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Tearfund Ireland
(A company limited by guarantee, not having a share capital)

Report and Financial Statements

for the year ended 31 March 2016

Company Number: 323619
Charity Number: 8600
Charities Regulatory Authority Number: 20021337

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REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Dr David Weakliam (Chair of the Board) Richard Barkley (Treasurer) Susan Heaney Susan Morrow (appointed 27 th June 2016) Dr Oghenovo Osa Oghuvbu Paraic O'Toole Richard Phillips
Company Secretary	Richard Barkley
Development Committee	Richard Phillips (Chair) Dr David Weakliam Helen Lane Dr Michael O'Toole
Audit and Risk Committee	Richard Barkley (Chair) Paraic O'Toole
Chief Executive Officer	Sharan Kelly
Charity Number	8600
Charities Regulatory Authority Number	20021337
Company Number	323619
Registered Office and Principal Address	2nd Floor Ulysses House 22/24 Foley Street Dublin 1
Auditors	Lewis & Co Chartered Accountants and Registered Auditors 8 Priory Hall Stillorgan Co Dublin
Bankers	Allied Irish Banks 37 Upper O'Connell St Dublin 1 Bank of Ireland 6 Lower O'Connell Street Dublin 1 KBC Bank Ireland Sandwith Street Dublin 2

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Foreword from the Board Chair

The refugee crisis and the conflict in the Middle East featured very strongly across the world with many millions of people being affected with the number of refugees reaching over 60 million, the highest level the world has experienced since the second-world war.

Tearfund Ireland has been responding to the conflict in Syria from early 2013 and we increased our efforts to help stem the tide of people in desperation risking their lives to reach Europe for safety and in fear of their lives. While the refugee crisis in Europe brought the conflict closer to home, Tearfund Ireland increased its efforts in the Middle East to contribute to improving the situation within the countries of origin. We are encouraged by the work of our partners on the ground, who despite the horrific conditions and situation are making an incredible impact.

Tearfund Ireland's Irish Aid funded project in Jordan supported 1,363 households and 6,676 refugees under its community health programmes, 64% of whom included children under five. Household-level education and support was provided by trained Community Health Volunteers; trauma care workshops reached a total of 503 women and girls and 260 households received non-food item packages. This entire project reached 2,029 households, representing 8,252 individuals. The long term impact includes improved resilience, greater access to vital healthcare, psychological/emotional relief, improved child protection and coping skills. It was a particular encouragement of this project that it also contributed to the acceptance of Syrian refugees by Jordanian staff and volunteers and building hope and trust among neighbouring countries.

Following the devastation caused by the earthquake in Nepal in April and another of a similar magnitude in May, its worst natural disaster in 80 years, Tearfund Ireland responded with providing urgent medical treatment, distributing food and blankets, hygiene kits, health support, shelter and water. Over 8 million people have been affected with 22,000 people losing their lives. Our work following the Ebola crisis in Sierra Leone included a focus on orphans and providing alternative care in families, improved households and resilience. We also supported the response floods crisis in Myanmar in summer 2015 and continued with our humanitarian response in the Philippines.

Our Development work continued in Ethiopia, Malawi, Cambodia, Zimbabwe and Haiti. The Self Help Group Project, funded by Irish Aid through the Civil Society Fund, continued by providing extremely poor families with the hope and the means to break the cycle of poverty they have been living through by empowering them to develop livelihoods and facilitating a changed mind-set of greater self-worth and hope.

Advocacy is an important feature of our work which we intend growing in the years ahead. During the year Tearfund Ireland highlighted the complex issue of human trafficking and poverty through our 'No Child Taken' campaign. This campaign highlighted Tearfund Ireland's work in preventing human trafficking and the harmful impact of the institutionalisation of children trafficked into orphanages, a specialist area of Tearfund Ireland. Minister Frances Fitzgerald was presented with close to 1,000 signed campaign cards seeking the introduction of legislation to protect vulnerable women and girls both in Ireland and overseas.

