

Waterford Leader Partnership Limited
(a company limited by guarantee and
not having a share capital)

Financial Statements
Year ended 31 December 2014

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DIRECTORS AND OTHER INFORMATION

Board of Director – 31/12/14

Michael Walsh (Chairperson)
John Moloney (Vice-Chairperson)
Eleanor Burns
Micheál Cosgrove
Paul Flynn
Donal Lehane
John Pratt
John O'Donnell
Cliona Mhic Ghiolla Chuda
Michael Kirwan
Damien Geoghegan
Peter Kiely
Alan Walshe
James Coughlan

Solicitor

Joseph P. Gordon & Co.
The Burgery
Dungarvan
Co. Waterford

Secretary and Registered Office

Eleanor Burns
John Barry House
Lismore Business Park
Lismore
Co. Waterford

Bankers

Bank of Ireland &
Allied Irish Banks

Dungarvan & Lismore
Co. Waterford

Statutory Auditors

John B. White & Co.
Certified Public Accountants and Statutory Auditors
Dungarvan
Co. Waterford

Company Number

189661

CHY Number

18451

DIRECTORS' REPORT

The directors present herewith their report and the audited financial statements for the year ended 31 December 2014.

Statement of Directors' Responsibilities

Irish company law requires the directors to prepare financial statements for each financial year that 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 period. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and Irish law). In preparing the 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.

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 Act, 2014. 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.

The company secretary is responsible for all company secretarial work. This includes recording minutes of all meetings, the Annual General Meeting and notice of these meetings, in the company register, the maintenance of all statutory records, including submission of the Annual Return to the Companies Registration Office, and ensuring that the company complies with the Companies Act, 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal Activities

The company operates as a rural development company and manages a number of socio-economic development programmes. The main objectives of the company are to promote, support, assist and engage in: Social Development; Enterprise Development (to facilitate rural and urban regeneration) and; Community Development (designed to benefit and promote the welfare of local communities or to deal with the causes and consequences of social and economic disadvantage or poverty).

The main areas of activity involve the operation and management of a number of socio-economic development programmes, namely:-

- Rural Development Programme
- Local & Community Development Programme
- Local Employment Service
- Rural Social Scheme
- TUS (Community work Placement Initiative)

Review of the business and future developments

The Directors acknowledge the result for the year and consider it to be in line with expectations. The company's main source of income consists of allocations from socio-economic development programmes for administration costs. Aside from these allocations for administrative costs, the other source of funds is currently by way of sub-renting of leased premises. The Directors expect the company to match its expenditure costs with appropriate income streams in the next financial year though material uncertainties continue to exist regarding the income streams for the coming year.

Results for the year and state of affairs as at 31 December 2014

The income and expenditure account for the year and the balance sheet as at 31 December 2014 are set out on pages 10 and 11. The surplus on ordinary activities before taxation amounted to €12,514. After deducting taxation of €nil an amount of €12,514 has been retained by the company.

DIRECTORS' REPORT - continued

Principal Risks and Uncertainties

The directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the company and that there has been in place for the year under review and up to the date of approval of these financial statements.

Principal Risks and Uncertainties (continued)

Waterford Leader Partnership Limited is reliant on funding from the socio-economic schemes detailed above and would find it difficult to continue in existence in the event of this funding being withdrawn. The contracts under which the company secures the principal sources of funding are renewed as follows:-

Source	Scheme	Frequency
Pobal	Local & Community Development Programme	Annual (to 12/05/15)
Dept. of the Environment, Community & Local Government	Rural Development Programme	Contract 2007 – 2013 (to 30/09/15)
Dept. of Social Protection	Local Employment Service	Annual
	TÚS – community work place initiative	Annual
	Rural Social Scheme	Annual

On the basis of existing contracts in place with the respective bodies, the directors are hopeful of securing funding in the coming year. However, uncertainty exists regarding the level of funding that will be provided under the 2014/2020 RDP program and how this will impact on the future administration of this scheme. This uncertainty adversely affects the ability of the company to plan and resource its work. The board of directors are aware of these issues and await clarity on their impact. The ongoing scale of operations of the company is dependent on existing contracts being renewed at similar funding levels.

Reserves Policy

The directors have also examined the company's requirement to maintain an appropriate level of reserves in light of the main risks to the organisation and have reviewed its policy to generate unrestricted funds not committed or invested in tangible fixed assets, chiefly by way of maximising other income e.g. rental income. The company has received minimal income of a discretionary nature since its incorporation. The directors are considering other activities / programmes that may contribute to the company's reserve. The company maintains a dedicated bank account to hold such reserves.

