

## **Independent Auditors' Report**

To: Patrick Walsh, Commission Secretary, Standards in Public Office Commission, 18 Lower Leeson Street, Dublin 2 & The Members of Direct Democracy Ireland.

### **Report on the Financial Statements**

We have audited the accompanying balance sheet of Direct Democracy Ireland as of 31<sup>st</sup> December 2015 and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

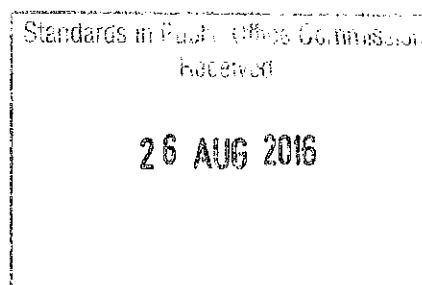
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the Republic of Ireland; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the Republic of Ireland. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

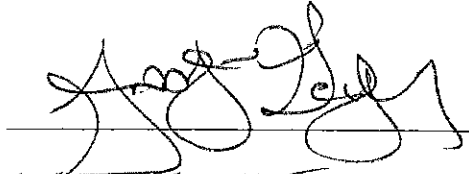
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.



## Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Direct Democracy Ireland as at 31 December 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the Republic of Ireland. We are also of the view that the said financial statements are in accordance with the requirements of the Electoral Act 1997.



*Andrew Feighery, FCA, FCCA, AITI CTA, MBA, QFA, FLIA, BL*

*Charterhouse Financial Services Limited, P/A CGC Associates*

*Chartered Accountants, Registered Auditors & AITI Chartered Taxation Advisors*

*272 Harold's Cross Road*

*Dublin 6w*

25 August 2016

# Formats for end of year Financial Statements

This statement should set out policies relating to the material headings in the Income and Expenditure Account and Balance Sheet including - • the basis of income recognition;

- The basis of expenditure recognition;
- Pension arrangements including entitlements, basis of recognition of charge, etc.;
- Treatment of employee benefits;
- Depreciation policy (including rates and method) and basis of valuation of fixed assets;
- Basis of any provisions;
- Valuation of investments.

## Overview of Direct Democracy Ireland/ National Citizen's Movement (DDI/NCM)

Direct Democracy Ireland is a registered Political party in accordance with the Register of Political Parties register. These accounts only apply to Direct Democracy Ireland as the merger with National Citizen's Movement did not accord till the end of 2016. It is the registered members who has the complete say in policies which is the mandate that the National Executive Committee is rule by. This committee is elected by public vote at an AGM which was held during 2015 and reviewed in April 2016. This committee comprises of 7 members of which a Leader, Chairman, Treasurer, General Secretary and 3 non-role executives who would be allocated portfolios as the need might arise. As it is a new organisation, these roles are constantly reviewed as to the needs of the organisation. The address of the Head office is The Old Post Office, Reaghstown, Co Louth.

The Accounting policies adopted is governed by the Irish/UK GAAP and also by all FSRs as directed by the EU and other regulatory boards. The depreciation policy has not been adopted as of yet, due to the fact that this Organisation does not have any equity or tangible assets, but if in the future it does, the Depreciation rate for the various assets will be set as per IAS 16 Property, Plant and Equipment. At the moment there is only one accounting unit as there has been no separate branches established as of yet.

## Financial Statements for Direct Democracy Ireland for year ending 31<sup>st</sup> December 2015

### Statement of Comprehensive Income

(Statement of income versus expenditure)

<b>Income</b>	<b>Note No.</b>
State funding	1
Membership and subscriptions	2
Donations	3
Donations in kind (including notional donations	4
Gross fundraising income	5
Other amounts remitted by branches	6
Miscellaneous income	7
<b>Total Income</b>	
<b>Expenditure</b>	
Staff costs	8
Administration	9
Premises Costs	10
Transfer to branches	11
Applications of DIN and notional donations	12
Fundraising expenses	13
Campaign and election costs	14
Depreciation	15

Miscellaneous expenses	16
<b>Total Expenditure</b>	
<b>Surplus/Deficit for the year</b>	

*Statement of Balancing Position  
(Notes for these categories)*

**Note 1. State funding**

State funding comprises	€
Exchequer funding under section 19 of the Electoral Act 1997	Nil
Parliamentary Activities Allowance	Nil
Other state funding	
<b>Total</b>	<b>€ Nil</b>

[a] Under section 20 of the Electoral Act 1997, as amended, a separate accounting is made in respect of the application of Exchequer funding received by qualified parties under section 19 of that Act.]

