

Registration number 98934
Registration number CHY 7256

Peter McVerry Trust Limited
(A Company Limited by Guarantee and not having a Share Capital)

Directors' Report and Financial Statements

for the year ended 31 December 2012

Peter McVerry Trust Limited
(A Company Limited by Guarantee and not having a Share Capital)

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Peter McVerry Trust Limited
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Legal and administrative information

Directors	Peter McVerry James Francis O' Higgins Liam Connellan Orla Barry Wenda Edwards Anthony O'Riordan Philip Crowley Ivan Hammond Austin O'Carroll Roderic Ensor Peter Birthistle
Secretary	Fr. Peter Mc Verry
Company number	98934
Registered office	29, Mountjoy Square, Dublin 1
Auditors	Donal Ryan & Associates Chartered Certified Accountants & Registered Auditor 34 Manor Street Dublin 7
Business address	29 Mountjoy Square Dublin 1
Bankers	ICS Building Society 48 Talbot Street Dublin 1 Bank of Ireland 48 Talbot Street Dublin 1 Ulster Bank 81/82 Dorset Street Lower Dublin 1

Peter McVerry Trust Limited
(A Company Limited by Guarantee and not having a Share Capital)

Solicitors
Lavelle Coleman
51/52 Fitzwilliam Square
Dublin 2

Charity Number
CHY 7256

Peter McVerry Trust Limited
(A Company Limited by Guarantee and not having a Share Capital)

Directors' report
for the year ended 31 December 2012

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

The Company is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Acts, 1963 to 2012 and although not obliged to comply with the Statement of Recommended Practice (SORP) as issued by the Charity Commissioners for England and Wales in October 2005 (updated in 2008) the organisation has implemented its recommendations where relevant in these accounts. The main activities of the organisation are charitable.

Incorporation and change of name

The company was incorporated on 23 December 1983 as Arrupe Society Limited. The name of the company was changed to Peter McVerry Trust Limited on 14 November 2006.

The company does not have a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding five Euro (€5).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association and managed by a Board of Directors/Trustees.

The company has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No CHY 7256.

Recruitment and Appointment of Board of Directors

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the board of directors.

In accordance with the Memorandum and Articles of Association one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest one third, shall retire from office. The Directors to retire in every year shall be those who have been longest in office since the last election. A retiring Director shall be eligible for re-election.

The Board of Directors seek to ensure that the needs of the community are appropriately reflected through the diversity of the organisation. To enhance the potential pool of directors, the charity has, through networking sought to identify a diversified range of persons from all walks of life to participate in the charity's work

The Board is committed to achieving high standards of governance. Board members do not receive any remuneration in respect of their services to the charity. There have been no contracts or arrangements entered into during the financial year in which a Board member was materially interested or which were significant in relation to the charity's activities.

Peter McVerry Trust Limited
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Directors' report
for the year ended 31 December 2012

..... continued

Directors' Induction and Training

Most trustees are already familiar with the practical work of the charity having been involved with the charity for a number of years. Additionally, new trustees are invited and encouraged to attend a series of short training sessions (of no more than an hour) to familiarise themselves with the charity and the context within which it operates. These are led by the Chief Executive of the charity and cover:

- The obligations of the board members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

A corporate governance document has also been prepared and this is distributed to all new trustees along with the Memorandum and Articles and the latest financial statements.

Risk Management/Principal Risks & Uncertainties

The Directors have identified that the key risks and uncertainties facing the Charity are the potential decrease in the level of donations and funding and the potential increase in compliance requirements in accordance with company law, health and safety, taxation and other legislation;

The company mitigates these risks as follows:

- The charity continually monitors the level of activity, prepares and monitors its budgets targets and projections. The charity has a policy of maintaining significant cash reserves and it has also developed a strategic plan which will allow for the diversification of funding and activities;
- The company closely monitors emerging changes to regulations and legislation on an ongoing basis;

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors.

