

Company registration number: 442488

ENCLUDE CLG
(A Company Limited by Guarantee and not having a Share Capital)

Report and Financial Statements

Year Ended 31st December 2016

ENCLUDE CLG
(A Company Limited by Guarantee and not having a Share Capital)

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ENCLUDE CLG
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Directors and Other Information

Directors	Colm Butler Al Ryan Ava Battles
Secretary	Eamon Stack
Company number	442488
Charity number	CHY 17286
Registered office	Drumcondra Business Centre, 120 Drumcondra Road Upper, Dublin 9 D09 T6P7
Business address	Drumcondra Business Centre, 120 Drumcondra Road Upper, Dublin 9 D09 T6P7
Auditors	Marie T Walsh & Co, Certified Public Accountants, Statutory Audit Firm, 2 Meadow Park Close, Ballyvolane, Cork.
Bankers	Bank of Ireland, 26 Marino Mart, Fairview, Dublin 3.

ENCLUDE CLG
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Directors' Report
Year ended 31st December 2016

The directors present their annual report and the audited financial statements for the year ended 31st December 2016.

This report has been prepared in accordance with the requirements of the Companies Act 2014 and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the Republic of Ireland (FRS102) hereafter denoted as the Charities SORP (FRS102). The Charities SORP (FRS102) is not yet mandatory in the Republic of Ireland and the Irish Charities Regulation has not yet prescribed accounting regulations for Irish Charities. In the absence of such prescriptive guidance the Board has adopted the Charities SORP (FRS102) as it is considered best practice.

Structure, governance and management

The directors of the charity, at the date of this report and those who served during the financial year together with the dates of any changes are as follows:

Colm Butler
Al Ryan
Ava Battles

Eamon Stack is Company Secretary - not a director

The directors have assessed the major risks to which the charity is exposed and continue to do so on a regular basis. They are satisfied that systems are in place to mitigate exposure to major risks.

ENCLUDE is a registered charity and operates out of Drumcondra Business Park, 120 Drumcondra Road Upper, Dublin 9. Staff regularly work from home.

The charity operates under the direction of a Board of Directors and its CEO, Eamon Stack, who is assisted in the management of the charity by the Deputy CEO, Sylvester Murphy and Development Manager, Elizabeth Kelly. The CEO is required to attend Board meetings on a regular basis. Management of the charity and delivery of its services is currently achieved via a cohort of 22 staff and subcontractors.

We changed our formal name from ENCLUDE Limited to ENCLUDE CLG as required by company law.

We have also submitted a new Constitution, replacing our Memorandum & Articles of Association. At the same time we requested two changes to the company's objects: one, to include charities defined by the Charities Act 2009 as eligible for our services; and two, to include development NGOs overseas within our remit. As of 31st December 2016 we had not received word from Revenue, but confirmation of acceptance of the new company objects and constitution came later in 2017.

Key management personnel include the following:

Eamon Stack - Chief Executive Officer
Sylvester Murphy - Deputy CEO
Elizabeth Kelly - Development Manager and HR Officer
Eamon Kelly - Manager of Developers
Maeve Kerney - Manager of Support and Training
Patricia Higgins - Manager of Technology Donations Programme

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Directors' Report (Continued)
Year ended 31st December 2016

Vision, Mission, Values & Principles

- Vision

We know that the problems of society that charities are trying to solve are complex and require a multi-faceted and interdisciplinary response. We want to bring affordable, trustworthy and effective systems to Irish charities so that they can maximise their impact and make better use of donor funds.

As a non-profit, our relationship with our clients is a genuine partnership between charities whereby we share our knowledge and resources in order to enable IT solutions to drive their mission.

We call this the high impact service solution. Such solutions allow for data to be aggregated at regional and national level, to provide policy makers with accurate and timely information on which to base national and international policy and lead to better strategies.

- Mission

ENCLUDE's mission is to provide appropriate and cost-effective IT consultancy, services and solutions to charities in Ireland in order to help them achieve their goals and increase their impact.

- Values

- Empathy: ENCLUDE is a charity and shares in the mission of fellow charities to provide needed services to those who are marginalized and disadvantaged in any way.

- Engagement: ENCLUDE works with the staff of charities to understand their information management needs and to work with them to meet those needs in an affordable and accessible way.