[b] Under section 3 of the Oireachtas (Ministerial & Parliamentary Offices) (Amendment) Act 2014, a separate accounting is made in respect of the application of this funding.]

[c] For example, the cost of staff, facilities, equipment, etc., under the Oireachtas (Ministerial and Parliamentary Offices) (Secretarial Facilities) Regulations 2013.]

**Note 2. Membership and subscriptions**

The amount reported for membership and subscriptions is comprised as follows:

	€
Collected by Head Office/National Units	234
Remitted by subsidiary units	Nil
<b>Sub total</b>	<b>€ 234</b>
It is made up of:	Nil
Corporate memberships	€ 234
Individual subscriptions	
<b>Total</b>	<b>€ 234</b>

**Note 3. Donations**

The total donations reported comprise:	€
Individual donations	450
Corporate donations	Nil

**Total****€ 450**

Under section 24 of the Electoral Act 1997, a separate accounting is made in respect of donations received.

**Note 4. Donations in kind**

The estimated value of donations in kind and notional donations received by the party in the year was:

€ Nil

This was applied as outlined in Note 12.

Donations in kind are included in the separate accounting referred to in Note 3.

**Note 5. Fundraising**

The principal sources of fundraising income in the year were as follows:

Date	Event	Venue	Total Income raised (€)	Total Expenditure (€)
10/01/2015	Executive Meeting	Ashbourne	77.80	77.80
17/01/2015	Executive Meeting	Ashbourne	75	75
11/04/2015	DDI AGM	Dublin	80	80
06/06/2015	Candidates meet	Dublin	99	99
28/06/2015	EGM Meeting	Naas	90	90
03/10/2015	Policy Meeting	Drogheda	123	100
11/12/2015	DDI/NCM merger	Dublin	60	60
12/12/2015	Joint of DDI/NCM	Dublin	99	99
20/04/2015	Sponsorship	Drogheda	540	540
		<b>Total (€)</b>	<b>1243.80</b>	<b>1220.80</b>

(Please categorise income based on main sources and insert a table, including Other Fundraising Income that totals to the reported figure. In addition, categorise direct expenditure on fundraising activities based on the nature of the expenditure and include in the table.)

**Note 6. Other amounts remitted by branches**

Membership and subscriptions remitted by branches are included in that heading. The balance of funding transferred to Head Office/National unit by branches comprises: € Nil

Categorise key components of the income (if material).

The event of 20/04/2015 was an initiative by the Louth branch to sponsor a local boys Soccer club. This funding was raised by monthly branch meetings held in locality to the tune of €540. None of this funding was used for any other events pertaining to Direct Democracy Ireland.

If not, state 'The balance comprises miscellaneous amounts remitted to Head Office/National unit by branches of the party'.

**Note 7. Miscellaneous income**

Miscellaneous income comprises:

€

Investment income Rental income

Nil

Service income

Nil

Other income Nil  
**Total Nil**

**Expenditure**

**Note 8. Staff costs**

Staff costs comprise: €  
**Salaries and wages Nil**  
**Employers PRSI Nil**  
**Pension costs Nil**  
**Training and development costs Nil**  
**Other costs Nil**

**Total € Nil**

No staff were employed at year end.

The full-time equivalent number of staff employed throughout the year was Nil.

**Note 9. Administration**

Administration comprises: €  
  
Communications and telephone costs 78.48  
Equipment rental and maintenance  
Printing and publishing 1.69  
Professional services 0.00  
Auditor's remuneration and expenses 0.00  
Staff travel 0.00  
Other administrative expenses 0.00  
**Total € 80.17**

**Note 10. Premises costs**

The cost of premises utilised in the year comprises: €  
  
Rental and related charges 0.00  
  
Heating and electricity 0.00  
Upkeep and maintenance 0.00  
Insurance  
Other premises costs (Venue Expenses) 653  
  
**Total € 733.17**

**Note 11. Transfers to branches**

The transfers to branches were made for the following purposes:

Branch	Purpose	Amount (€)

Total		
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(Categorise transfers by purpose if material)

**Note 12. Application of donations in kind and notional donations**

The value of donations in kind and notional donations is set out in Note 4. This amount was applied to non-campaign/election expenses as follows:

	€
Transport	
Fundraising costs	0.00
Premises use	0.00
Other (specify nature if material)	
<b>Total</b>	<b>€ 0.00</b>

**Note 13. Financing charges**

Financing charges comprise:	<b>€ 0.00</b>
Loan and mortgage interest	€ 0.00
Overdraft Interest	€ 0.00
Finance lease charges	€ 0.00
Other financing costs (Bank Charges)	€ 47.13
PayPal Account Charges	€ 23.45
<b>Total</b>	<b>€70.58</b>