Organisational Structure

Peter McVerry Trust Limited by Guarantee has a Board of Directors of up to eleven members who meet at least six times a year and are responsible for the strategic direction and policy of the charity. At present the Committee has eleven members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day-to-day responsibility for the provision of the services rest with the Chief Executive. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Chief Executive has responsibility for the day-to-day operational management of the various services, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

The services provided by Peter McVerry Trust Limited are run by McVerry Trust Operations Limited which has common directors and members.

Peter McVerry Trust Limited
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Directors' report
for the year ended 31 December 2012

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Related Parties/Wider Network

In so far as it is complimentary to the charity's objects, the charity is guided by both local and national policy including the Charities Act 2009. The charity is not part of a wider network of charities.

Mission Statement

Peter McVerry Trust Limited is committed to reducing homelessness and the harm caused by drug misuse and social disadvantage. Peter McVerry Trust Limited provides low-threshold entry services, primarily to younger persons with complex needs, and offers pathways out of homelessness based on the principle of the housing first model and within a framework that is based on equal opportunities, dignity and respect.

Objectives and Activities

The principal objects and activities of the company are:

- To provide a safe, challenging and supportive drug free environment and to target those most marginalised in society through its service provision.
- To treat participants with warmth and respect and actively encourage them to be involved in all aspects of their own support plan.
- To offer a comprehensive package of support that will provide the best opportunity possible for them and assist them in planning a pathway out of homelessness or drug use, or if they continue to use drugs, to assist them towards some level of stabilisation in order to live a life of dignity, with respect and opportunity.
- To assist each person to re-establish themselves in the community and move towards greater independence.

Achievements and Performance

The Peter McVerry Trust Limited is committed to maintaining flexibility in its service provision that enables it to respond rapidly and appropriately to the changing needs of those who access its services. This capacity has been manifested in the organic growth of the organisation in recent years in line with increased demand for services. The number of participants who accessed its services grew from 383 in 2008 to in excess of 1,200 in 2012.

Financial Review

The results for the year are set out on page 11 - 12.

Against the backdrop of a difficult economic climate and insecurities over funding, it has continued to be difficult to plan or develop services. Nevertheless the company, with the aid of sound financial management and the support of both its staff and volunteers generated a very satisfactory financial outcome.

Principal Funding Sources

Aside from the grant income received from Public Sector, the principal funding sources for the charity are currently by way of donations and fundraising from members of the public and corporate sponsorship.

Investment Policy

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term so there are few funds for long term investment. Having considered the options available, the Management Committee invest whatever amount that it has available on term deposits.

Peter McVerry Trust Limited
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Directors' report
for the year ended 31 December 2012

..... continued

Reserves Policy

In line with best practice in accounting and reporting by charities, the Board of Directors have adopted the Statement of Recommended Practice (SORP) which requires a charity to state its reserves policy within its annual report. The Board have examined the charity's requirements for reserves in light of the main risks to the organisation and also making allowance for the charity's ability to respond quickly to any crisis situations that may arise without the need to wait for third party funding.

The board have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be at least 13 weeks of the budgeted future annual expenditure. This is in line with minimum recommended levels for the sector. The reserves are needed to meet the working capital requirements of the charity, to deal with emergency situations and to fund the expansion of the charities services going forward. The Board of Directors are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding while allowing time to raise other funding while at the same time not holding excessive reserves that would unnecessarily limit the amount spent on current charitable activities.

The Board have developed the reserves policy to assist in strategic planning, to inform a balanced budget process and to inform the risk management process by identifying any uncertainty in future income streams.

Use of Volunteers

The charity is grateful for the contribution which its volunteers have made to the organisation and its activities throughout the period.

Plans for Future Periods/Future Developments

The charity plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

In 2011, The charity launched 'Opening Doors for Homeless People' it's Strategic plan 2011 - 2015. In this document the strategic aims for the coming years were listed:-

- Ensure better service delivery
- Support Organisational development
- Increase total fundraising contributions
- Build the Trust's Profile

Events after the Balance Sheet Date

There have been no significant events affecting the company since the year end.

