funding lines. It is essential that multi-annual core funding be available for organisations in the voluntary sector such as An Cosán and we are committed to work to secure such funding. The operating profit before depreciation is €94,956 but the depreciation charge of €98,480 reduces that profit to an operating loss of (€3,524), this clearly indicates that even in difficult times we have still managed our finances prudently despite the challenge of generating sufficient income to meet our running costs. In common with all other charities in the community and voluntary sector our financial status is key. Good financial management, transparency and accountability are essential for all organisations in the sector and these are acknowledged attributes of An Cosán.

Undaunted by the recession, we continued to implement our current strategic plan, developed one strategy to scale the impact of An Cosán, developed another strategy to diversify our sources of funding, and reviewed and restructured the organisation. A key focus for the year was on ensuring we continued to maintain all our services to the local community of Tallaght West. As is clear from these accounts, our income decreased due to funding cuts and completion of a number of grant aided programmes, this was matched with decreased expenditure. There were limited opportunities to access new funds from both the State and the private sector due to the decline in the economy. We are committed to, and are implementing whatever measures are required to maintain our financial sustainability. We have only been able to maintain our services due to the generosity of staff across the organisation who willingly accepted further pay cuts and unpaid leave. This flexibility and generosity of spirit by all staff has been instrumental in sustaining the organisation in 2012 and illustrates our commitment to continue to serve the four communities of Tallaght West. The cuts to income for all our programmes created ongoing pressure on some services, our adult education services in particular. However, we continued to withstand the recession with a careful balance of attention to both resources and services. We

recognise that in these challenging days, individuals, organisations and communities have to contribute to the national response to the economic crisis.

In the light of the increased demands for our services it is essential that current levels of funding remain available for organisations in the community sector such as An Cosán, who work at the coal face supporting individuals and the community to adapt to, and manage the new economic circumstances people find themselves in.

The bedrock of this organisation is the commitment of very many people making a difference in the lives of the children, women and men of the community of Tallaght West. Volunteer commitment has always been the heart of the organisation's ethos and remains so. Our voluntary Board of Directors is an inspiring partnership of individuals from within and outside the community; together we identify and guide the organisation's strategic direction. Alongside a Board of 16 Directors there are over 40 other volunteers working at every level in the organisation. A core characteristic of An Cosán is that strong volunteer cohort who work alongside our staff; to support the most vulnerable in the community to take the first steps back into education and on to diverse educational progression paths.

We have a dedicated, professional staff who work consistently to the highest standards, to provide our daily services. The staff, through their unique individual contribution, create a more inclusive, just and prosperous society. Our sustainability is built on the quality of the services we provide which are underpinned by three key elements; the quality of our relationship with our national partners in government and other funders, the quality of our Board of Directors and the quality of our staff and leadership team. An Cosán is committed to ensuring that quality is a hallmark of the organisation and all we aspire to do.

2. FINANCE AND FUNDRAISING

Fundraising Activities

This year we had highly successful fundraising initiatives organised on a completely voluntary basis by many committed individuals who worked tirelessly to manage our fundraising events in 2012:

- **The L'Oreal International Women's Day Lunch** took place in the Shelbourne Hotel in March. This was the 12th year and our sixth year of sponsorship by L'Oreal Ireland and raised €30,000. This fundraising event has continued to increase the funds raised annually for the development of our services.
- Our **Golf Classic** was held in Powerscourt Golf Club in September and again this was a great success raising €8,000.
- 2012 saw a range of community fundraising events held throughout the year, all led by staff or directors. Marathons and Mini-marathons were run, bag-packs, tea dances, sales of work were held and the year ended with a 'Debz' Ball all raising in excess of €10,000.

Corporate and Individual Donor Support

The corporate support the organisation receives for its work is very significant and plays an important role in allowing us to increase the quality of services we provide, to innovate and develop new education and enterprise opportunities, as well as maintaining our core operations.

Apart from the support from L'Oreal Ireland mentioned above, we received financial support from The Healy Group, CRH Group, Smurfit Kappa Foundation, Social Entrepreneurs Ireland and State Street Corporation. We were also encouraged and pleased to maintain our partnership with Accenture, supporting staff development across a wide range of skills, supporting the senior management team and providing a number of scholarships for students. As part of Barclays 'Make a Difference' Day, a team of wonderful volunteers from Barclays Bank painted and decorated the building and redeveloped our gardens.