While there remains much need and serious challenges such as the extent of humanitarian disasters and conflict, there is much to celebrate as we look back at the accomplishments in the lives of many people and communities that have been changed through our work and that of our partners on the ground. We are extremely thankful for all our supporters – individuals, churches and businesses where we have seen significant growth in support, an encouraging outcome of an improving economic environment. This year our annual income rose by close to 15% – with unrestricted income up by approximately 56%, and regular monthly giving increased by 10%. These results are extremely positive as we seek to increase our capacity to adequately resource the organisation and support our work overseas while having greater ability to plan with certainty. We are extremely blessed and thankful for the progress that is being made and that we are heading in the right direction to meet our strategic goals.

We continue to maintain our track record of good governance and accountability. We have been able to keep our organisational costs low at 15% of income (cost of generating funds 13%, and governance costs 2%). In the year ahead, we will continue to make every effort to increase our resources, replenish our reserves and be prudent stewards as we focus on our portfolio of programmes and projects overseas.

As with each year, we thank God for the generosity and loyalty of all our supporters, donors and partners. I extend our heartfelt thanks to our dedicated and talented team of staff, volunteers, fellow Board Directors and advisors for their commitment, hard work and enthusiasm. I also thank and acknowledge all of our partners and particularly our local church partners both in the countries we work in and here in Ireland. Through this unique grassroots partnership, Tearfund Ireland is a part of the transformation of the lives of many poor and marginalised people and communities.

Dr David Weakliam
Chairperson
11th August 2016

David has worked in international and global health since 1988, including 12 years working with Tearfund and other development agencies in Nepal, Liberia, Sudan and Democratic Republic of Congo. Following his return to Ireland he worked as health adviser with Irish Aid, the government overseas aid programme, from 2003 to 2007. David is now a Consultant in Public Health Medicine in the Health Service Executive (HSE) and works as Programme Lead for the HSE Global Health Programme.

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DIRECTORS' ANNUAL REPORT

for the year ended 31 March 2016

The directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the year ended 31 March 2016.

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 Act 2014 and, although not obliged to comply with the Statement of Recommended Practice (Charities SORP effective January 2015), the organisation has implemented its recommendations where relevant in these financial statements.

The directors, who are also the trustees 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 set out on page 3.

The company is limited by guarantee not having a share capital.

Principal Risks and Uncertainties

The directors have overall responsibility for Tearfund Ireland's system of internal control. Such a system can provide only reasonable and not absolute assurance against errors or frauds. The external auditor presents their report to the board of directors on an annual basis. A comprehensive register of the risks faced by Tearfund Ireland is maintained and covers the period of its Strategic Plan, 2015-2020. Risks identified include at three major levels, global, organisational and partner/beneficiary level.

Risk Management

Tearfund Ireland's register identifies the major strategic, financial, security, reputational and operational risks faced and how they are being managed. The directors are satisfied that systems are in place to monitor, manage and mitigate Tearfund's exposure to major risks. This includes the Audit and Risk Committee carrying out regular reviews of its Risk Register during each financial year and an annual review by the Board. Significant or material items are brought to the Board appropriately where necessary by the Audit and Risk Committee.

The top five risks on the risk register can be summarised as follows:

1. Reputation/Credibility: Mitigated by the highest standards of professional behaviour, strong ethics and values based on social justice and identity of Christian faith; strong corporate governance and compliance
2. Fraud, misappropriation of funds/Inappropriate behaviour: Partner assessments & audits carried out; governance by Board and Audit and Risk Committee; financial reporting and monitoring visits; code of conduct/behaviour and appraisals
3. Partnership relationships weaken/breakdown: Mutually beneficial Cooperation Agreements and Memorandum of Understanding in place/re-negotiated.; regular communication and relationships maintained
4. Cost recovery insufficient; administrative costs too high: Budget set by Board and actual expenditure versus budget reviewed quarterly; Audit and Risk Committee oversee strategy for adequate cost recovery mechanisms; strategy to grow unrestricted income and reserves, increase regular giving and diversify income sources
5. Civil Conflict & Governance Failure: Focus is on fragile states and protracted crises; conflict sensitivity is a strategic programme cross-cutting issue and integrated across responses.