Funds held as Custodian Trustee on behalf of Others

The charity or its trustees do not hold any funds or other assets by way of a custodian arrangement.

Research & Development

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

Peter McVerry Trust Limited
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Directors' report
for the year ended 31 December 2012

..... continued

Books of Account

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 and appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at the Registered Office.

Auditors

The auditors, Donal Ryan & Associates, will continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

This report was approved by the Board on 23 May 2013 and signed on its behalf by

Peter McVerry
Director

James Francis O' Higgins
Director

Peter McVerry Trust Limited
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Statement of Directors' responsibilities for the members' financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Association of Chartered Certified Accountants.

Irish company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- observe the methods and principles in the Charities SORP

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Companies Acts 1963 to 2012 and all Regulations to be construed as one with those Acts. They are responsible for ensuring that the company otherwise complies with the provisions of those Acts relating to financial statements in so far as they are applicable to the company.

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.

On behalf of the board

Peter McVerry
Director

James Francis O' Higgins
Director

Date: 23rd May 2013

**Independent auditors' report to the members of
Peter McVerry Trust Limited
(A Company Limited by Guarantee and not having a Share Capital)**

We have audited the financial statements of Peter McVerry Trust Limited for the year ended 31 December 2012 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and 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 auditors' 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

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 promulgated by the Association of Chartered Certified Accountants.

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

We have undertaken the audit in accordance with the requirements of the APB Ethical Standards - Provisions Available to Small entities under the circumstances set out in note 21 to the financial statements.

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 company's balance sheet and its income and expenditure account are in agreement with the books of account.

We also report, to the members 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 directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Independent auditors' report to the members of Peter McVerry Trust Limited (continued)
(A Company Limited by Guarantee and not having a Share Capital)

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 judgements 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 31 December 2012 and of its surplus and cash flows for the year then ended ; and
- have been properly prepared in accordance with the Companies Acts 1963 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

In our opinion the information given in the directors' report is consistent with the financial statements.

Signed by:

Donal Ryan FCCA AITI

For and on behalf of:

Donal Ryan & Associates

Chartered Certified Accountants & Registered Auditor

34 Manor Street

Dublin 7

Date: 23 May 2013

Peter McVerry Trust Limited
(A Company Limited by Guarantee and not having a Share Capital)

Statement of Financial Activities (including Income & Expenditure)
for the year ended 31 December 2012

	2012	2012	2012	2012	2011
	Restricted	Unrestricted	Designated	Total	Total
	funds	funds	funds	€	€
Notes	€	€	€	€	€
<u>Incoming Resources</u>					
<i>Incoming resources from generated funds:</i>					
Voluntary Income:					
Donations and fundraising income	2	2,069,017		2,069,017	2,113,113
Investment Income	2	63,769		63,769	59,572
<i>Incoming resources from charitable activities:</i>					
State Grants	2	4,622,590		4,622,590	3,588,429
Rents and charges to residents	2	278,094		278,094	189,807
<i>Other Income - Deferred forward</i>		48,000	-	48,000	290,000
Total incoming resources		<u>4,622,590</u>	<u>2,458,880</u>	<u>-</u>	<u>7,081,470</u>
				7,081,470	6,240,921
<u>Resources Expended</u>					
Cost of generating funds					
Costs of generating voluntary income					
Fundraising Costs		298,612		298,612	248,989
Investment Management Costs		-		-	
Direct Charitable Expenditure		4,622,590	2,590,675	7,213,265	6,046,573
Governance Costs		15,552		15,552	20,031
Other Resources Expended	5	14,099		14,099	19,162
Total Resources Expended		<u>4,622,590</u>	<u>2,918,938</u>	<u>-</u>	<u>7,541,528</u>
				7,541,528	6,334,753
Net incoming/outgoing resources before transfers		-	(460,058)	-	(460,058)
				(460,058)	(93,832)
Transfers between funds		(181,663)	476,663	(295,000)	-

The notes on pages 15 to 24 form an integral part of these financial statements.