**Note 14. Campaign and election costs**

Campaign costs include election expenses (as defined under Section 31 of the Electoral Act 1997, as amended) and other expenses incurred in relation to elections or referendum campaigns, or party/policy promotion and comprise:

<b>Presidential election 2015</b>	<b>€</b>
Election expenses	Nil
Other campaign expenses	Nil
Donations in kind	Nil

**General election 2015**

Election expenses	Nil
Other campaign expenses	Nil
Donations in kind	Nil

**Local elections 2015**

Election expenses	Nil
Other campaign expenses	Nil
Donations in kind	Nil

**Bye-election in x constituency**

Election expenses	Nil
Other campaign expenses	Nil
Donations in kind	Nil

**Referendum A**

Campaign expenses	Nil
Donations in kind	Nil

**General party/policy promotion***(Conferences, publications, etc.)*

Venue Expenses	653
Donations in kind	Nil

**€ 653****Note 15. Depreciation and tangible assets****(Not/Applicable)**

	<b>Property</b>	<b>Fixtures</b>	<b>Equipment</b>	<b>Vehicles</b>
<b>Gross cost</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
At beginning of year	0.00	0.00	0.00	0.00
Additions	Nil	Nil	Nil	Nil
Disposals	Nil	Nil	Nil	Nil
<b>At end of year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Accumulated depreciation**



At beginning of year	0.00	0.00	0.00	0.00
Provided for in year	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
<b>Net book value at end of year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Net book value at beginning of year**

**(NOTE:- as DDI/NCM do not hold any assets, therefore Depreciation would not be applicable)**

**Note 16. Miscellaneous expenses**

Miscellaneous expenses comprise:

Petty Cash Account (DDI office, Ardee, Co. Louth) €125

**Note 17. Investments**

(Classify investments by type if material)

There is no Investments held by Direct Democracy Ireland at the present moment.

**Note 18. Stock**

Stocks consist of (specify)

Not Applicable

**Note 19. Debtors and prepayments**

(Specify by main categories)

There is a prepayment from subscription of one member for a 10 year renewal subscription valued at €100. This is currently in year 1

**Note 20. Cash at bank and on hand**

The cash balances of the party comprise:	€
Current accounts	417.89
Deposit accounts	0.00
Cash on hand	0.00
Other cash balances (PayPal Account)	0.11
<b>Total</b>	<b>€ 418.00</b>

**Note 21. Creditors and accruals** €

Creditors and accruals are comprised of:

Payroll taxes	Nil
Creditors	Nil

Accruals	Nil
<b>Total</b>	<b>€ 0.00</b>

**Note 22. Loans and finance leases**

The balance of loans and finance leases comprises:	€
Loans	Nil
Finance Leases	Nil

(Insert note setting out any security given)

**Note 23. Accumulated fund (Not Applicable)**

The Accumulated fund comprises:	€ 0.00
Balance at beginning of year	€ 0.00
Balance at end of year	€ 418.00

**Note 24. Other reserves**

Classify all reserves other than the revenue reserves in Note 23 under headings that indicate their origin and/or purpose e.g., property revaluations, donation of assets below fair value etc.)

**Not Applicable**

**Note 25. Net cash flow in year**

Insert the standard accounting note linking the surplus or deficit of the year per the Income and Expenditure Account with net cash inflow (outflow) from operating activities.

Not Applicable at the moment.

**Other standard accounting notes**

Insert all standard accounting notes including -

- **taxation – set out the tax status of the party i.e. liability or exemption from key taxes;**  
As Direct Democracy Ireland does not employ anybody, No Taxation issue arises
- **commitments – set out an estimate of capital or other major financial commitments at year end;**  
DDI does not have any Capital or financial commitments at the end of 2015
- **contingencies and legal actions – state whether any material contingencies exist and, if so, outline their nature;**  
There is no Knowledge of any current or pending legal actions been undertaken against DDI
- **Related undertakings – set out all related undertakings;**  
Direct Democracy is intending to contest the General Election 2015 with a number of Candidates declared to be standing.
- **pension costs – set out the basis for pension provision for the various classes of employees**

As there is no employees in Direct Democracy Ireland, there is no provision for pensions or pension costs

- Insert the date of approval of the statement of accounts by Executive Committee or similar body elected by the party.

## Direct Democracy Ireland National Executive

Pat Greene	_____	Leader
Joe Cunningham	_____	Chairperson
Noel Reed	_____	Secretary
Gerard Flood	_____	Treasurer
Cormac McKay	_____	Member
Neville Bradley	_____	Member
Valarie Nathaniel	_____	Member

### **Date of Approval of Statement of Accounts**

Date