Financial Results

The surplus/(deficit) for the year after providing for depreciation amounted to €23,448 (2015 - €(24,788))

At the end of the year the company has assets of €411,727 (2015 – €252,301) and liabilities of €353,314 (2015 - €217,160). The net liabilities of the company have decreased by €23,271.

Directors and Secretary

The directors who served throughout the year, except as noted, were as follows:

Dr David Weakliam (Chair of the Board)
Richard Barkley (Treasurer)
Susan Heaney
Susan Morrow (appointed 27th June 2016)
Dr Oghenovo Osa Oghuvbu
Paraic O'Toole
Richard Phillips

Auditors

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

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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 personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at 2nd Floor Ulysses House, 22/24 Foley Street, Dublin 1.

Financial Management and Governance

Tearfund Ireland's income has increased over the past year by 15%. Approximately 69% of Tearfund Ireland's income came from generous supporters and churches in the Republic of Ireland. Tearfund Ireland continues to build relationships with trusts, foundations and grant-making organisations in Ireland, including the Church of Ireland Bishops' Appeal. Tearfund Ireland received grants from the Irish Government for its work in Ethiopia and Jordan. As a registered charity, Tearfund Ireland was able to reclaim €95,766 tax from Revenue.

Tearfund Ireland uses its finances effectively and maintains low administration costs in order to ensure help reaches those in need. This is made possible through the support of enthusiastic volunteers who raise funds, pray, work in our office and share our vision with others. The Board of Directors is committed to ensuring administration costs remain low while also investing in the continued development of the organisation. Administration costs have been spread across direct charitable expenditure, costs of generating funds and governance.

Principal activities

Tearfund Ireland is an independent Irish Christian Relief and Development organisation incorporated in 2000 and operational since 2008 with its offices in Dublin, Ireland. As a faith based organisation we believe Christians and the Church are called to active involvement in ending poverty and seeking justice for people who are marginalised and vulnerable.

Strategy

In May 2015, Tearfund Ireland's Board approved the organisation's Strategic Plan for the period 2015-2020 which captures its strategy, vision, mission and goals.

Tearfund Ireland trebled its income during a period of deep recession in Ireland between 2008 & 2014 and will focus on trebling its income in the next five years also.

Tearfund Ireland's vision is for flourishing communities, free from poverty and injustice. Tearfund Ireland believe that this can be achieved through working together - with and through the local church and faith based partners, both in the global south and in Ireland, and growing its partnerships with Irish Aid, EuropeAid, Trusts, Foundations, INGOs and the corporate sector. Tearfund Ireland's strategy for the next five years is to develop and grow its capacity as an organisation in the Republic of Ireland so that Tearfund Ireland can have even greater impact in the lives of people and communities worst affected by poverty and injustice.

Tearfund Ireland's strategic goals are to enable the local church and other partners to transform the lives of the most vulnerable and marginalised people through the increased provision of resources, building meaningful partnerships with partner organisations including strengthening of their capacity and responding effectively to humanitarian emergencies and to protracted crisis in fragile states. It includes being an advocate with and for those most vulnerable to injustice and poverty while also strengthening and resourcing the organisation so that it can achieve its mission.

Tearfund Ireland has strategically examined its geographic and country focus. More emphasis is being put on fragile states, clustering countries in geographic regions within a manageable quota of countries. Tearfund Ireland responds to people and communities who are most marginalised and in greatest need. Tearfund Ireland's approach is to work holistically in poor communities and specifically focuses its work with the most marginalised and vulnerable. This includes children at risk and orphans, vulnerable children, vulnerable women, and people worst affected by conflict and protracted crises. Tearfund Ireland focuses its work on empowering, building capacity and mobilising people, churches and communities.

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Tearfund Ireland has built strong relationships with many churches in the Republic of Ireland over the past number of years. Tearfund Ireland's Marketing, Communications and Fundraising strategy identifies the churches and individuals as a major source of support and income for Tearfund Ireland. Its strategy is to specifically reach more churches and individuals and grow regular giving. A number of strategies are employed to achieve this within marketing, communications and fundraising activities. In the next five years, Tearfund Ireland aims to increase its partnerships with the Irish Government and Irish Aid, Trusts, Foundations and other institutions, corporates, other partner INGOs and EuropeAid as a means of providing the resources needed to grow its Development & Humanitarian Programmes overseas. It intends on maintaining a diverse income strategy, with appropriate levels of Irish Government income while growing regular giving by churches, individuals and unrestricted sources as the major source of income in the long term to ensure financial sustainability.