Peter McVerry Trust Limited
(A Company Limited by Guarantee and not having a Share Capital)

Statement of Financial Activities (including Income & Expenditure)
for the year ended 31 December 2012

	2012	2012	2012	2012	2011
	Restricted	Unrestricted	Designated	Total	Total
Notes	funds	funds	funds	Total	Total
	€	€	€	€	€
Net incoming resources before other recognised gains and losses	(181,663)	16,605	(295,000)	(460,058)	(93,832)
Other recognised gains/losses	-	-	-	-	-
Gains on revaluation of fixed assets for charity's own use	-	-	-	-	-
Gains/Losses on investment assets	-	-	-	-	-
Net movement in funds	(181,663)	16,605	(295,000)	(460,058)	(93,832)
Reconciliation of Funds					
Total funds brought forward	500,000	1,310,964	2,730,387	4,541,351	4,635,183
Total funds carried forward	318,337	1,327,569	2,435,387	4,081,293	4,541,351

The turnover and surplus relate to continuing operations as no businesses were acquired or disposed of in the above two financial years.

A separate Statement of Total Recognised Gains and Losses is not required as there are no recognised gains or losses other than the surplus or deficit for the above two financial years.

On behalf of the board

Peter McVerry
Director

James Francis O' Higgins
Director

The notes on pages 15 to 24 form an integral part of these financial statements.

Peter McVerry Trust Limited
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Balance sheet
as at 31 December 2012

	Notes	2012		2011	
		€	€	€	€
Fixed assets					
Tangible assets	9		3,559,221		3,559,221
Current assets					
Debtors	10	381,898		967,627	
Cash at bank and in hand		1,597,298		2,176,543	
				<u>3,144,170</u>	
Creditors: amounts falling due within one year	11	<u>(828,712)</u>		<u>(1,465,986)</u>	
Net current assets			<u>1,150,484</u>		<u>1,678,184</u>
Total assets less current liabilities			4,709,705		5,237,405
Creditors: amounts falling due after more than one year	12		(628,410)		(696,054)
			<u>4,081,295</u>		<u>4,541,351</u>
Net assets					
Capital and reserves (stated as per SORP)					
Designated/Restricted Reserves	14		2,753,724		3,230,387
Revenue Reserves	14		1,327,571		1,310,964
Total funds	16		<u>4,081,295</u>		<u>4,541,351</u>

As stated in the Directors' Report, in line with best practice in accounting and reporting by charities, the Board of Directors have adopted the Statement of Recommended Practice (SORP) which requires a charity to state its reserves policy.

The Board have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be at least 13 weeks of the budgeted future annual expenditure. This is in line with minimum recommended levels for the sector.

On behalf of the board

Peter McVerry
Director

James Francis O' Higgins
Director
23 May 2013

The notes on pages 15 to 24 form an integral part of these financial statements.

Peter McVerry Trust Limited
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Cash flow statement
for the year ended 31 December 2012

	2012		2011	
	€	€	€	€
Cash generated from operations				
Operating profit/(loss)	30,706		(74,670)	
Reconciliation to cash generated from operations:				
Decrease in other debtors	585,729		863,963	
(Decrease) in other creditors	<u>(636,896)</u>		<u>356,475</u>	
		(20,461)		1,145,768
Cash from other sources				
Receipt of Capital & Designated Funding	<u>(476,663)</u>		<u>(21,824)</u>	
		(476,663)		(21,824)
Application of cash				
Interest paid	(14,099)		(19,162)	
Purchase of tangible fixed assets	-		(178,176)	
Repayment of long term bank borrowings	<u>(68,022)</u>		<u>(67,238)</u>	
		<u>(82,121)</u>		<u>(264,576)</u>
Net decrease in cash in the year		(579,245)		859,368
Cash at bank and in hand less overdrafts at beginning of year		<u>2,176,543</u>		<u>1,317,175</u>
Cash at bank and in hand less overdrafts at end of year		<u><u>1,597,298</u></u>		<u><u>2,176,543</u></u>
Consisting of:				
Cash at bank and in hand		<u><u>1,597,298</u></u>		<u><u>2,176,543</u></u>

