

**Respond (Support) Limited
(Company Limited by Guarantee)**

**Financial Statements
Year Ended 30 June 2013**

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DIRECTORS AND OTHER INFORMATION

Board of Directors at 12 November 2013

Patrick Cogan ofm
Michael O'Doherty
Brian Hennebry
Tom Dilleen
Joe Horan
Deirdre Keogh

Solicitors

Bowe O'Brien
Solicitors
1 Parnell Street
Waterford

William Fry
Fitzwilliam House
Wilton Place
Dublin 2

Advokat Compliance Limited
Merrythought House
Templeshannon
Enniscorthy
Co Wexford

Secretary and Registered Office

Brian Hennebry
Airmount
Dominick Place
Waterford

Bankers

AIB Bank
Lisduggan
Waterford

Ulster Bank
The Quay
Waterford

AIB Bank
24 Arran Quay
Smithfield
Dublin 7

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Ballycar House
Newtown
Waterford

DIRECTORS' REPORT - continued

The directors present herewith the audited financial statements of the charity for the year ended 30 June 2013.

Principal activities

The company is a charity engaged in the promotion of social and community initiatives in estates managed by the Respond! Housing Association.

Corporate governance

The Board currently comprises of five non-executive and one executive members, who are drawn from a wide background, bringing together professional, commercial and local experience. The Board meets formally at least six times a year. Local operational policies are delegated subject to approved budgets.

While the Board is responsible for the overall strategy and policy of the organisation, the day-to-day management is delegated to the Managing Director, who is a member of the Board.

The Managing Director chairs monthly management meetings that deal with all major management issues and decisions of the organisation. Additional meetings are held to discuss corporate issues that do not fit with the scheduled meetings.

The Finance and Risk Committee comprises four members, the Managing Director, one non-executive director, the Company Treasurer and an independent financial advisor. The Committee reviews financial performance, financial strategy and policies and makes recommendations to the Managing Director on financial issues.

Internal Financial Controls

The Board has overall responsibility for the organisation's system of internal financial control which comprises:

- a clear organisation structure and well defined management responsibilities
- comprehensive budgeting systems with an annual budget that is approved by the Board
- regular consideration of actual results compared to budgets
- defined capital investment control protocols and procedures approved by the Board
- regular reporting of legal and accounting developments to the Board.

The organisation's control systems address key business, treasury and financial risks which are monitored by the Managing Director and Company Treasurer.

The company engages a firm of Chartered Accountants independent of the external auditor to conduct regular internal audit reviews of the company's activities under the direction of the Finance and Risk Committee.

The external auditors are engaged to express an opinion on the financial statements. They review and test the systems of internal financial control and the data contained in those statements to the extent necessary to express their audit opinion. They present their findings in the form of a Management Letter.

The Board wishes to emphasise that a system of internal financial control can only provide reasonable and not absolute assurance about material misstatement and loss.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish Law.

Irish Law requires the directors to prepare financial statements for each financial year giving a true and fair view of the state of the company's affairs at the end of the financial year and of its profit or loss for the financial year. Under that law the directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accounts in Ireland).

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT - continued

Directors' responsibilities - continued

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts 1963 to 1983 and 1990 to 2012. 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.

Books of account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at the following address:

Airmount
Dominick Place
Waterford

Review of business and future developments

The total property portfolio of Respond! and the maintenance of same, as an Approved Housing Body, became the responsibility of Respond! with effect from 1 July 2012, and as a result the income and expenditure (rental income, maintenance grant, estate and community development costs and estate maintenance costs) pertaining to housing management and landlord tenant relationship activities are reflected in the accounts of Respond! from that date. The ancillary supportive and caring operations remain the responsibility of Respond (Support) Ltd. Both the level of business and the year-end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends

No dividend is payable in accordance with the company's Memorandum of Association.

Directors

The directors of the company at 30 June 2013 are listed below. Unless indicated, all were directors for the whole of the year.