We received significant financial support from two private funders through the Community Foundation for Ireland. Another private donor has supported the ongoing development of our Fledglings early years education sites.

The voluntary commitment of vision, energy and enthusiasm of our fundraising working groups allows us to offer the quality of service that makes the real difference in people's lives. We are also deeply grateful for the private and corporate partnerships that support us to continue our work. Such support and partnerships are integral to the success and independence of the organisation.

Statutory Support

An Cosán works in partnership with many statutory agencies to provide *essential* services for a community living with the injustice of social exclusion and poverty in a Rapid area. This year the organisation received no annual increases but received further cuts from a number of statutory funders, which has placed considerable strain on the organisation to maintain the high standard of services we deliver and allow for further crucial development of our services. We understand this fiscal restraint is due to the recession and we acknowledge the support received from a wide range of government departments including the Health Services Executive, Department of Children and Youth Affairs, Department of Social Protection, Department of Environment, Community & Local Government, the VEC, Drugs Task Force, Irish Aid and Pobal (see Note 2).

3. HUMAN RESOURCES

We currently employ over 130 staff with 70% living in Tallaght. We contribute over €1 million to the local economy and over €540,000 to the Exchequer.

HR policies and procedures continued to be reviewed and updated where appropriate. Staff and management training on a number of human resource issues was delivered.

In light of the very challenging year, the burden that the financial constraints placed on staff and the support they offered the organisation, a staff satisfaction survey was conducted in January 2012. The results of this survey were very encouraging, it clearly indicated that despite the unpaid leave and pay cuts accepted, staff morale still remained high, there was a strong consensus that they enjoyed and took pride in their work and believed in its value for the community. Their primary concern was the impact of their ever decreasing income on their lives and well being. In 2012 they were again asked to accept unpaid leave which, while agreed by every member of staff, its impact cannot be underestimated and this is not a sustainable solution into the future.

A review of organisation systems was undertaken on a pro bono basis by a member of our Board of Directors, this was to ascertain if the organisation was both fit for purpose and offered value for money for all our stakeholders. In response, an innovative process of restructuring was undertaken and it has been agreed that all management and administrative systems will be reviewed annually, with particular attention given to the impact of diminishing resources available for effective management.

4. COMMUNITY EDUCATION IN AN COSÁN

The current challenges facing national economic recovery indicates a need for social innovation, second chance education and up-skilling to fill the gaps in employment, education, social development and well being which exist in our community. A solid educational underpinning is crucial in securing jobs for those living in the Tallaght West area and beyond. An Cosán is fully cognisant of the importance of the need to respond positively to the economic crisis the country is battling with. An Cosán uses education and training as the tool with which to effect personal and social change and contribute to closing the gaps outlined above. Educational disadvantage continues to be a very significant issue in Tallaght West. Those most marginalised are the early school leavers,

lone parents and those who have lost their jobs. We are fully aware of the need to encourage, support and train people to access employment.

An Cosán Community Education Centre has continued to develop and implement innovative education and training programmes in response to the changing profile of Tallaght West and community needs identified in the Strategic Plan.

In 2012 over 600 student places were accessed:

- 38% engaged in non accredited programmes, accessing second chance education for the first time
- 62% of students were engaged in accredited programmes
 - 38% in Further Education and Training
 - 20 % in Third Level Programmes
 - 4% ICT

Data from the 2012 survey of learners embarking on a new An Cosán programme indicated the three most important reasons for starting a course in An Cosán.

- 62% of respondents chose building self confidence as the primary reason
- 45% chose to enhance employment prospects
- 42% chose access to an educational qualification

Such data contributed to and informed programme development and ensured that there were appropriate education/training pathways and personal development opportunities in place to support those that are unemployed to enhance their employability and access to the labour market.

Local needs analysis identified a strong need in relation to 3rd level access for the community of Tallaght West and in response we now have 77 students engaged in the following part-time 3rd level options:

- BA Degree in Leadership and Community Development
- BA Degree in Applied Addiction Studies and Community Development
- BA (Hons) in Early Childhood Education and Care
- Special Award in Childcare and Development (Level 7)

Student supports

Our students achieve better educational outcomes because we provide a range of supports. All programmes include student support interventions and evaluations indicate the importance of these, particularly for those accessing accredited options. Interventions included dedicated time for study skills support, peer support and mentoring, 1-1 with tutor, access to guidance and counselling.