Peter McVerry Trust Limited
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Notes to the financial statements
for the year ended 31 December 2012

1. Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

1.1. Basis of preparation

The Financial Statements have been prepared under the historical cost convention with the exception of investments which in accordance with the Charities SORP have been included at market value. The financial statements comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland/Certified Public Accountants/Institute of Chartered Certified Accountants and the Companies Acts 1963 to 2012.

The financial statements have also been prepared to comply with -Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP) 2005 (updated in 2008). Any variation from these statements has been fully disclosed and explained

1.2. Income resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution of the legacy being received. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

1.3. Grants

Grants received specifically as a contribution towards the cost of land, buildings and buses/motor vehicles are credited directly to the capital fund in the year of receipt. Such grants are amortised to the Statement of Financial Activities on the same basis as the assets are depreciated.

Grant income from Public Sector Bodies/Government Agencies and other sundry sources are either credited when receivable to the Statement of Financial Activities or are deducted from expenses which give rise to the grants. Expenditure grants are credited to the Statement of Financial Activities upon the recognition of the associated expense for which the grant was originally received.

Peter McVerry Trust Limited
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Notes to the financial statements
for the year ended 31 December 2012

..... continued

1.4. Fund Accounting

The following funds are operated by the Charity

Restricted Funds

Restricted Funds, represent grants, donations and sponsorships received which can only be used for particular purposes specified by the donors or sponsorship programmes binding on the directors. Such purposes are within the overall aims of the company.

Unrestricted Funds

General Funds represent amounts which are expendable at the discretion of Directors in furtherance of the objectives of the charity and which have not been designated for other purposes. Such funds may be held in order to finance working capital or capital expenditure.

Designated Funds

Designated funds are unrestricted funds earmarked by the Board of Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.5. Tangible fixed assets and depreciation

Tangible Fixed Assets are stated at cost less Accumulated Depreciation.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less residual value, of each asset systematically over its expected useful life, as follows:

Land and buildings - Not being depreciated

The company maintains its buildings in a good state of repair. As a consequence of this the buildings market value is at least equal to their book value, and accordingly depreciation is not provided. The policy is to make provision in the event of any permanent diminution in the value of the buildings. Buildings are reviewed annually for evidence of any permanent impairment in value.

The carrying values of tangible fixed assets are reviewed annually for impairment. If events or changes in circumstances indicate the carrying values may not be recoverable, then the impairment losses are written off firstly, against the capital reserve and any excess to the Income & Expenditure Account. The directors have considered the carrying value of fixed assets at 31 December 2012 and have concluded that no impairment arises.

Peter McVerry Trust Limited
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Notes to the financial statements
for the year ended 31 December 2012

..... continued

1.6. Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Expenditure comprises those costs incurred by the company in the delivery of its activities and services for its beneficiaries. This is achieved by funding the services through McVerry Trust Operations Limited.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage

1.7. Taxation

No charge to current or deferred taxation arises as the company has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No CHY 7256. The company is eligible under the "Scheme of Tax Relief for Donations to Eligible Charities and Approved Bodies under Section 848A Taxes Consolidation Act, 1997" therefore income tax refunds arising from sponsorships exceeding €250 per annum are included in unrestricted funds. Irrecoverable value added tax is expended as incurred.