Patrick Cogan, ofm
Michael O'Doherty
Brian Hennebry
Tom Dilleen
Joe Horan
Deirdre Keogh

The Charities Act 2010

The directors acknowledge the recent publication of The Charities Act 2010 and support its objectives and are endeavouring to ensure compliance with same.

Auditors

The auditors, PricewaterhouseCoopers, will be re-appointed in office in accordance with the provisions of Section 160(2) of the Companies Act 1963.

On behalf of the board

P Cogan ofm

B Hennebry

Date: 12 November 2013



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RESPOND (SUPPORT) LIMITED (COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of Respond (Support) Limited for the year ended 30 June 2013 which comprise the Income and Expenditure Account, the Statement of Movements in Retained Funds, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 and 4 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 30 June 2013 and of its result for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 1983 and 1990 to 2012.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RESPOND (SUPPORT) LIMITED (COMPANY LIMITED BY GUARANTEE) - continued

Matters on which we are required to report by the Companies Acts 1963 to 1983 and 1990 to 2012

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

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 1983 and 1990 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

**Martin Freyne
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Ballycar House
Newtown
Waterford**

Date: 10 December 2013

INCOME AND EXPENDITURE ACCOUNT
Year Ended 30 June 2013

	Notes	2013 €	2012 €
Income			
Rents	4	-	9,071,888
Maintenance allowance	4	-	1,176,900
Deposit interest		187,388	612,726
Grants		2,089,678	2,345,341
Course fees		58,316	57,375
Child care fees		349,501	426,618
Sundry income		<u>90,524</u>	<u>567,505</u>
		<u>2,775,407</u>	<u>14,258,353</u>
Expenses			
Overseas costs		133,242	453,533
Homeless, day care and elderly projects		1,320,383	1,095,757
Employment schemes		1,686,158	1,940,820
Education costs		230,591	509,438
Estate and Community Development costs	4	165,928	6,004,883
Current maintenance	4	<u>-</u>	<u>2,404,356</u>
		<u>3,536,302</u>	<u>12,408,787</u>
Operating (deficit)/surplus for the year		(760,895)	1,849,566
Structural maintenance		<u>-</u>	<u>(54,466)</u>
(Deficit)/surplus for the year		(760,895)	1,795,100
Transfer from specific reserves	9	612,730	873,757
Transfer of maintenance funds to Respond!	9	<u>(1,002,615)</u>	<u>(1,769,018)</u>
(Deficit)/surplus for the year after reserve transfers		<u>(1,150,780)</u>	<u>899,839</u>

On behalf of the board

P Cogan ofm

B Hennebry

STATEMENT OF MOVEMENT IN RETAINED FUNDS
Year Ended 30 June 2013

	Notes	2013 €	2012 €
Retained surplus at beginning of year		2,713,384	1,813,545
(Deficit)/surplus for the year before reserve transfers		(760,895)	1,795,100
Transfer from specific reserves	9	612,730	873,757
Transfer of maintenance fund to Respond		<u>-</u>	<u>(1,769,018)</u>
Retained surplus at end of year		<u>2,565,219</u>	<u>2,713,384</u>

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the surplus for the year and its historical cost equivalent.

All operations are continuing in the current year.

On behalf of the board

P Cogan ofm

B Hennebry

BALANCE SHEET
30 June 2013

	Notes	2013 €	2012 €
Current assets			
Debtors	6	274,568	1,075,856
Investments	7	10,567,217	13,573,213
Cash at bank and in hand		<u>519,583</u>	<u>1,091,222</u>
		11,361,368	15,740,291
Current liabilities			
Creditors	8	<u>(2,182,636)</u>	<u>(4,798,049)</u>
Net current assets		<u>9,178,732</u>	<u>10,942,242</u>
Financed by:-			
Retained funds	9	2,565,219	2,713,384
Maintenance fund	9	-	1,002,615
Other reserves	9	<u>6,613,513</u>	<u>7,226,243</u>
		<u>9,178,732</u>	<u>10,942,242</u>