5. EARLY CHILDHOOD CARE AND EDUCATION IN AN COSÁN

5.1 Rainbow House

Staff Training and Development

Four members of the team started on the degree programme with An Cosan Education and Training. Rainbow House Manager secured funding from South Dublin County Childcare Committee to run a Special Purpose Award on Child Development from IT Carlow, in conjunction with Education and Training.

The Rainbow House staff also participated in other training; Early Years Literacy Training, Supporting Children's Emotional Development, Dealing with Stress, HACCP and Food Handling and First Aid.

Rainbow House staff organised another sale of work and raised €1000, which was used for equipment and a dryer. Some staff members took part in the mini marathon in order to raise funds for An Cosan. The centre also received donations of books and educational equipment during the year. Staff and parents were encouraged to save the Schools Equipment Vouchers from Tesco for Rainbow House, and this enabled us to stock up on educational equipment in September.

Early Childhood Care and Education Programme

29 children attended the two year pre-school programme. This number includes 10 children who were referred to Rainbow House from the Health Service Executive (HSE).

130 children of parents attending courses in the Shanty received sessional care and education each week. Extra sessions were also made available for the children of parents who were accessing the counselling service in An Cosan.

Partnership with the Health Service Executive

14 children were accepted from the HSE for places in Rainbow House. This is an additional 4 places to the 10 places agreed. Five children remained on with us from the previous year, so this brought the total referred from the HSE to 19. Some of these children were allocated full-time places, while the remainder were accepted for places from 9.30 am to 12.45pm. A high number of these families require a lot of support in different areas and the Manager attended a number of case conferences and provided developmental reports for the children/families during the year. Rainbow House also hosted observational visits from health care professions including Tallaght Hospital, and Cheeverstown Centre.

Afterschool Programme

The demand for places in our after school programme had increased and, as a result, we offered 28 places to children from the local community. A high number of their parents are accessing support around their own drug misuse and, by providing this programme, they do not have to bring their children with them while they attend the methadone clinic. A range of fun activities were offered to the children, including educational, art, life skills and sports programmes.

Summer Programme

Rainbow House also held a summer programme for the children who are attending under the Early Childhood Care & Education and Community Childcare Subvention Schemes during July.

Family Days

The main end of term family day in 2012 took place in Rainbow House, in order to save some money. Most of the families who attended the centre came to the family day, and had a very enjoyable day. Rainbow House also ran three parent/child educational fun days during the year, and these days were very well attended by mothers, fathers or Guardians. The feedback from parents was excellent. Rainbow House ended 2012 with a Christmas celebration for all children and parents. Santa visited approximately 130 pre-school children and all had their face painted and received a gift, balloon and goodie bag.

5.2 Fledglings – Early Years Education and Care

Fledglings is An Cosán's social enterprise creating high-quality early years education places and employment for communities in areas of deprivation. Fledglings started 2012 with four early years services in Tallaght West and during the year Fledglings doubled its size with three new Fledglings on Dublin's Northside and an eighth Fledglings opening in Kilrush, County Clare in January 2013. These developments are in line with the Fledglings strategic plan to achieve sustainability by replication in other communities in areas of deprivation. The growth has taken place against the background of the current adverse economic environment and the cessation of government capital grants and the capping of government early years subventions.

The four new services (Whitehall, Cobra Coláiste Éanna, Cabra Youthreach and Kilrush Cuan Sámh) are all VEC crèches that were being closed due to operational difficulties. In this way, Fledglings aligns with An Cosán's model of complementing community adult education with early years education so that both adults and children are benefiting from a virtuous circle of learning. As well as being a vital foundation for children's education, the provision of early years education is a key enabler for adult learners and for those wishing to take up employment.

The Fledglings National Early Years Access Initiative (NEYAI) project is funded to train Early Years Educators (EYEs) to implement the government quality and curriculum frameworks (Síolta and Aistear) in HighScope settings using the Fledglings Early Years Manual. The implementation was delayed in 2012 by accreditation and

by intellectual property matters that have since been resolved. The trainees are the Early Years Educators (EYEs) in Fledglings services, in Rainbow House and in 4 early years services in Cork City.

Fledglings is designed as an innovative social franchise under which the Fledglings services migrate into community ownership under a Fledglings franchise agreement with An Cosán. These transitions will commence in 2013.

Fledglings' lead development funders are the Minister for Children & Youth Affairs, Social Entrepreneurs Ireland and Smurfit Kappa Foundation. Fledglings operations are funded by government subventions, by Tallaght West CDI and by an anonymous private funder. Fledglings gross income in 2012 was €1.5 million and Fledglings employs 63 people (included in the 130 employed mentioned above) delivering early years education to 250 children.