- Expertise: We are an interdisciplinary team with Information Communications and Technology skills at Degree and Master level in Software Engineering, Computer Science, Finance and MBA's, complimented by qualifications in management and consultancy and developer certification in CRM.

Our shared values result in standardised high-impact service delivery solutions that are affordable, accessible and appropriate for the non-profit sector.

Principles

- Affordable - Significant technology donations and low-cost implementation strategy.

- Accessible - Cloud deployment puts flexible technology solutions where and when it is needed.

- Appropriate - Our co-design approach, engaging with all stakeholders, results in comprehensive, usable, effective solutions.

Principal Activities

ENCLUDE has three areas of activities: Donations Programme, Consulting/Information Management Programme and Community of Practice Programme.

Donations Programme

We have 1,800 organisations registered for the ENCLUDEit programme. The increase is due to ENCLUDE's new role in the validation process of Irish non profit organisations, with the ongoing support to Microsoft for their cloud solutions offers and the launch of Google for non profits in Ireland. A total of 551 organisations ordered through the programme and spent an average of €201, equivalent to an average savings of €3,534 per organisation. New donors launched in 2016 included DocuSign, Box, Adobe Cloud, Autodesk and Tableau.

Consulting/Information Management Programme

Delivering CRM based solutions dominated our work for the year. Working with homeless services, Threshold and Novas, we built on our work with DePaul and MQI Residential and Alone. We delivered a solution for Cause in Northern Ireland (our first in NI). Our work with Accord marriage counselling in Ireland opened the door to assisting their UK partner, Marriage Care UK, and we worked to enhance their CRM based system, building on our work with Accord.

Our team completed the roll-out of the Pastoral Management solution to 160 parishes, training 1,000 staff, in the Archdiocese of Dublin. This project is a huge success. We continue to work with the remaining parishes and we manage the support helpline for all parishes.

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Directors' Report (Continued)
Year ended 31st December 2016

We continued to deliver our SICAP (Social Inclusion and Activation) package to 4 Dublin based community partnership companies. This involves a significant investment. We noted that our hope for a single standardised core solution did not materialise. Each service required a separate solution.

Another major multi-organisation project in 2016 was the delivery of 31 PPN (Public Participation Networks) systems in partnership with South County Dublin Volunteer Centre. PPN staff were trained in groups and all systems were live by end of year.

We also delivered the Daughters of Charity Family Services phase 1. The solution was built as a managed app and is certified and up on the Salesforce App exchange. We will progress to phase 2 when the client is ready.

A major project with Misean Cara will be delivered from June 2016 through June 2017. The first phase of the project was completed and went live on 28th November 2016. This has been a very challenging project to align the technology with complex and evolving processes.

In partnership with charity Quality Matters, we continue to deliver eCASS - addiction services solution. By the end of the year, 70 services were using eCASS, 60% of charity addiction services in Ireland. A survey of the services revealed a high degree of satisfaction with the system. It was found that eCASS generated €4.5m per year in savings to services. 93% of respondents said eCASS improved their understanding of the importance of data. A key feature of eCASS is its ability to gather, validate and send electronic data to Health research Board (HRB) and on to the EU. We are the only IT solution for addiction services that has reached this level of maturity. In 2016/7 the HRB is doing a major upgrade of its reporting system, with substantial field changes and validations. We have been unable to get financial support from the HRB, the Dept of Health or the HSE to fund the upgrade of eCASS. We will charge an additional fee to the eCASS services to offset some of the cost but we estimate we will need to invest over €20K to deliver a new compliant version of eCASS.

Community of Practice Programme

In 2016 we welcomed two new staff to the support and adoption team, to cater for role changes for previously assigned staff. The number of cases raised by customers increased steadily during the year, in line with our larger client base. We also provided a dedicated Administrator for the Archdiocese. The second/third level support requirement from the Archdiocese was significant. The System Admin training continued as last year, with monthly training slots in the Carmichael Centre. There was an increased focus on organisation-specific user documentation, and where possible, video was used to provide or supplement user training. User training was delivered as part of several project implementations, including PPN, Misean Cara and Daughters of Charity.