On behalf of the board

P Cogan ofm

B Hennebry

CASH FLOW STATEMENT
30 June 2013

	Notes	2013 €	2012 €
Net cash inflow from operating activities	10	(3,765,023)	2,784,809
Returns on investments and servicing of finance	11	187,388	612,726
Capital expenditure and financial investment	11	<u>3,005,996</u>	<u>(2,554,087)</u>
(Decrease)/increase in cash during year	11	<u>(571,639)</u>	<u>843,448</u>

On behalf of the board

P Cogan ofm

B Hennebry

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The significant accounting policies adopted by the company are as follows:-

Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with the Companies Acts, 1963 to 2012 and Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accounts in Ireland).

The financial statements are presented in euro represented by the symbol €.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Rents

Rents are credited in the period in which they relate.

Maintenance allowance

Maintenance allowance on Capital Loan and Subsidy Scheme houses is credited to the income and expenditure account in the period to which it relates.

Deposit interest

Deposit interest is credited to the income and expenditure account in the period to which it relates.

Value added tax

The company is registered for VAT in compliance with RCT Reverse Charge VAT regulations, however the company is not entitled to reclaim VAT on operational activities and accordingly all receipts and expenditure shown in the accounts are recorded inclusive of any VAT which may apply.

Grants

Revenue Grants received to fund revenue expenditure are credited to the income and expenditure account in the period in which they relate.

Pensions

Payments to defined contribution pension schemes are charged to the income and expenditure account in the period to which they relate.

Investments

Investments are stated at cost less provision if necessary for any permanent diminution in value.

2 Limit of members liability

The company is registered under the Companies Act 1963 as a company limited by guarantee not having a share capital. The members of the company have their liability limited to €6.35 each in the event of the company being wound up. There were seven members at the date of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Surplus retained

Surplus for the year is stated after charging/(crediting):-

	2013 €	2012 €
(a) Auditors' remuneration	<u>7,000</u>	<u>7,000</u>
(b) Depreciation - transferred from Respond!	<u>-</u>	<u>302,305</u>
(c) Deposit interest received	<u>(187,388)</u>	<u>(612,726)</u>
(d) VAT adjustment	<u>-</u>	<u>255,830</u>

The directors did not receive any emoluments during the current or prior year.

4 Income and Expenditure Account

As set out in the directors' report on page 4, the total property portfolio of Respond! and the maintenance of same became the responsibility of Respond! with effect from 1 July 2012. The rental income of €9,297,512 recorded in the accounts of Respond! in 2013, compares with €9,071,888 recorded in the accounts of Respond (Support) Limited for 2012. Similarly, the maintenance grant income of €1,164,076 recorded in the accounts of Respond! in 2013 compares with €1,176,900 recorded in the accounts of Respond (Support) Limited for 2012, the estate and community development costs of €6,399,897 recorded in the accounts of Respond! in 2013 compares with €6,004,883 recorded in the accounts of Respond (Support) Limited for 2012 and estate maintenance costs of €2,046,002 recorded in the accounts of Respond! in 2013 compares with €2,404,356 recorded in the accounts of Respond (Support) Limited for 2012.

5 Employee information

(a) The average number of persons employed by the charity during the year is analysed below:

	2013 Number	2012 Number
Management	8	29
Operational	<u>137</u>	<u>188</u>
	<u>145</u>	<u>217</u>

(b) The aggregate payroll costs of these employees was as follows:

	2013 €	2012 €
Wages and salaries	2,384,621	5,744,908
Social welfare costs	224,472	543,476
Pension costs	<u>34,328</u>	<u>6,267</u>
	<u>2,643,421</u>	<u>6,294,651</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Debtors	2013 €	2012 €
Sundry debtors	<u>274,568</u>	<u>1,075,856</u>

7 Investments	2013 €	2012 €
Investment funds (i)	5,200,000	5,200,000
Structured deposits	<u>5,367,217</u>	<u>8,373,213</u>
	<u>10,567,217</u>	<u>13,573,213</u>

(i) All investment funds are fixed for a period. The market value of these investments at 30 June 2013 was €5,539,522 (2012: €5,383,759). These investments are capital guaranteed if held to maturity, which is the intention of the directors.