6. FUTURE DEVELOPMENTS

Future Focus

It is crucial as we negotiate our way through this serious economic crisis that we continue to ensure the sustainability and quality of all our services which over 1000 families in Tallaght West depend on for their well being, education and progression out of poverty. In a local context we will:

- Develop our partnership with Accenture to devise and implement a year long labour market programme which will train participants for baseline entry in Administrative, Financial and HR positions.
- An Cosán will undertake an area-wide consultation process with employers to assess their basic HR, administration and accounting needs which will inform programme development.

In the wider context, our strategic plan calls for a new vision for communities struggling with the injustice of poverty. At the heart of this plan is An Cosán's ambition to share its model, philosophy culture and programmes in other communities so that together we can eradicate poverty. An Cosán will progress our three year project to develop and implement virtual e-learning programmes which will ensure the inclusion of heretofore marginalised students from communities characterised by poverty and educational disadvantage across the country.

The people of An Cosán are the primary asset and wealth of the organisation, together we will continue to work across class, economic and social divisions, to ensure the mission and the vision embodied in our strategic plan, will be fully implemented over the coming years.

Elizabeth Waters
Chief Executive
April 2013

THE SHANTY EDUCATIONAL PROJECT LIMITED

DIRECTORS' REPORT

for the year ended December 31st, 2012

The directors present herewith their annual report and audited financial statements for the year ended December 31st, 2012.

LEGAL STATUS AND REVIEW OF THE BUSINESS

The Company is a company limited by guarantee and not having a share capital. It was incorporated under the Companies Acts 1963 to 1986, on April 28th, 1988. Prior to this date the Project was operated as a charitable venture by the Co-Founders.

The Company is a recognised charity under Section 333 of the Income Tax Act of 1963 since January 18th, 1991.

There are 7 members and their guarantee liability is limited to €1.27 each.

The purpose for which the company has been established is to conduct a centre for the provision of educational services and other services to meet the educational, spiritual, emotional and other needs of the community, in West Tallaght with particular reference to persons who are economically disadvantaged.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AS AT DECEMBER 31st, 2012

The profit and loss account and balance sheet for the year ended December 31st, 2012 are set out on pages 16 and 17.

| | 2012 | 2011 |
|--|----------------|-----------------|
| | € | € |
| The Company had a (loss) for the year of: | <u>(3,524)</u> | <u>(42,446)</u> |
| which is carried forward | | |

DIVIDENDS & TRANSFERS TO RESERVES

As a company limited by guarantee, no dividends arise and there are no transfers to reserves recommended by the directors.

FUTURE DEVELOPMENTS IN THE BUSINESS

The Company will endeavour to expand its services and coverage of recipients.

DIRECTORS

In accordance with the Company's Articles of Association, the following directors retire by rotation at the 2013 Annual General Meeting and being eligible offer themselves for re-appointment:

Eileen Durkan
Brenda O'Malley Farrell

Maura McGrath
Anna Durkan

IMPORTANT EVENTS SINCE THE YEAR END

There are no significant post balance sheet events.

BOOKS OF ACCOUNTS

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at Kiltalown Village Centre, Fortunestown Road, Jobstown, Tallaght, Dublin 24.

AUDITORS

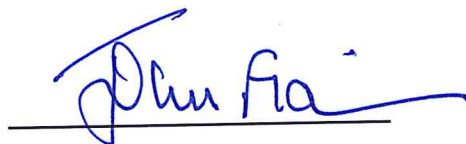
The Auditors, Reardon & Company, Chartered Accountants & Registered Auditors, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board:

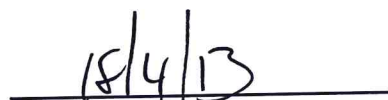
DIRECTOR



DIRECTOR



DATE



THE SHANTY EDUCATIONAL PROJECT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended December 31st, 2012

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2012 and all Regulations to be construed as one with those Acts. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board:

DIRECTOR

W D Roche

DIRECTOR

John Ga

DATE

18/4/13

**Independent Auditors' report to the members of
THE SHANTY EDUCATIONAL PROJECT LIMITED**

We have audited the financial statements on pages 14 to 23 of The Shanty Educational Project Limited for the year ended December 31st, 2012. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 in relation to the financial statements

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

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

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts, 1963 to 2012. We also report to you whether in our opinion: proper books of account have been kept by the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account.