Governance

The company was incorporated, under the Companies Acts 1963 to 2013, as a company limited by guarantee and not having a share capital, on 29th May 1992. The liability of the 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 €0.01 each. The company was established under a Memorandum of Association (amended under Special Resolution dated 1st September 2008) which established the objects and powers of the company and is governed under the Articles of Association and managed by a board of directors.

Directors

In accordance with the Memorandum and Articles of Association the board of directors of the company has a four way membership, comprising of representatives from the following sectors:-

- National Social Partners - 4 directors
- Local Government Sector - 5 directors
- Community & Voluntary Sector - 8 directors
- State Statutory Sector - 6 directors

The directors retire by rotation on a three year cycle (except for the chairperson) and if eligible under the Memorandum of Association may offer themselves for re-election, provided that no person shall be reappointed more than twice and no person shall hold office for more than two consecutive terms. The Chairperson holds office for a three year term.

DIRECTORS' REPORT - continued

The directors of the company during the year ended 31 December 2014, all of whom were directors of the company for the year unless otherwise stated, were:-

Michael Walsh; John Moloney; Eleanor Burns; John Carey (resigned 11/08/14); Micheál Cosgrove; Paul Flynn; Donal Lehane; John Pratt; John O'Donnell; Anika Tyrell (resigned 06/02/14); Garrett Wyse (resigned 15/10/14); Fearghal Reidy (resigned 03/09/14); Cliona Mhic Ghiolla Chuda; Michael Kirwan; Damien Geoghegan; Peter Kiely; Alan Walshe; James Coughlan.

Taxation Status

The company holds exemption from Corporation Tax, DIRT and Capital Gain Tax under Sections 76, 266 and 609 respectively of the Taxes Consolidation Act 1997.

Research & Development

The company did not engage in any research and development activity during the year.

Proper Books and Records

To ensure that proper books and accounting records are kept in accordance with Sections 281 to 285 of the Companies Act, 2014, appropriately experienced personnel maintain the accounting records on a computerised accounting system. The books are located at John Barry House, Lismore Business Park, Lismore, Co. Waterford.

Post Balance Sheet Events

No events have occurred subsequent to the Balance Sheet date, which require disclosure in the financial statements.

Transactions involving directors

During the year the Company had arms-length trading transactions with directors as detailed at note 23 to these financial statements. There were no other contracts or arrangements of any significance in relation to the business of the Company in which the Directors had an interest, as defined by the Companies Act, 2014 at any time during the year ended 31 December 2014.

Statutory Auditors

The auditors, John B. White & Co. will continue in office in accordance with Sections 380 to 385 of the Companies Act, 2014.

On behalf of the board

Michael Walsh, Chairperson

Eleanor Burns, Secretary

Micheál Cosgrove, Director

Date: 7th September 2015

INDEPENDENT AUDITORS' REPORT: To the members of Waterford Leader Partnership Limited

We have audited the financial statements of Waterford Leader Partnership Limited for the year ended 31 December 2014 on pages 8 to 20 which comprises the Income & Expenditure Account, the Balance Sheet, the Cash Flow 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 Certified Public Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in our audit 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'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

The directors are responsible for preparing the Directors' Report and, as more fully described on page 3, for preparing the financial statements giving a true and fair view and otherwise comply with the Companies Act, 2014.

Our responsibility, as independent auditor, 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 [APB's] Ethical Standards for Auditors, including the circumstances set out in note 26 to the financial statements.

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 misstatements, 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 Directors 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its result for the year then ended;
- have been properly prepared in accordance with the Irish GAAP; and
- have been prepared in accordance with the requirements of the Companies Act, 2014.