ENCLUDE management

The introduction of the Operations and Strategy Team in 2015, involving three senior staff (CEO, Deputy CEO and Development Manager) has been hugely helpful this year. The team meet each fortnight to manage our pipeline, operations and HR. We have completed the systematic review of HR contracts and systems. We can now better align pipeline and staff resources.

The final items required for compliance with the Governance Code were completed and the ENCLUDE Business Plan 2016-2018 was approved by the Board. Having completed all the identified actions we registered with the Governance Code as a compliant charity.

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Directors' Report (Continued)
Year ended 31st December 2016

Results for the year and Review of Activities

The results for the year ended 31st December 2016 are set out on page 11. The company generated income of €939,100 (2015: €930,645). Expenses for the year were €933,621 (2015: €864,494). The surplus for the year was €5,479 compared to a surplus of €66,151 in the previous year.

Overall staff/contractor costs increased again this year. We are now happy with the staff levels and we do not expect that there will be any significant increase in staff costs going forward.

The Donations Programme achieved its primary goal, increasing registration as a sign of successful outreach programme. We continued with our successful promotion strategy, letters, email and phone calls, building up our database. We have a strong presence at sector events, especially at The Wheel annual conference and were a major sponsor of The Wheel Better Together awards in 2016. There is a strong link between our donations programme and our other programmes. However, with the move from product sales to a subscription model for software, and with a weaker income model for subscriptions, we cannot expect the income to grow.

We have had a very full pipeline of Information Management projects, the majority requiring CRM based solutions. These have included a wide range of organisation size and area of work. We have strong presence in Addiction, Homelessness and Counselling services and we have developed service-area specific applications in those areas. The success of the Archdiocese project has opened doors to other projects, particularly Accord, Irish Prisoners Overseas and Misean Cara. Larger projects bring new challenges and can stretch our resources and ability to control unreasonable expectations.

At a Techsoup Europe meeting in Poland it emerged that ENCLUDE is now the biggest technology charity in Europe and the only one which delivers consultancy and develops applications. ENCLUDE is also focused on the value of aggregated data in the Charity sector, ahead of any other partners.

ENCLUDE is also the only TSG partner in Europe whose financial sustainability comes from outside the TSG product donation programme. Charities in Europe could equally benefit from the excellent affordable solutions developed in Ireland. The CEO of TSG, Rebecca Masisac, held a meeting with Eamon Stack. She thanked ENCLUDE for our contribution to the TSG network, our deep insights into the changing technological landscape for charities and especially for our visionary input to the European meeting.

Outside Europe the CEO visited Fe y Alegria education programme headquarters in Colombia. The programme has over 2,000 schools in 17 countries with over 2m pupils. ENCLUDE has delivered a fundraising app used in national headquarters in 17 countries and signed an accord with Fe y Alegria on exploring delivering three more phases: Systems of Quality, Resource requests and funding and Pupil results. At the end of 2016 there was a change of senior management personnel at Fe y Alegria and we are awaiting the senior management team at Fe y Alegria to outline the next phase of the project.

Office365: We continue to support the Office365 Programme and, despite the persistent technical challenges with the core product, we believe it is the best solution for communication and collaboration on the market. We support the integration of Office 365 with both the desktop suite and Salesforce CRM. Due to the poor profitability, we have not increased the staff compliment in this programme.

AccountsIQ: With the delivery of AccountsIQ to the Archdiocese of Dublin and several Camphill Communities, we expect this part of our work to develop. Our strongest contribution to improving the financial accounting information in the non-profit sector is our vision for an integrated information solution, as delivered to the Archdiocese. We will focus on this aspect to our work over simply delivering stand-alone solutions to individual charities. To this end we have increased our staff by employing a part time consultant, Donal Fitzgerald, who has helped our clients to implement the system.

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Directors' Report (Continued)
Year ended 31st December 2016

Reserves policy

The objective of the charity is that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in income, they will be able to continue the charity's current activities while consideration is given to ways in which additional income can be generated.

At the year end, the company had reserves of €129,835. This is about half of the minimum reserves that the directors would like. The aim is to increase this figure over the next couple of years.

Future Developments

Firstly, we pause and give thanks for 10 great years. The highlight of the year was the celebration of our 10 years at the Mansion House in November. Our keynote speaker was Senator Joan Freeman. She told the story of ENCLUDE by telling the story of our involvement with Pieta House. She acknowledged that at first ENCLUDE just provided an IT operational system for Pieta to deliver their service, which she did not rate too highly. However, after a few years she realised the value of the data from this system which enabled Pieta to learn and develop through analysis of their data. She grew to hold ENCLUDE and our service high in her esteem.