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

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

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at December 31st, 2012 and of its results for the year then ended and have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2012.

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

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



**MARK REARDON FCA
FOR AND ON BEHALF OF
REARDON & COMPANY
CHARTERED ACCOUNTANTS &
REGISTERED AUDITORS**

Date: *April 18.2013*

THE SHANTY EDUCATIONAL PROJECT LIMITED

STATEMENT OF ACCOUNTING POLICIES **for the year ended December 31st, 2012**

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by Chartered Accountants Ireland.

GOING CONCERN

The financial statements have been prepared on the going concern basis. The Company's funders have indicated their willingness to continue supporting the Company's activities.

INCOME

Income is recognised from donations and fund-raising activities when received. Donated goods and services have been included at estimates of their value to the Company, which are based on the cost of purchasing similar goods and services by the Company.

Grant income is recognised as set out below in the policy on grants.

DESIGNATED FUNDS

The Directors may from time to time allocate funds for a specific purpose. Such a fund is known as a designated fund. The use of a designated fund for its designated purpose remains at the discretion of the Directors.

RESTRICTED FUNDS

Any funds subject to specific conditions imposed by the donor and binding on the Directors are dealt with separately in the accounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets are carried at cost. Depreciation has been calculated to write down the assets over the following years:

| | |
|----------------------|----------|
| Office Equipment | 3 years |
| Motor Vehicles | 5 years |
| Furniture & Fittings | 10 years |
| Buildings | 50 years |

TANGIBLE FIXED ASSETS AND DEPRECIATION (CONTINUED)

During 2010 the company developed a Fledglings Early Years Manual which is expected to generate income flows over the coming years. The costs incurred on this development have been quantified, net of specific contributions received for the project, and capitalised, to be written off over five years, commencing in 2012, against the expected income flows.

All the Fledglings Early Years Educators will be comprehensively trained in the application of the Fledglings Early Years Manual in their settings. The manual is the driver of quality in all Fledglings Early Years Services and is written around implementing the Government Frameworks (Siolta and Qistear) in HighScope settings.

GRANTS AND DEFERRED INCOME

Grants are recognised in the profit and loss account on receipt and any related liabilities are disclosed.

Grants received for specific expenditure, and not incurred in the year, are shown as deferred income and are credited to the profit and loss account over the period of the relevant expenditure.

Grants relating to fixed assets are written off to the profit and loss account over the life of the appropriate fixed assets.

TAXATION

Corporation tax payable has not been provided for on the basis that the Company has been registered as a charity by the Revenue Commissioners on January 18th, 1991.

FOREIGN CURRENCIES

The financial statements are expressed in Euro(€) only.

Transactions during the year have been translated at the rate of exchange ruling at the date of the transaction.

THE SHANTY EDUCATIONAL PROJECT LIMITED

PROFIT AND LOSS ACCOUNT for the year ended December 31st, 2012

| | Notes | 2012 € | 2011 € |
|---|-------|-----------------------|------------------------|
| TURNOVER | 1-2 | 3,012,163 | 3,064,413 |
| Operating expenses | | <u>(3,006,353)</u> | <u>(3,097,618)</u> |
| Operating Profit/(Loss) | 3-5 | 5,810 | (33,205) |
| Interest payable and similar charges | 6 | <u>(9,334)</u> | <u>(9,241)</u> |
| (Loss) on ordinary activities before taxation | | (3,524) | (42,446) |
| Tax on loss on ordinary activities | 7 | <u>-</u> | <u>-</u> |
| (Loss) for the financial year | | <u><u>(3,524)</u></u> | <u><u>(42,446)</u></u> |

STATEMENT OF MOVEMENT IN RETAINED PROFITS

| | | |
|---------------------------------|----------------------|----------------------|
| Retained at January 1st, 2012 | 63,445 | 105,891 |
| (Loss) retained for year | <u>(3,524)</u> | <u>(42,446)</u> |
| Retained at December 31st, 2012 | <u><u>59,921</u></u> | <u><u>63,445</u></u> |

All amounts dealt with in the above relate to continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than those included in the Profit Loss Account above and therefore, no statement of total recognised gains and losses has been prepared.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

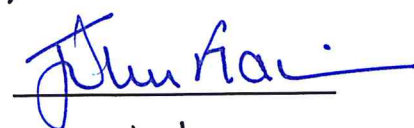
There is no difference between the loss on ordinary activities before taxation and the retained loss for the year on an historical cost basis and the corresponding amounts stated above.