Emphasis of Matter – Going Concern

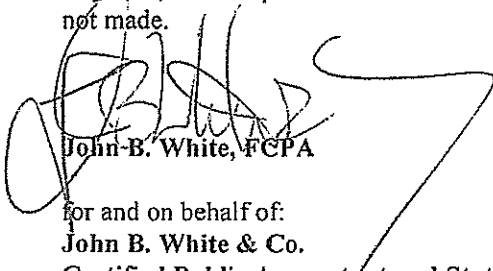
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 27 to the financial statements concerning the company's ability to continue as a going concern. Both the existing RDP and LCDP contracts expire in 2015. The LCDP activity was transferred to another organisation in May 2015. The 2014-2020 RDP contracts have not been awarded at the time of approving these financial statements. While the company has made a joint expression of interest to be appointed the implementer of the Waterford City & County Council Local Action Group, no decision has been made by the relevant authority. The company is also aware that the funding levels for the 2014-2020 RDP have been significantly reduced. These conditions, along with the other matters explained in note 27 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Matters on which we are required to report by the Companies Act, 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion 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 directors' report on pages 3 to 5 is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act, 2014 which require us to report to you if, in our opinion the disclosures of the directors' remuneration and transactions specified by law are not made.



John B. White, FCPA

for and on behalf of:
John B. White & Co.
Certified Public Accountant and Statutory Auditor
Dungarvan

Date: 7th September 2015

ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in Ireland (GAAP) and Irish statute comprising the Companies Act, 2014, and comply with the Financial Reporting Standards of the Accounting Standards Board, except as detailed hereunder. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those promulgated by the Institute of Certified Public Accountants in Ireland and issued by the Accounting Standards Board.

Exceptions:

Project Payments – Grant advances to beneficiaries are accounted for as payments are made. Amounts authorised at the Balance Sheet date and awaiting payment are disclosed as commitments.

Income

Funding Received – Restricted

Funds received from various funding agencies are credited to the Funding – Restricted Account in the year of receipt. Where funds received have not been distributed to Projects or allocated to administrative expenses they are included under creditors in the balance sheet.

Funding Received – Unrestricted

Unrestricted funds represent amounts which are expendable at the discretion of the directors in furtherance of the objectives of the company and which have not been designated for other purposes. Such funds may be held in order to finance working capital, capital expenditure or creation of Reserves under its Reserves Policy.

Expenditure

Projects - Expenditure is recognised when payment is made to the project promoters following receipt of funding from the funding agency.

Administrative Costs – Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes Value Added Tax (VAT) which cannot be recovered and is reported as part of expenditure to which it relates.

Tangible assets

Tangible assets are shown at cost or valuation less accumulated depreciation.

Depreciation is calculated with reference to the above value to write off the asset over their expected useful lives on a straight line basis at the following annual rates:-

	Rate
Office Equipment	25%
Computer Equipment	25%
Leasehold Improvements	10%

Impairment of assets

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of (a) an asset's fair value, less costs to sell, and (b) its value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

Debtors

Known bad debts are written off and specific provision is made for any material amounts, the collection of which is considered doubtful.

ACCOUNTING POLICIES (continued)

Leasing and hire purchase commitments

Tangible fixed assets, acquired under a lease, which transfers substantially all of the risks and rewards of ownership to the company, are capitalised as a fixed asset. Amounts payable under such leases (finance leases), net of finance charges, are shown as short or medium term borrowings, as appropriate. Finance charges on finance leases are charged to the income and expenditure account over the term of the lease. Assets acquired by hire purchase are similarly treated.

All other leases are operating leases and the annual rentals are charged to the income and expenditure account.

Taxation

No charge for taxation has been provided in the accounts as the company has been granted charitable status by the Revenue Commissioners. The company is not registered for VAT. Irrecoverable VAT is expended as incurred.

Stocks

Stocks are valued on a first in first out (FIFO) basis at the lower of cost and net realisable value. Cost comprises invoice price plus handling and transport costs. Net realisable value comprises the estimated selling price, less selling and distribution costs. Provision is made, where necessary, for obsolete, slow moving and defective stocks.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Capital grants are treated as deferred credits and are credited to the income and expenditure account on the same basis as the related tangible assets are depreciated. All other grants are recognised in the income and expenditure account at the time the costs they are intended to compensate are incurred by the company.

Pensions

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge to the profit and loss account represents contributions payable by the company to the fund.

INCOME & EXPENDITURE ACCOUNT
Year ended 31 December 2014

	Notes	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Income			
Funding Received - Unrestricted	1	1,146,947	1,148,318
Expenditure			
Administrative Expenses		(1,164,292)	(1,179,679)
Other Operating Income	2	29,915	35,955
Operating surplus	3	12,570	4,594
Interest receivable	4	41	160
Interest payable and similar charges	5	(97)	(285)
Surplus on ordinary activities before taxation		12,514	4,469
Tax on surplus on ordinary activities	6	-	-
Surplus Retained for the year		<u>12,514</u>	<u>4,469</u>

Statement of total recognised gains and losses

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

Note of historic cost profits

There is no difference between the surplus on ordinary activities before taxation and the surplus retained for the year stated above and their historical cost equivalents.