One of Tearfund Ireland's strategic goals is to advocate with and on behalf of the most marginalised and vulnerable. Advocacy is considered an integral part of its work in Development and Humanitarian responses. Tearfund Ireland's advocacy strategy seeks to tackle the root causes of poverty to bring about long term change. Tearfund Ireland seeks to influence policies, structures and systems that can bring about change in order to influence those in power to act in more equitable ways.

Vision, Mission, Goals and Values

Tearfund Ireland's Vision is for flourishing communities in partnership with local churches free from poverty and injustice.

Tearfund Ireland's Mission and passion, is to stand together to transform the lives of the most marginalised through partnerships that mobilise, empower and build capacity.

Tearfund Ireland's Strategic Goals are to:

1. Enable the local church and other partners to transform the lives of the most vulnerable and marginalised people through meaningful partnerships, capacity building and increased provision of resources
2. Become more widely known and understood across churches in Ireland and envision, equip and mobilise churches and the Christian community in Ireland to engage in social justice and development
3. Advocate with and on behalf of the most marginalised and vulnerable
4. Grow and strengthen organisational resources, technical expertise, skills and capacity

Tearfund Ireland's Core Values include:

Tearfund Ireland is driven by its belief that God through His word, character and the person of Jesus Christ calls the Church and Christians to active involvement in ending poverty and seeking justice for people who are marginalised and vulnerable.

Christ-centred As followers of Jesus Christ we are committed to following Christ's example - His words, actions and life in all that we do, say and are. Our roots go down deep in Him: His Spirit energises us, His word steers us and His presence steadies us.

Justice We are committed to justice for all people and communities. We believe that all people should be treated justly and equitably. We are committed to seeking the restoration of relationships that are unjust and inequitable, and seek to ensure the dignity and flourishing of every human being and society as a whole.

Empowerment We are committed to people and communities being empowered to live with dignity and to flourish. We will advocate with and on behalf of those most vulnerable and will support their capacity building for 'self-help', growing resilience and flourishing.

Relational We are committed to meaningful, effective and mutually beneficial relationships. We seek to put those we are serving first while working collectively with humility through mutual respect, learning, service and support.

Passionate We are passionate in our convictions and commitment to seek the transformation of people and communities and are driven to eradicate poverty and injustice with and on behalf of those most vulnerable.

Integrity We are committed to working with integrity and seek to uphold standards and principles of excellence, accountability, transparency and good practice. We will seek to continually learn, improve and share models of best practice and innovation while also being highly effective in the allocation of our resources.

Development Programme and Humanitarian Responses: Methodology and Approach to eradicating poverty and injustice;

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Vision, Mission, Goals and Values (continued)

Principles of Engagement

1. To enable the participation, engagement and inclusion of the most vulnerable and marginalised people in their communities
2. To address the underlying causes of vulnerability and strengthen existing capacities and invest in preventative solutions
3. To address issues of stigmatisation and marginalisation among the local church and among the wider community leading to mind-set and behaviour change
4. To facilitate meeting the needs of the vulnerable and most marginalised especially through mobilising local resources
5. Building social capital to develop community networks towards help for self-help and to provide care and support for the vulnerable and most marginalised
6. To strengthen capacity and share learning with local churches and partners. To network local churches and partners with the wider development community and ensure harmonisation within development frameworks.

Specific Principles

These principles are integrated into all projects as much as possible, though acknowledging that it may not always be feasible in humanitarian responses.

Building Capacity: Tearfund Ireland builds people's capacity towards "help for self-help".

Community Development and social capital: Tearfund Ireland seeks to build social capital, by means of networks and groups that support each other and where the sum is bigger than the parts. These groups can be both homogenous and heterogeneous.

Asset-Based: The belief that everyone is created in the image of God, Tearfund Ireland will not only look at needs, but the assets within people and communities, on capacities and capabilities. The process involves the participation of those affected by poverty in the poverty alleviation process.