On behalf of the board:

DIRECTOR



DIRECTOR



DATE

18/4/13

THE SHANTY EDUCATIONAL PROJECT LIMITED

BALANCE SHEET

as at December 31st, 2012

| | Notes | 2012 € | 2011 € |
|---|-------|-----------------------|-----------------------|
| ASSETS EMPLOYED | | | |
| FIXED ASSETS | | | |
| Tangible Assets | 8 | <u>1,200,372</u> | <u>1,289,670</u> |
| CURRENT ASSETS | | | |
| Debtors and prepayments | 9 | 50,723 | 159,438 |
| Cash at bank and in hand | | <u>-</u> | <u>-</u> |
| | | <u>50,723</u> | <u>159,438</u> |
| CREDITORS: amounts falling due within one year | | | |
| | 10 | | |
| Loans and other borrowings | | 12,144 | 103,456 |
| Other creditors | | <u>340,842</u> | <u>390,743</u> |
| | | <u>352,986</u> | <u>494,199</u> |
| NET CURRENT (LIABILITIES) | | <u>(302,263)</u> | <u>(334,761)</u> |
| NET ASSETS | | <u><u>898,109</u></u> | <u><u>954,909</u></u> |
| FINANCED BY | | | |
| Unamortised Capital Grants | 11 | <u>838,188</u> | <u>891,464</u> |
| Designated Funds | | - | - |
| Unrestricted Funds | | <u>59,921</u> | <u>63,445</u> |
| Total Funds | 12 | <u>59,921</u> | <u>63,445</u> |
| | | <u><u>898,109</u></u> | <u><u>954,909</u></u> |

On behalf of the board:

DIRECTOR

W.D. Roche

DIRECTOR

John Gao

DATE

18/4/13

THE SHANTY EDUCATIONAL PROJECT LIMITED

CASH FLOW STATEMENT for the year ended December 31st, 2012

| | Notes | 2012 € | 2011 € |
|---|-------|---------------|-----------------|
| Net cash inflow from operating activities | | 109,828 | 45,812 |
| Returns on investments and servicing of finance | 13 | (9,334) | (9,241) |
| Capital Expenditure | 13 | (9,182) | (77,627) |
| Equity Dividends (paid)/received | | - | - |
| Management of liquid resources | 13 | - | - |
| Financing | 13 | - | - |
| Increase/(Decrease) in Cash | | <u>91,312</u> | <u>(41,056)</u> |

Reconciliation of operating (loss) to net cash inflow from operating activities

| | | |
|---|----------------|---------------|
| Operating profit/(loss) | 5,810 | (33,205) |
| Depreciation charges | 98,480 | 97,235 |
| Grant Ammortised | (53,276) | (64,480) |
| Decrease in Debtors | 108,715 | 27,136 |
| (Decrease)/Increase in Creditors | (49,901) | 19,126 |
| Net cash inflow from operating activities | <u>109,828</u> | <u>45,812</u> |

Reconciliation of net cash flow to movement in net funds

| | | | |
|---|----|-----------------|------------------|
| Increase/(Decrease) in cash in the year | | <u>91,312</u> | <u>(41,056)</u> |
| Change in net funds | 14 | 91,312 | (41,056) |
| Net funds at January 1st, 2012 | 14 | (103,456) | (62,400) |
| Net funds at December 31st, 2012 | 14 | <u>(12,144)</u> | <u>(103,456)</u> |

THE SHANTY EDUCATIONAL PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31st, 2012

1. TURNOVER

Turnover is made up of fund-raising event income, course fees, donations received, non-repayable grants received, grants receivable and deferred income released for the year.