All activities are considered to be continuing.

On behalf of the board

Michael Walsh, Chairperson

Eleanor Burns, Secretary

Micheál Cosgrove, Director

BALANCE SHEET
31 December 2014

	Notes	2014 €	2013 €
Fixed assets			
Tangible assets	8	19,537	25,020
Current assets			
Stocks	9	525	3,807
Debtors	10	42,661	42,687
Bank and cash – Restricted Funds	11	251,662	490,875
Bank and cash – Unrestricted Funds		84,897	110,049
		<u>379,745</u>	<u>647,418</u>
Creditors			
Amounts falling due within one year	12	(51,372)	(76,523)
Restricted Funds Reserve	13	<u>(218,170)</u>	<u>(473,841)</u>
Net current assets		<u>110,203</u>	<u>97,054</u>
Total assets less current liabilities		129,740	122,074
Creditors			
Amounts falling due after more than one year		-	-
Grants	15	(14,927)	(19,775)
		<u>114,813</u>	<u>102,299</u>
Reserves			
Retained Reserves	16	108,083	95,569
Other Reserves: pre-incorporation	17	6,730	6,730
		<u>114,813</u>	<u>102,299</u>

On behalf of the board

Michael Walsh, Chairperson

Eleanor Burns, Secretary

Micheál Cosgrove, Director

CASH FLOW STATEMENT
Year ended 31 December 2014

	Notes	2014 €	2013 €
Net cash flow from operating activities	18	<u>(23,550)</u>	<u>12,864</u>
Returns on investments and servicing of finance			
Interest received		41	160
Interest paid		<u>(97)</u>	<u>(285)</u>
Net cash (outflow) from returns on investments and servicing of finance		<u>(56)</u>	<u>(125)</u>
Taxation			
Corporation tax		<u>-</u>	<u>-</u>
Tax refunded / (paid)		<u>-</u>	<u>-</u>
Capital expenditure			
Purchase of tangible fixed assets		(7,223)	(19,583)
Proceeds from sale of fixed assets		<u>-</u>	<u>-</u>
Net cash outflow from capital expenditure		<u>(7,223)</u>	<u>(19,583)</u>
 Cash (outflow) before use of liquid resources and financing		<u>(30,829)</u>	<u>(6,844)</u>
Financing			
Capital Grants Received		5,677	18,850
		<u>5,677</u>	<u>18,850</u>
 (Decrease) / Increase in cash	20	<u>(25,152)</u>	<u>12,006</u>

On behalf of the board

Michael Walsh, Chairperson

Eleanor Burns, Secretary

Micheál Cosgrove, Director

NOTES TO THE FINANCIAL STATEMENTS

1 Income – Unrestricted Funding

Unrestricted funding comprises of funds received from various grant authorities which are expendable at the discretion of the directors in furtherance of the objectives of the company. All income derives from activities in the Republic of Ireland. The amount of income allocated under each scheme is as follows:-

	Year Ended 31/12/2014	Year Ended 31/12/2013
	€	€
Local & Community Development	233,918	240,554
Local Employment Service	308,125	309,776
Rural Development Programme	446,078	445,254
Rural Social Scheme	23,502	23,973
Tús	135,324	128,761
	<u>1,146,947</u>	<u>1,148,318</u>

2 Other Operating Income

	Year ended 31 December 2014	Year ended 31 December 2013
	€	€
Office Rents and overheads recovered	24,857	26,820
Plaques and stickers	5,058	9,135
	<u>29,915</u>	<u>35,955</u>

3 Operating surplus

	Year ended 31 December 2014	Year ended 31 December 2013
	€	€
Operating surplus is stated after charging / (crediting):		
(i) Directors' remuneration	<u>-</u>	<u>-</u>
(ii) Operating Leases	<u>6,465</u>	<u>3,625</u>
(iii) Depreciation	<u>12,706</u>	<u>18,441</u>
(iii) Grants amortised	<u>(10,525)</u>	<u>(12,085)</u>

4 Interest receivable

	Year ended 31 December 2014	Year ended 31 December 2013
	€	€
Deposit interest receivable	41	160
Other investment income	<u>-</u>	<u>-</u>
	<u>41</u>	<u>160</u>