Church and Community Mobilisation: Working through the church and to facilitate it to look beyond its boundaries.

Envision churches not to be insular, but engage with the community around them around felt needs. This process makes the church a relevant actor within the civil society.

Tearfund Ireland's programme work focuses on the following:

- Development programmes/projects
- Humanitarian responses, emergencies and protracted crises
- Development Education in Ireland
- Public Engagement in Ireland
- Alternative care/Family First with a focus on orphans and vulnerable children
- Education in humanitarian responses
- Advocacy
- Research

Tearfund Ireland continued its humanitarian work in the Middle East and the Philippines. While the refugee crisis in Europe brought the conflict closer to home, the Board of Tearfund Ireland increased its efforts in the Middle East to contribute to improving the situation within the countries of origin for those who are unable to leave.

Tearfund Ireland's Irish Aid funded project in Jordan supported 1,363 households and 6,676 refugees under its community health programmes, 64% of whom were children under five. Household-level education and support was provided by trained Community Health Volunteers; Trauma care workshops reached a total of 503 women and girls and 260 households received non-food item packages. This entire project reached 2,029 households, representing 8,252 individuals. The long term impact includes improved resilience, greater access to vital healthcare, psychological/emotional relief, improved child protection and coping skills. It was a particular encouragement of this project that it also contributed to the acceptance of Syrian refugees by Jordanian staff and volunteers and building hope and trust among neighbouring countries.

Following the devastation caused by the earthquake in Nepal in April and another of a similar magnitude in May, its worst natural disaster in 80 years, Tearfund Ireland responded with providing urgent medical treatment, distributing food and blankets, hygiene kits, health support, shelter and water. Over 8 million people have been affected with 22,000 losing their lives. Our work following the Ebola crisis in Sierra Leone included a focus on orphans and providing alternative care in families, improved households and resilience. We also supported the response in Myanmar to the floods crisis in summer 2015.

Our Development work continued in Ethiopia, Malawi, Cambodia, Zimbabwe and Haiti. The Self Help Group Project,

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funded by Irish Aid through the Civil Society Fund continued with providing extremely poor families with the hope and the means to break the cycle of poverty they have been living through by empowering them to develop livelihoods and facilitating a changed mind-set of greater self-worth and hope.

An important feature of our work which we intend on growing is that of advocacy. During the year Tearfund Ireland highlighted the complex issue of human trafficking and poverty through our 'No Child Taken' campaign. This campaign highlighted Tearfund Ireland's work in preventing human trafficking and the harmful impact of the institutionalisation of children trafficked into orphanages, Tearfund Ireland's technical niche. Minister Frances Fitzgerald was presented with close to 1,000 signed campaign cards seeking the introduction of legislation to protect vulnerable women and girls both in Ireland and overseas.

Governance, Accountability, Transparency and Financial Oversight

The Board of Directors, who meet at least five times per year, are responsible for ultimate strategic decisions, setting targets, signing off on annual plans and budgets and reviewing the outcomes of the statutory audit. The Board ensures the highest standards of governance, accountability, transparency, financial oversight and ultimately the achievement of strategic and programmatic goals. Directors are appointed by the members at the Annual General Meeting and are selected based on criteria established in the Board Terms of Reference. The directors may also appoint a director to serve until the next Annual General Meeting, at which time he or she would cease to hold office but would be eligible for election.

The Board carried out a review of its membership and identified additional areas of competency needed for the achievement of its new Strategy. To this end, the Board appointed one new Director in June 2016 and intend to appoint an eighth member later in the year. A Code of Corporate Governance (based on Dóchas's code) guides the board in its role, and the functioning of the Board is monitored against this. The operational management of the company is delegated by the Board to the Chief Executive Officer.

The Development Committee, a sub-committee of the Board, ensures that Tearfund Ireland utilises and allocates its financial resources effectively and is following internationally-recognised best practice in relief and development. The

Development Committee includes at least two directors. The Board approves funding available for grants and delegates to the Development Committee the assessment of new partners and projects for submission to the Board for approval. The Development Committee reports its decisions and actions to the Board in writing.