2. STATE FUNDING - 2012

| State Organisation | Type of Funding | Amount € |
|---|--|------------------|
| POBAL (previously ADM) | Capital Buildings Grant | 16,764 |
| County Dublin VEC | Programme Funding | 151,784 |
| Department of Environment, Community & Local Government | Core Funding & Capital Grant | 96,652 |
| Department of Social & Family Affairs | Counselling Service & School Lunches Grant | 29,819 |
| Department of Social Protection | Programme Funding | 81,524 |
| Dormant Accounts Capital Grant | Shutters | 2,016 |
| Health Service Executive | Core Funding & Programme Funding | 621,795 |
| Health Service Executive | Drugs Task Force Programme Grant | 40,541 |
| Irish Aid | Development Education Programme | 34,626 |
| National Childcare Investment Programme | Capital Grants | 28,855 |
| Department of Children & Youth Affairs | Early Childhood Care & Education Funding | 218,198 |
| POBAL | Business Incubation Period Grant | 80,000 |
| POBAL | Capital Grant | 1,200 |
| POBAL | Childcare Assistance Fund | 88,538 |
| POBAL | Childcare Education & Training Support Scheme | 90,330 |
| POBAL | Community Childcare Subvention Grant | 389,414 |
| POBAL | Dormant Accounts Play Therapy Grants | 7,522 |
| POBAL | National Early Years Access Initiative Programme | 19,967 |
| | | <u>1,999,545</u> |

3. STATUTORY AND OTHER INFORMATION

| | 2012 € | 2011 € |
|--|---------------|---------------|
| The (loss)/profit on ordinary activities before taxation is stated after charging: | | |
| Audit Fee | 13,500 | 13,500 |
| Depreciation | <u>98,480</u> | <u>97,235</u> |

4. DIRECTORS' REMUNERATION AND TRANSACTIONS

| | 2012 € | 2011 € |
|------------------------|-----------|-----------|
| Directors Remuneration | <u>-</u> | <u>-</u> |

5. EMPLOYEES AND REMUNERATION

The average number of people employed by the Company in the year was 132 (2011: 114) and is analysed into the following categories:

| | 2012 Full Time | 2012 Part Time | 2011 Full Time | 2011 Part Time |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| Management | 4 | - | 4 | - |
| Administration | 9 | 9 | 9 | 9 |
| Education and Training | - | 20 | - | 20 |
| Other Services | - | 7 | - | 7 |
| Childcare | 45 | 38 | 33 | 32 |
| | <u>58</u> | <u>74</u> | <u>46</u> | <u>68</u> |

The staff costs are comprised of:

| | 2012 € | 2011 € |
|--------------------|------------------|------------------|
| Wages and Salaries | 1,905,573 | 2,054,995 |
| Employers PRSI | <u>174,420</u> | <u>198,647</u> |
| | <u>2,079,993</u> | <u>2,253,642</u> |

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2012 € | 2011 € |
|-------------------------|--------------|--------------|
| Bank interest & charges | <u>9,334</u> | <u>9,241</u> |

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The Company is a recognised charity under Section 333 of the Income Tax Act of 1963 and therefore there is no charge to corporation tax.

8. FIXED ASSETS

| COST | Office Equip € | Fixtures & Fittings € | Motor Vehicles € | Buildings € | Manual € | Total € |
|---------------------|----------------------|-----------------------------|------------------------|------------------|---------------|------------------|
| Balance at 1/1/12 | 346,728 | 383,578 | 20,197 | 1,275,655 | 77,501 | 2,103,659 |
| Additions | 3,625 | 5,557 | - | - | - | 9,182 |
| Balance at 31/12/12 | <u>350,353</u> | <u>389,135</u> | <u>20,197</u> | <u>1,275,655</u> | <u>77,501</u> | <u>2,112,841</u> |

ACCUMULATED DEPRECIATION

| | | | | | | |
|---------------------|----------------|----------------|---------------|----------------|---------------|----------------|
| Balance at 1/1/12 | 291,911 | 204,886 | 20,197 | 296,995 | - | 813,989 |
| Charge for the year | 22,149 | 36,424 | - | 24,407 | 15,500 | 98,480 |
| Balance at 31/12/12 | <u>314,060</u> | <u>241,310</u> | <u>20,197</u> | <u>321,402</u> | <u>15,500</u> | <u>912,469</u> |

NET BOOK VALUE

| | | | | | | |
|---------------------|---------------|----------------|----------|----------------|---------------|------------------|
| Balance at 31/12/12 | <u>36,293</u> | <u>147,825</u> | <u>-</u> | <u>954,253</u> | <u>62,001</u> | <u>1,200,372</u> |
| Balance at 31/12/11 | <u>54,817</u> | <u>178,692</u> | <u>-</u> | <u>978,660</u> | <u>77,501</u> | <u>1,289,670</u> |

| 9. DEBTORS AND PREPAYMENTS | 2012 € | 2011 € |
|--|---------------|----------------|
| Amounts falling due within one year: | | |
| Government Grants and Contributions Receivable | 38,885 | 144,992 |
| Course Fees Due | 755 | 9,035 |
| Parent Fees Due | 361 | 2,498 |
| Prepayments & Sundry Receivables | <u>10,722</u> | <u>2,913</u> |
| | <u>50,723</u> | <u>159,438</u> |