NOTES TO THE FINANCIAL STATEMENTS

5 Interest payable and similar charges

	Year ended 31 December 2014	Year ended 31 December 2013
	€	€
Interest payable on loans and overdrafts wholly repayable within five years	97	285
Interest payable on all other loans	-	-
	<u>97</u>	<u>285</u>

6 Taxation

	Year ended 31 December 2014	Year ended 31 December 2013
	€	€
Corporation tax	-	-
	<u>-</u>	<u>-</u>

Under Section 76 of the Taxes Consolidation Act 1997, the income of the company is exempt from corporation tax. The company is also exempt from Income Tax, DIRT and Capital Gains Tax under Sections 207, 266 and 609 TCA'97 respectively.

7 Employees and remuneration

The average number of persons contracted by the company during the financial year was as follows:

	Year ended 31 December 2014	Year ended 31 December 2013
Management	1	1
Administration	13	14
	<u>14</u>	<u>15</u>

	Year ended 31 December 2014	Year ended 31 December 2013
	€	€
The employee costs comprise of:		
Wages and salaries	670,660	661,459
Social Welfare	72,019	70,917
Staff Pension Costs	65,569	66,147
	<u>808,248</u>	<u>798,523</u>

The company also seconded a part time co-ordinator to support the Local & Community Development Program during the year. The cost of same amounted to €11,338 (2013: €15,904) which has not been included in the note above.

NOTES TO THE FINANCIAL STATEMENTS

8 Tangible fixed assets	Leasehold Improvements €	L.E.S. Equipment (i) €	Computers & Equipment €	Total €
Cost				
At 31 December 2013	18,774	137,839	159,406	316,019
Additions	-	572	6,651	7,223
Disposals	-	-	(488)	(488)
At 31 December 2014	18,774	138,411	165,569	322,754
Depreciation				
At 31 December 2013	18,774	135,810	136,415	290,999
Charge for year	-	939	11,767	12,706
Disposals	-	-	(488)	(488)
At 31 December 2014	18,774	136,749	147,694	303,217
Net book amounts				
At 31 December 2013	-	2,029	22,991	25,020
Net book amounts				
At 31 December 2014	-	1,662	17,875	19,537

(i) Local Employment Service Equipment – The Dept. of Social Protection retain legal title to fixed assets purchased under the Local Employment Service Programme and which are held at contact points in County Waterford.

(ii) There are no assets held under finance lease, hire purchase or similar contracts included in the tangible fixed asset schedule.

9 Stock	31 December 2014 €	31 December 2013 €
Stock of plaques	525	3,807
	525	3,807

In the opinion of the directors the current replacement cost of stocks does not differ significantly from the amount stated above.

10 Debtors	31 December 2014 €	31 December 2013 €
Amounts falling due within one year		
Debtors & Prepayments	15,287	12,690
Rural Development Programme – WLP internal projects (see (i) below)	27,374	29,997
	42,661	42,687

(i) Funding for 2 internal projects remains outstanding at the year end date. These internal projects were approved for funding by Dept. Environment, Community & Local Government. Both of these projects had concluded at 31 December 2014, with cumulative funding receivable in the sum of €27,374.

NOTES TO THE FINANCIAL STATEMENTS

11 Bank and cash - Restricted Funds	31 December 2014	31 December 2013
	€	€
Rural Development Programme	126,889	386,491
Local & Community Development Programme	71,490	31,614
Local Employment Service Training Fund	457	2,491
Technical Assistance	15,442	15,442
Local Employment Service	29,736	50,393
Rural Social Scheme	6,744	3,577
Tús Community Placement Initiative	904	867
	<u>251,662</u>	<u>490,875</u>
12 Creditors	31 December 2014	31 December 2013
	€	€
Amounts falling due within one year		
Trade Creditors and accruals (see (i) below)	28,685	36,682
Ineligible Project Funding Repayable - RDP	-	7,605
Rural Development Programme – WLP internal projects	-	12,546
PAYE/PRSI	<u>22,687</u>	<u>19,690</u>
	<u>51,372</u>	<u>76,523</u>
(i) Reservation of Title		
Part of the amount owing to creditors may be secured by the reservation by the supplier of legal title to any goods supplied. The amount secured in this way depends on the legal interpretation of the individual contracts and cannot be readily determined.		
13 Restricted Funds Reserve	31 December 2014	31 December 2013
	€	€
Local & Community Development	57,638	26,509
Local Employment Service	19,392	44,469
LES Training Fund	457	2,491
Rural Development Programme (see note 14)	117,722	383,356
Pobal Technical Assistance	15,441	15,441
Rural Social Scheme	6,023	3,096
Tús	<u>1,497</u>	<u>(1,521)</u>
	<u>218,170</u>	<u>473,841</u>
14 Rural Development Programme Reserve	31 December 2014	31 December 2013
	€	€
Payment due to Promoters of Approved Projects	29,195	350,575
Grant Advanced for next year	-	53,250
Surplus / (Deficit) of Operating expenses over Grants in current year c/fwd	<u>88,527</u>	<u>(20,469)</u>
	<u>117,722</u>	<u>383,356</u>