Tearfund Ireland operates a comprehensive planning and budgeting system with an annual budget approved by the board of directors. Significant changes are subject to specific approval. A financial reporting system compares results with the budget on a quarterly basis. Forecasts of the expected results for the year are undertaken in September and December. The treasurer ensures financial accountability and oversees effective management of funds. A Financial Policy and Procedures Manual approved by the Board in 2011 is due to undergo a review and revision. The Audit and Risk Management sub-committee established in 2011 continues to meet and oversees financial matters and continues to ensure strengthened internal controls and procedures, by identifying future risks and reporting to the Board.

Resource planning is undertaken to include financial, human and operational resources required to achieve the strategy, and a five-year implementation plan was developed and approved by the Board. Key principles underpinning resource allocation include matching resources to designated and restricted expenditure and maintaining a diversity of income to achieve this. Allocations for expenditure is managed to agreed targeted levels as a proportion of total costs. Those costs include staffing, fixed overheads, cost of generating funds, governance and charitable activities, including direct granting to projects and programmes. The Board tasks the staff to develop annual plans and budgets to achieve the desired outcomes and results of the strategy. Annual plans and budgets are approved by the Board. Progress in achieving objectives is monitored routinely.

Tearfund Ireland is a company limited by guarantee, registered with the Charities Regulatory Authority and is in full compliance with the Charities Acts. An annual report is published every year covering results achieved and detailing the various partner associations and projects worked with during the period and how lives and communities have and are being transformed. Audited Accounts are adopted by members at the AGM, and published on our website, and give details of income from public donations and grants and how this is expensed to fund our vital work and run the organisation.

Quality Standards, Codes of Conduct and Policy Development

Tearfund Ireland believes in maintaining the highest standards of professionalism throughout our work. Tearfund Ireland adheres to best practice quality assurance and codes of conduct across its development and humanitarian programmes. The Quality Standard framework underpins all interventions and includes targeting, gender, HIV, conflict, children, environment and sustainability. To ensure that these standards are followed, and that all programmes are managed effectively, with suitable processes for review, reporting and financial control, an appropriate Project Management Information System framework has been adopted.

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Tearfund Ireland is a signatory of the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief. This means that our 'aid is given regardless of the race, creed or nationality of the recipients and without adverse distinction of any kind. Aid priorities are calculated on the basis of need alone'. Tearfund Ireland are committed to the high technical quality of our projects, as laid out in the Sphere Humanitarian Charter and Minimum Standards in Disaster Response and the Humanitarian Accountability Partnership and we intend on adopting the new Core Humanitarian Standard. Tearfund Ireland is a member of Dóchas, the Irish Association of Non-Governmental Development Organisations and signatory to the Code of Conduct on Images and Messages; Tearfund Ireland a signatory to the ICTR Statement of Guiding Principles.

Tearfund Ireland's policies include Finance Policy (incl. Reserves, fraud policies etc.), Human Resources Policy, Partnership Process Policy, Child Protection and Vulnerable Adults Policy, Health, Safety & Welfare Policy, Irish Aid Guidelines for NGO Professional Safety & Security Risk Management, Data Protection Guidelines, Geographic Portfolio Guidelines, Disaster Response Guidelines etc. The Board dynamically adopted relevant Tearfund (UK) policies unless superseded by Tearfund Ireland's policies were appropriate. These include: Health Policy, Environment Policy, Impact & Learning, (Finance Policy & Human Resources Policy as they apply to country offices and partners), Quality Standard (QS) framework, Security & Safety in Travel informed and updated as needed by our experience in the field and by best practice.

Reserves Policy

The Directors consider that maintaining Tearfund's cash reserves between 3 to 6 months' expenditure and an annual review of internal controls and risks will provide Tearfund with adequate risk assurance and sufficient resources in the event of adverse conditions. In addition, the Board constituted an emergency reserve to enable Tearfund Ireland to respond to humanitarian emergencies as they arise. They also recognise that the nature of some of Tearfund's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity. Fraud is a major issue in many countries where Tearfund and its partners operate. As a result, Tearfund recognises fraud as one of the major risks that has to be managed. All potential frauds or other irregularities are required to be reported to the Board, who maintains a register of the irregularities, actions taken and results.