CEO Eamon Stack, spoke of his gratitude to all who supported ENCLUDE during 10 years of development. ENCLUDE has continued to grow in staff numbers to reach 22 by 2016. We are now the largest technology charity in Europe. ENCLUDE's Product Donations Programme has reached 33% of eligible charities, delivering an incredible €50m fair market value of technology to the Irish charity sector over 10 years. ENCLUDE's greatest contribution to Ireland is to demonstrate how the organisations in the charity sector can work together to develop their capacity to leverage technology to increase impact. ENCLUDE has demonstrated how the charity sector can work with state agencies and academics to provide better and more timely data to the policy makers so they can make better decisions. ENCLUDE has demonstrated that charities can leverage their unique skills at building community by building a community of practice and a community of learning around information management.

The key question for our future is how can we reach those charities not availing of the donations and using our skills. We need to explore models for scaling throughout Ireland. We need to look at the wider world and see how can we pass our insights and methods to the European charity sector. We also need to look at poorer countries. The founders, Eamon Stack and Ciaran Hayden had both worked in the development world. Our original Board chairperson, Sylvester Murphy worked with Concern. They had a desire to offer our services where they are most needed. The first step was to develop a strong offering in our own country. Maybe now is the time to expand our horizons and serve where the need is greatest.

Thanks to all who have engaged with ENCLUDE this year.

Auditors

The auditors Marie T Walsh & Co, have indicated their willingness to continue in office in accordance with the provisions of Section 380 of the Companies Act 2014.

Accounting Records

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting staff and have maintained appropriate computerised accounting systems. The accounting records are located at Drumcondra Business Centre, 120 Drumcondra Road Upper, Dublin 9, D09 T6P7.

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Directors' Report (Continued)
Year ended 31st December 2016

Statement on Relevant Audit Information

In accordance with Section 330 of the Companies Act 2014:

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board

Ava Battles
Director

Al Ryan
Director

12th September 2017

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Directors' Responsibilities Statement
Year ended 31st December 2016

The directors are responsible for preparing the Directors' report and the Financial Statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare Financial Statements for each financial year. Under the law, the directors have elected to prepare the Financial Statements in accordance with the Companies Act 2014 and accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland" (Generally Accepted Accounting Practice in Ireland). Under company law, the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' report comply with the Companies Act 2014 and enable the Financial Statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Ava Battles
Director

Al Ryan
Director

12th September 2017

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Independent Auditor's Report to the Members of Enclude CLG
for the year ended 31st December 2016

We have audited the Financial Statements of Enclude CLG for the year ended 31st December 2016 which comprise the Statement of Financial Activities, Statement of Financial Position, statement of cash flows and 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 (Generally Accepted Accounting Practice in Ireland) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that 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 or 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 explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. 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 (APB's) (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in Note 14 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 of the assets, liabilities and financial position of the company as at 31st December 2016 and of its profit for the year then ended; and
- have been properly prepared in accordance with the relevant reporting framework and, in particular, with the requirements of the Companies Act 2014.

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, the accounting records of the company were sufficient to permit the Financial Statements to be readily and properly audited.
- The Financial Statements are in agreement with the accounting records.
- In our opinion, the information given in the directors report is consistent with the Financial Statements.

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Independent Auditor's Report to the Members of Enclude CLG
for the year ended 31st December 2016

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors remuneration and transactions specified by Sections 305 to 312 of the Act are not made.

Marie Walsh

For and on behalf of
Marie T Walsh & Co,
Certified Public Accountants,
Statutory Audit Firm,
2 Meadow Park Close,
Ballyvolane,
Cork.