NOTES TO THE FINANCIAL STATEMENTS

15 Grants	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Opening Balance	19,775	13,010
Received during the year	5,677	18,850
Amortised to the Income & Expenditure Account	(10,525)	(12,085)
Closing Balance	<u>14,927</u>	<u>19,775</u>
 16 Retained Reserves	 Year ended 31 December 2014 €	 Year ended 31 December 2013 €
Opening Balance	95,569	91,100
Surplus retained for the year	12,514	4,469
Closing Balance	<u>108,083</u>	<u>95,569</u>
 17 Other Reserves: pre-incorporation	 Year ended 31 December 2014 €	 Year ended 31 December 2013 €
Opening balance	6,730	6,730
Movement during the year	-	-
Closing balance	<u>6,730</u>	<u>6,730</u>
The pre-incorporation capital reserve relates to net assets and liabilities taken over by the company on incorporation of the entity which operated at that time.		
 18 Reconciliation of operating surplus to net cash flow from operating activities	 2014 €	 2013 €
Operating surplus	12,570	4,594
Depreciation charge	12,706	18,441
Grants amortised	(10,525)	(12,085)
Net Movement in Restricted Funds / Reserve	(16,458)	(16,967)
Decrease / (Increase) in stocks	3,282	(3,807)
Decrease / (Increase) in debtors	26	(7,238)
(Decrease) / Increase in creditors	(25,151)	29,926
Net cash flow from operating activities	<u>(23,550)</u>	<u>12,864</u>

NOTES TO THE FINANCIAL STATEMENTS

19 Reconciliation of net cash flow to movement in net funds	2014	2013
	€	€
(Decrease) / Increase in cash during the year	(25,152)	12,006
(Increase) / Decrease in term loans	-	-
Movement in net funds	(25,152)	12,006
Net funds at 1 January	110,049	98,043
Net funds at 31 December	84,897	110,049

20 Analysis of changes in net funds	31 December			31 December
	2013	Cash flows	Other Changes	2014
	€	€	€	€
Bank and cash – unrestricted funds	110,049	(25,152)	-	84,897
Net funds	110,049	(25,152)	-	84,897

21 Commitments

Commitments contracted for at the reporting date but not recognised in the Financial Statements are as follows:-

(a) Restricted Funding – Projects approved and awaiting payment as at 31/12/2014	No. of projects	Amount Approved €
Basic Services for Economy & Rural Development	-	-
Encouragement of Tourism Activities	1	5,894
Training & Information	4	10,641
Business Creation & Development	2	155,475
Village & Countryside Renewal	-	-
Conservation of Rural Heritage	-	-
Animation	-	-
Implementing Co-operation projects	-	-
Adding Value to Agriculture	1	141,765
	8	313,775

Payment of approved eligible projects is dependent upon the Promoters meeting all the requirements and conditions as outlined in their Letter of Offer and on receipt of funds from the funding agencies.

(b) Operating Lease Commitments

The company leases various assets by operating lease. Generally operating leases are short-term with no purchase option. The future aggregated minimum lease payments under operating leases are as follows:-

	31 December	31 December
	2014	2013
	€	€
Not later than 1 year	6,465	6,465
Later than 1 year and not more than 5 years	20,734	25,860
Later than 5 years	-	1,339
	33,941	33,664

NOTES TO THE FINANCIAL STATEMENTS - continued

(c) Business Rental Agreements

The company had entered the following rental agreements at 31 December 2014:-

- Awaiting rental agreement regarding business premises at Dungarvan, Co. Waterford for 10 years – effective 1/07/2011. Current annual rent €5,000
- Awaiting rental agreement regarding business premises at Carrick-on-Suir, Co. Tipperary for 1 year – effective 1/01/2015. Current annual rent €9,547
- Rental agreements for business premises at Dunhill, Co. Waterford for 1 year – effective 22/07/2013 and 01/01/2014. Current annual rent in the sum of €4,704.