Peter McVerry Trust Limited
(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements
for the year ended 31 December 2012

..... continued

2. Income

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

	2012	2011
	€	€
Source of income		
Fundraising	1,778,421	1,772,603
Health Service Executive	2,689,253	2,435,419
Fingal County Council	392,889	414,487
Homeless Agency	1,364,448	647,523
Regional Drugs Task Force	146,000	91,000
Welcome Home	226,823	260,510
Calcutta Run	63,773	80,000
Rent Receivable	278,094	189,807
Deposit Interest Receivable	63,769	59,572
Deferred Income B/F	48,000	-
Other income (incl Reserve Transfers)	506,663	290,000
	<u>7,558,133</u>	<u>6,240,921</u>

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:
Auditors' remuneration

	2012	2011
	€	€
	<u>2,460</u>	<u>2,460</u>

4. Income from investments

Bank Deposit Interest

	2012	2011
	€	€
	<u>63,769</u>	<u>59,572</u>

5. Interest payable and similar charges

Included in this category is the following:
On bank loans

	2012	2011
	€	€
	<u>14,099</u>	<u>19,162</u>

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6. Employees

There were no employees during the year apart from the directors. All staff are employed by McVerry Trust Operations which runs the service.

7. Directors remuneration and transactions

The present membership of the board is listed on the 'Directors and other information' page.

No members of the board of directors received any remuneration during the year (2011 - Nil).

No director/trustee or other person related to the company had any personal interest in any contract or transaction entered into by the company during the year (2011 - Nil).

8. Tax on profit/(loss) on ordinary activities

No charge to current or deferred taxation arises as the charity has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997.

9. Tangible fixed assets

	Land and buildings freehold	Total
	€	€
Cost		
At 1 January 2012	3,559,221	3,559,221
At 31 December 2012	3,559,221	3,559,221
Net book values		
At 31 December 2012	3,559,221	3,559,221
At 31 December 2011	3,559,221	3,559,221

10. Debtors

	2012	2011
	€	€
Related party balances (Note 14)	329,164	944,395
Prepayments and accrued income	52,734	23,232
	381,898	967,627

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11. Creditors: amounts falling due within one year	2012 €	2011 €
<i>Loans & other borrowings</i>		
Bank loan	68,022	68,400
<i>Other creditors</i>		
Other creditors	756,385	1,359,126
Accruals and deferred income	4,305	38,460
	828,712	1,465,986

12. Creditors: amounts falling due after more than one year	2012 €	2011 €
Bank loan	628,410	696,054

There are twelve Registered Charges:-

Ulster Bank has charges over No 3 and No 4 Conyngham Road.

Dublin City Council has a charge over 40 Hampton Wood, Finglas, Dublin 11. The amount secured by Dublin City Council is €250,920.

Health Service Executive has a charge in relation to a ten year lease on 65 Whitworth Road.

Fingal County Council has eight charges relating to eight apartments with a total amount secured of €1,015,575.

13. Details of Borrowings

Maturity Analysis

	Within 1 year €	Between 1 & 2 years €	Between 2 & 5 years €	After 5 years €	Total €
<i>Repayable by instalments</i>					
Bank loan	68,022	68,022	204,066	356,322	696,432
At end of year	68,022	68,022	204,066	356,322	696,432

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14. Analysis of Net Assets between Funds

	General Funds	<u>Designated Funds</u>		Restricted Funds	Total
	€	Capital reserve €	Revenue reserve €	reserve €	€
At 1 January 2012	1,310,964	1,730,387	1,000,000	500,000	4,541,351
Retained profit/(loss) for the year	16,607				16,607
Reserve movements	-	-	(295,000)	(181,663)	(476,663)
At 31 December 2012	<u>1,327,571</u>	<u>1,730,387</u>	<u>705,000</u>	<u>318,337</u>	<u>4,081,295</u>
Represented by					
Tangible Fixed assets	1,132,402	2,426,819			3,559,221
Debtors	381,898				381,898
Cash	573,961		705,000	318,337	1,597,298
Current Liabilities	(760,690)	(68,022)			(828,712)
Liabilities > 1 year		(628,410)			(628,410)
	<u>1,327,571</u>	<u>1,730,387</u>	<u>705,000</u>	<u>318,337</u>	<u>4,081,295</u>

As stated in the Directors' Report, in line with best practice in accounting and reporting by charities, the Board of Directors have adopted the Statement of Recommended Practice (SORP) which requires a charity to state its reserves policy. The Board have examined the charity's requirements for reserves in light of the main risks to the organisation and also making allowance for the charity's ability to respond quickly to any crisis situations that may arise without the need to wait for third party funding.