8 Creditors	2013 €	2012 €
Due to related companies	1,291,593	3,294,732
Creditors and accruals	834,106	1,448,417
PAYE/PRSI	<u>56,937</u>	<u>54,900</u>
	<u>2,182,636</u>	<u>4,798,049</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Reserves

	Retained surplus €	Maintenance fund €	Better being/ Mental health fund €	Family resource fund €	Education fund €	Overseas fund €	Women's refuge €	Total €
At 1 July 2012	2,713,384	1,002,615	1,747,656	1,961,168	1,345,351	301,876	1,870,192	10,942,242
Deficit for the year	(760,895)	-	-	-	-	-	-	(760,895)
Transfer to Respond!	-	(1,002,615)	-	-	-	-	-	(1,002,615)
Transfer from Better Being/Mental Health fund	32,752	-	(32,752)	-	-	-	-	-
Transfer from Family Resource fund	133,176	-	-	(133,176)	-	-	-	-
Transfer from Education fund	170,069	-	-	-	(170,069)	-	-	-
Transfer from Overseas fund	-	-	-	-	-	-	-	-
Transfer from Women's Refuge/Homeless fund	<u>276,733</u>	-	-	-	-	-	<u>(276,733)</u>	-
At 30 June 2013	<u>2,565,219</u>	<u>-</u>	<u>1,714,904</u>	<u>1,827,992</u>	<u>1,175,282</u>	<u>301,876</u>	<u>1,593,459</u>	<u>9,178,732</u>

As part of the company's strategic review which was carried out during the year ended 30 June 2012, the responsibility for the majority of maintenance costs was transferred to Respond! during 2012. During 2013 the directors allocated all of the remaining maintenance reserve to Respond! to fund programs to be undertaken in the coming years.

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Reconciliation of surplus for the year to operating cashflow:	2013	2012
	€	€
Surplus for the year before transfer to maintenance fund	(760,895)	1,795,100
Interest received	(187,388)	(612,726)
Decrease/(increase) in debtors	801,288	(116,264)
(Decrease)/increase in creditors	<u>(3,618,028)</u>	<u>1,718,699</u>
Net cash inflow from operating activities	<u>(3,765,023)</u>	<u>2,784,809</u>
11 Analysis of cash flows for headings netted in the cash flow statement	2013	2012
	€	€
Returns on investments and servicing of finance		
Interest received	<u>187,388</u>	<u>612,726</u>
Net cash inflow from returns on investments and servicing of finance	<u>187,388</u>	<u>612,726</u>
Capital expenditure and financial investment		
Decrease/(increase) in short-term investments	<u>3,005,996</u>	<u>(2,554,087)</u>
Net cash inflow/(outflow) from capital expenditure and financial investment	<u>3,005,996</u>	<u>(2,554,087)</u>
Analysis of change in net funds		
Balance at beginning of year	1,091,222	247,774
(Decrease)/increase in cash during year	<u>(571,639)</u>	<u>843,448</u>
Cash at bank	<u>519,583</u>	<u>1,091,222</u>

12 Related party transactions

The company administration is effectively through the use of an inter company account, by Respond!, a company which is a charity engaged in building housing schemes and providing these for rental, below market rates. Expenses recharged from Respond! for the year amounted to €606,000 (2012: €5,959,461). A reserve transfer in respect of maintenance of €1,002,615 (2012: €1,769,018) was made during the year to Respond! The balance owed to that company at 30 June 2013 was €1,291,593 (2012: €3,294,732).

13 Pension scheme

A related company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the related company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €34,328 (2012: €6,267).

14 Approval of financial statements

The financial statements were approved by the directors on 12 November 2013.