22 Contingent Liabilities

Funds received or receivable from funding agencies could be repayable if certain circumstances set out in the grant agreements occur. Under agreements between the Company and government funding agencies, various restrictions have been placed on the distribution of funds and non-compliance with the terms of agreements may result in the reimbursement to or withholding of funds by the various agencies.

The company has received notification from the Personal Injuries Board of a claim for compensation by an employee. The matter is on-going and is being dealt with by the company's solicitor and insurance company.

23 Related party transactions

In accordance with the Articles of Association of the Company, no director received any remuneration during the year.

No director has any personal interest in any contract or transaction entered into by the company (2013: €nil).

The company had the following arms length transactions with related parties during the year to 31 December 2014:

Lismore Business Park Limited, a company in which Ms. Eleanor Burns is secretary to, charged rent in the amount of €28,290 (2013: €25,465) to the company during the year. At 31 December 2014 the Company owed an amount of €nil (2013: €nil) to Lismore Business Park Limited.

24 Pension Costs

The company makes contributions to a defined contribution scheme on behalf of management and staff, the assets of which are vested in independent trustees for the benefit of members and their dependents. The contributions for the year amounted to €65,569 (2013: €66,147) and have been charged in arriving at the operating surplus. The actuarial reports are available for inspection by members and beneficiaries.

25 Limited by guarantee and not having a share capital

The company is limited by guarantee and does not have a share capital. Under the Memorandum of Association of the Company, all income and property of the company shall be applied solely towards the promotion of the objects of the Company. The liability of the members is limited to an amount not exceeding €0.01 each.

26 APB Ethical Standards – Provisions Available to Smaller Entities

In common with many other businesses of our size and nature we use our statutory auditors to assist with the preparation of the financial statements and secretarial compliance work.

27 Going Concern

The accounts have been prepared on a going concern basis. However, material uncertainties exist at the time of approval of these financial statements which the directors wish to bring to your attention. Both the existing Rural Development Program (RDP) and Local & Community Development Program (LCDP) contracts expire in 2015. The LCDP activity was transferred to another organisation in May 2015. The new RDP contracts have not been awarded

NOTES TO THE FINANCIAL STATEMENTS - continued

at the time of approving these financial statements. While the company has made a joint expression of interest to be appointed the implementer of the Waterford City & County Council (WCCC) Local Action Group (LAG), no decision has been made by the relevant authority. The directors are also aware that even if the company is successfully appointed as the implementer of the WCCC LAG, funding levels for the 2014-2020 RDP have been significantly reduced. On the basis that the submission was the only one for the WCCC LAG the directors have a reasonable expectation that the company will be successful in its application.

The material uncertainty regarding RDP funding beyond 30 September 2015 and for 2016 adversely affects the ability of the company to plan and resource its work. In the event that the company is not approved as the implementer of the WCCC LAG or that its budgets are significantly reduced, this may negatively impact on the reserves of the company. The company has received minimal income of a discretionary nature since its incorporation and consequentially the ongoing scale of operations of the company is dependent on existing contracts being renewed at similar funding levels.

The directors are aware of these issues and await clarity on their impact. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

28 Pobal – Rural Social Scheme

The company is involved in the implementation of the Rural Social Scheme programme in County Waterford in conjunction with Pobal. The scheme involves the employment of a number of employees to carry out certain work in local communities. The company received a supervisory allowance together with funds for the purchase of materials and these receipts are included in the financial statements. The payment and administration of wages of the participants is undertaken by Pobal.

29 Tús – Community Work Placement Initiative

The company is involved in the implementation of the Tús programme in County Waterford on behalf of the Department of Social Protection. The company received a financial allocation from the Department of Social Protection based on the number of participants allocated and actually on work placements. This allocation towards the company's administration is included in the Income & Expenditure Account. The payment and administration of wages, for Tús supervisors and participants, is undertaken by Pobal and these wage costs are not included in the company's Income & Expenditure Account.

30 Approval of financial statements

The financial statements were approved by the board of directors on 7th September 2015.