12th September 2017

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Statement of Financial Activities
Year Ended 31st December 2016

	Notes	Unrestricted Income	Restricted Income	Total 2016 €	Total 2015 €
INCOMING RESOURCES					
Charitable Activities		929,094	10,006	939,100	930,645
TOTAL INCOMING RESOURCES	3	<u>929,094</u>	<u>10,006</u>	<u>939,100</u>	<u>930,645</u>
RESOURCES EXPENDED					
Charitable activities		923,615	10,006	933,621	864,494
TOTAL RESOURCES EXPENDED	4	<u>(923,615)</u>	<u>(10,006)</u>	<u>(933,621)</u>	<u>(864,494)</u>
Net movement in funds		5,479	-	5,479	66,151
Reconciliation of funds					
Total funds brought forward		124,356	-	124,356	58,205
		<u>129,835</u>	<u>-</u>	<u>129,835</u>	<u>124,356</u>

There are no recognised gains or losses other than the net movement in funds arising from continuing operations for the year.

On behalf of the Board

Ava Battles
Director

Al Ryan
Director

12th September 2017

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Statement Of Financial Position
as at 31st December 2016

	Note	2016	2015
		€	€
Current assets			
Stocks	7	5,000	-
Debtors	8	136,909	147,423
Cash at bank and in hand		167,814	102,931
		<u>309,723</u>	<u>250,354</u>
Creditors: amounts falling due within one year	9	<u>(179,888)</u>	<u>(125,998)</u>
Net current assets		<u>129,835</u>	<u>124,356</u>
Total assets less current liabilities		<u>129,835</u>	<u>124,356</u>
Net assets		<u><u>129,835</u></u>	<u><u>124,356</u></u>
Capital and reserves			
Profit and loss account		<u>129,835</u>	<u>124,356</u>
Members funds	11	<u><u>129,835</u></u>	<u><u>124,356</u></u>

The financial statements were approved by the Board of Directors on 12th September 2017 and authorised for issue on the same date. They were signed on it's behalf by:

Ava Battles
Director

Al Ryan
Director

The notes on pages 14 to 19 form part of these financial statements.

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Statement Of Cash Flows
Year ended 31st December 2016

	2016	2015
	€	€
Cash flows from operating activities		
Profit for the financial year	5,479	66,151
<i>Adjustments for:</i>		
Accrued expenses/(income)	(5,271)	6,846
<i>Changes in:</i>		
Stocks	(5,000)	41,500
Trade and other debtors	10,514	(45,141)
Trade and other creditors	59,161	(98,878)
Cash generated from operations	<u>64,883</u>	<u>(29,522)</u>
Net cash from/(used in) operating activities	<u>64,883</u>	<u>(29,522)</u>
Net increase/(decrease) in cash and cash equivalents	64,883	(29,522)
Cash and cash equivalents at beginning of year	<u>102,931</u>	<u>132,453</u>
Cash and cash equivalents at end of year	<u><u>167,814</u></u>	<u><u>102,931</u></u>

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Notes To The Financial Statements
Year ended 31st December 2016

1. Accounting policies

The financial statements are prepared in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The significant accounting policies adopted by the Company and applied consistently in the preparation of these financial statements are set out below.

Basis of preparation

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (Charities SORP in accordance with FRS 102, effective January 2015) and with generally accepted accounting principles in Ireland and Irish Statute comprising the Companies Act 2014. They comply with the financial reporting standards of the Financial Reporting Council.

The Financial Statements are prepared in euros, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However none of the estimates and assumptions have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

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Notes To The Financial Statements (Continued)
Year ended 31st December 2016

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy. 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. Investment income is included when receivable. All other income is accounted for on an accruals basis.

Resources expended

Resources expended are accounted for when they are incurred and include amounts due at the end of the year but not paid. Resources expended include attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs than can be allocated directly to such activities and those of an indirect nature necessary to support them.

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 company.

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource.

Material Uncertainties

There are no material uncertainties about the charity's ability to continue.

Taxation

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, Charity No. CHY 17286.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions during the year, which are denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. The resulting exchange differences are dealt with in the Statement of Financial Activities.

Stock and Work in Progress

Work in progress is reflected in the accounts at the expected revenue due for work carried out during the year that has not yet been invoiced.

Pensions

The company operates a defined contribution pension scheme for certain employees. Employer contributions are charged to the Statement of Financial Activities in the year in which they become payable.

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Notes To The Financial Statements (Continued)
Year ended 31st December 2016

Fund Accounting

The following funds are operated by the charity

Restricted funds

Restricted income funds are to be used for specific purposes as laid down by the donor or grantor. Expenditure which meets these criteria is shown as charged to the fund.