| 10. CREDITORS, amounts falling due within one year | 2012 € | 2011 € |
|--|----------------|----------------|
| <i>Loans and other borrowings</i> | | |
| AIB overdrafts - see note below | <u>12,144</u> | <u>103,456</u> |
| | <u>12,144</u> | <u>103,456</u> |
| <i>Other Creditors</i> | | |
| Creditors & Accruals | 19,354 | 106,972 |
| Deferred Income | 247,181 | 228,784 |
| PAYE/PRSI | <u>74,307</u> | <u>54,987</u> |
| | <u>340,842</u> | <u>390,743</u> |
| Total creditors | <u>352,986</u> | <u>494,199</u> |

The deferred income is in respect of money received which relates to expenditure yet to be incurred.

The bank facilities are unsecured.

11. FIXED ASSETS GRANTS

A grant of €838,027 was received in 1999 from the Irish Government (administered by Area Development Management) towards the construction of the Company's premises at a site provided by South Dublin County Council, at Kiltalown Village Centre, at a cost of €1,057,241. The grant is to be amortised to the profit and loss account over 50 years from October 1999 in line with the rate of depreciation applied to buildings. Grants received in respect of other capital expenditures are similarly amortised to the profit and loss account in line with the depreciation of the underlying assets.

| | 2012 € | 2011 € |
|--|----------------|----------------|
| Unamortised balance at beginning of the year | 891,464 | 955,944 |
| Additions during year | - | - |
| Amortised during year | (53,276) | (64,480) |
| Unamortised balance at year end | <u>838,188</u> | <u>891,464</u> |

12. MOVEMENT OF FUNDS

| | General Unrestricted Fund € | Designated Fixed Asset Funds € | Total Funds € |
|--|--------------------------------------|---|----------------------|
| Income | 3,012,163 | - | 3,012,163 |
| Less: Indirect Expenditure | <u>(2,656,415)</u> | <u>-</u> | <u>(2,656,415)</u> |
| | 355,748 | - | 355,748 |
| Opening Value of Funds 1/1/12 | <u>63,445</u> | <u>-</u> | <u>63,445</u> |
| Funds Available | 419,193 | - | 419,193 |
| Transfer from Designated to Unrestricted | - | - | - |
| Direct Expenditure | <u>(359,272)</u> | <u>-</u> | <u>(359,272)</u> |
| Funds Balance 31/12/12 | <u><u>59,921</u></u> | <u><u>-</u></u> | <u><u>59,921</u></u> |

The transfer of the Designated Funds to Unrestricted Funds reflects the fact that the projects for which the funds were designated have either been discontinued or completed.

13. GROSS CASH FLOWS

| | 2012 € | 2011 € |
|---|-----------------------|------------------------|
| Returns on investments and servicing of finance | | |
| Interest received | - | - |
| Interest paid | <u>(9,334)</u> | <u>(9,241)</u> |
| | <u><u>(9,334)</u></u> | <u><u>(9,241)</u></u> |
| Capital expenditure | | |
| Payments to acquire tangible fixed assets | (9,182) | (77,627) |
| Receipts from sales of tangible fixed assets | - | - |
| Capital grant funds received | <u>-</u> | <u>-</u> |
| | <u><u>(9,182)</u></u> | <u><u>(77,627)</u></u> |
| Management of liquid resources | <u><u>-</u></u> | <u><u>-</u></u> |
| Financing | <u><u>-</u></u> | <u><u>-</u></u> |

14. ANALYSIS OF CHANGES IN NET FUNDS

| | January 1st, 2012 € | Cash Flows € | Other Changes € | December 31st, 2012 € |
|-----------------------|-------------------------|----------------------|-----------------------|--------------------------|
| Cash in hand, at bank | - | - | - | - |
| Bank overdrafts | (103,456) | 91,312 | - | (12,144) |
| TOTAL | <u><u>(103,456)</u></u> | <u><u>91,312</u></u> | <u><u>-</u></u> | <u><u>(12,144)</u></u> |

15. COMMITMENTS

The Directors have not entered into any binding capital expenditure commitments at the year end.

16. RELATED PARTY TRANSACTIONS

There were no transactions between the Company and the directors or between any related parties as defined by FRS 8 Related Party Disclosures.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on *April 18. 2013*