The Board have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be at least 13 weeks of the budgeted future annual expenditure. This is in line with minimum recommended levels for the sector.

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15. Statement of Funds

	At 1 January 2012	Income	Expenditure	Investment	Transfers	At 31 Dec
	€	€	€	€	€	€
General reserves	1,310,964	7,065,701	7,541,526	63,769	428,663	1,327,571
						-
<i>Designated Funds</i>						-
Capital reserve	1,730,387	-				1,730,387
Revenue Reserve	1,000,000				(295,000)	705,000
					-	-
Total Designated Funds	2,730,387	-	-	-	(295,000)	2,435,387
<i>Restricted Funds</i>						
Restricted Fund	500,000				181,663	318,337
Total Restricted Funds	500,000	-	-	-	181,663	318,337
Total funds	4,541,351	7,065,701	7,541,526	63,769	(48,000)	4,081,295

The general reserve represents the free funds of the charity which are not designated for particular purposes.

The capital reserve is funding which was used to acquire fixed assets.

The Revenue Reserve has been designated by the trustees as part of the reserve policy to keep the equivalent of at least 3 months expenditure in reserve.

The Restricted fund is held in reserve at the behest of the donor.

16. Reconciliation of movements in members' funds

	2012	2011
	€	€
Surplus/(deficit) for the year	16,607	(93,832)
Other recognised gains or losses	(476,663)	(21,824)
Net addition to members' funds	(460,056)	(115,656)
Opening members' funds	4,541,351	4,657,007
Closing members' funds	4,081,295	4,541,351

17. Capital commitments

There were no capital commitments at the year ended 31 December 2012.

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18. Related Party Transactions

McVerry Trust Operations Limited administers and runs all the projects for the Peter McVerry Trust. The funding provided to McVerry Trust Operations Limited in 31 December 2012 was 7,523,124 (31 December 2011 - 6,313,131). Debtors (note 8) relate to a balance owed by McVerry Trust Operations Limited as at 31 December 2012 of €291,900 (31 December 2011 - €852,234), Balcarris Boys Home Limited as at 31 December 2012 of €11,351 (31 December 2011 - €9,631) and Tabor Society Limited as at 31 December 2012 of €5,741 (31 December 2011 - €6,641) and Belvedere Social Accommodation Limited as at 31 December 2012 of €20,172. These balances arose from funds transferred for working capital and the residue of funds which remain to be transferred over to the Trust following the transfer of their services.

19. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	€	€	€	€
Cash at bank and in hand	2,176,543	(579,245)		1,597,298
Debt due within one year	(67,238)	68,022	(68,806)	(68,022)
Debt due after one year	(696,054)	-	67,644	(628,410)
	<u>(763,292)</u>	<u>68,022</u>	<u>(1,162)</u>	<u>(696,432)</u>
Net funds	<u>1,413,251</u>	<u>(511,223)</u>	<u>(1,162)</u>	<u>900,866</u>

20. Company Limited by Guarantee

The company is one limited by guarantee not having a share capital. The liability of each member, in the event of the company being wound up is €5.

21. APB Ethical Standard - Provisions Available for Small Entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the Revenue Commissioners and assist with the preparation of the financial statements.

22. Accounting Periods

The current accounts are for a full year. The comparative accounts are for a full year.

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23. Approval of financial statements

The financial statements were approved by the Board on 23 May 2013