Unrestricted funds

Unrestricted income funds are invoices for services to charitable organisations and other incoming resources received for charitable purposes which can be used at the discretion of Enclude CLG in furtherance of the objects of the charity.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

2. Limited by guarantee

The company is limited by guarantee, not having a share capital and consequently 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 €5.

3. Incoming resources

All Incoming resources derive from activities in the Republic of Ireland. The analysis of income by activity is as follows:

	2016	2015
	€	€
Client Consultancy & Support Services	820,639	748,128
ENCLUDEit	108,455	137,866
Grant Income	10,006	44,651
	<u>939,100</u>	<u>930,645</u>

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Notes To The Financial Statements (Continued)
Year ended 31st December 2016

4. Analysis of Resources Expended

	Unrestricted Funds	Restricted Funds	Total 2016 €	Total 2015 €
Direct costs	133,241	-	133,241	165,004
Staff costs	558,206	10,006	568,212	433,287
Subcontractors	144,205	-	144,205	208,546
Staff recruitment & training	621	-	621	933
Membership Fees	1,391	-	1,391	1,150
Direct Sales & Marketing costs	14,382	-	14,382	2,944
Travel & Subsistence	10,946	-	10,946	6,296
General administration	60,623	-	60,623	46,334
	<u>923,615</u>	<u>10,006</u>	<u>933,621</u>	<u>864,494</u>

5. Operating surplus

Operating surplus is stated after charging:

	2016 €	2015 €
Defined contribution pension scheme expense	732	671
Fees payable for the audit of the Financial Statements	<u>2,214</u>	<u>2,460</u>

6. Staff costs

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

	2016 Number	2015 Number
Management and administration	11	6
Key management personnel	6	6
	<u>17</u>	<u>12</u>

The aggregate payroll costs incurred during the year were:

	2016 €	2015 €
Wages and salaries	514,040	391,368
Social insurance costs	53,440	41,248
Pension costs	732	671
	<u>568,212</u>	<u>433,287</u>

ENCLUDE CLG
(A Company Limited by Guarantee and not having a Share Capital)

Notes To The Financial Statements (Continued)
Year ended 31st December 2016

7. Stocks	2016	2015
	€	€
Work in progress	5,000	-
	<u>5,000</u>	<u>-</u>

8. Debtors	2016	2015
	€	€
Trade debtors	128,060	141,263
Prepayments and accrued income	8,849	6,160
	<u>136,909</u>	<u>147,423</u>

9. Creditors: amounts falling due within one year	2016	2015
	€	€
Trade creditors	9,102	9,495
Tax and social insurance:		
PAYE and social welfare	12,370	11,915
VAT	4,053	3,700
Accruals	8,042	13,313
Deferred income	146,321	87,575
	<u>179,888</u>	<u>125,998</u>

10. Employee benefits

Defined contribution pension scheme and PRSA scheme

The company operates a defined contribution pension scheme for certain employees. The assets of the pension scheme are held separately from those of the company in independently administered funds. The cost of employer contributions in 2016 was €732 (2015:€671).

ENCLUDE CLG
(A Company Limited by Guarantee and not having a Share Capital)

Notes To The Financial Statements (Continued)
Year ended 31st December 2016

11. Analysis of Movements on Funds

	Opening Balance	Incoming Resources	Resources expended	Closing Balance
Restricted income				
Restricted Fund	-	10,006	(10,006)	-
Unrestricted Income				
Unrestricted Funds	124,356	929,094	(923,615)	129,835
	<u>124,356</u>	<u>939,100</u>	<u>(933,621)</u>	<u>129,835</u>

12. Capital commitments

There were no capital commitments at the year end.

13. Post Balance Sheet Events

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

14. Ethical standards

As a small entity under the provisions of the APB in relation to Ethical Standards we engage our auditor to assist in accounts preparation.

15. Key management personnel

The total amount of employee benefits (excluding employer pension costs) received by the charity's key management personnel was €260,839 (2015: €226,308).

There were no employees whose remuneration (excluding employer pension costs) exceeded €70,000.

16. Directors Remuneration and Expenses

None of the directors received any remuneration or expenses during the year.

17. Approval of financial statements

The board of directors approved these financial statements for issue on 12th September 2017.