The Board allocated reserves previously for once-off expenditure items and put in place a strategy to increase the level of reserves to a minimum of 3 months' expenditure including staff costs, running costs and liabilities in the short term to grow to 6 months over the next 4 years. Led by the Audit and Risk Committee, Treasurer and the Board, this strategy and reserve levels are monitored quarterly. The Board rigorously monitor income versus expenditure and while in the previous two years an annual deficit occurred, the Board have actively been working towards reaching a surplus to replenish reserves. A key objective is to improve regular donations by standing order and direct debit to provide a solid financial base for our activities. The Church and Supporter Relations Co-ordinator and Marketing and Fundraising Manager implement this. The Board continues to monitor its strategy to raise its income levels to ensure its reserves policy is met.

Employees and Volunteers

The work of Tearfund in Ireland relies on the commitment and hard work of its valued staff and volunteers. Tearfund Ireland also appreciates the support of the staff at Tearfund in the UK.

Considerable and vital support has been given to Tearfund Ireland by more than 50 volunteers throughout the Republic of Ireland. Their help is at the heart of Tearfund Ireland's work: they bring life to the organisation and help it to operate effectively. The many roles they undertake include encouraging prayer, campaigning, acting within their local churches and communities, enthusing others, engaging with local media and championing fair trade. This volunteer network is a distinctive aspect of Tearfund Ireland's approach and the board is very grateful for their commitment and contribution.

Signed on behalf of the Board



Richard Barkley
Director

Date: 21/9/2016



David Weakliam
Director

Date: 21/09/16

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 March 2016

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net income or expenditure of the charity for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Charities SORP (effective January 2015) has been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish Statute comprising the Companies Act 2014, and all Regulations to be construed as one with those Acts. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the directors are aware:

- there is no relevant audit information (information needed by the charity's auditor in connection with preparing the auditor's report) of which the charity's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Signed on behalf of the Board



Richard Barkley
Director

Date:21/3/2016.....



David Weakllam
Director

Date:21/03/16.....

INDEPENDENT AUDITOR'S REPORT

to the Members of Tearfund Ireland

(A company limited by guarantee, not having a share capital)

We have audited the financial statements of Tearfund Ireland for the year ended 31 March 2016 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 we are required to state to them in an auditor's 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 the accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

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

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 Act 2014. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:-

- whether the company has kept proper books of account; and
- whether the Directors' Annual Report is consistent with the financial statements.

We report to the members if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We read the Directors' Annual Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of 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.

We have undertaken the audit in accordance with the requirements of the APB Ethical Standards including the APB Ethical Standard, Provisions Available for Small Entities, in the circumstances set out in Note 2 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Tearfund Ireland

(A company limited by guarantee, not having a share capital)

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 affairs of the company as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014

We have obtained all the information and explanations that 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' Annual Report is consistent with the financial statements.



Ben Lewis

for and on behalf of

LEWIS & CO

Chartered Accountants and Registered Auditors

8 Priory Hall

Stillorgan

Co Dublin

Date: 21-9-2016

Tearfund Ireland

(A company limited by guarantee, not having a share capital)

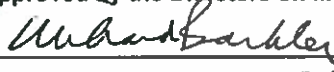
STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

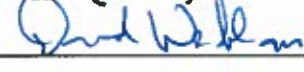
for the year ended 31 March 2016

	Notes	Unrestricted Funds 2016 €	Restricted Funds 2016 €	Total 2016 €	Total 2015 €
Incoming Resources					
Generated funds:					
Voluntary income					
Grants		2,596	566,816	569,412	529,649
Donations		600,312	-	600,312	486,968
Investment and other income	4	946	-	946	1,477
Total incoming resources		603,854	566,816	1,170,670	1,018,094
Resources Expended					
Cost of generating funds	7	79,140	75,437	154,577	197,453
Net incoming resources available for charitable application		524,714	491,379	1,016,093	820,641
Charitable activities:					
Costs incurred in Ireland	7	165,029	171,966	336,995	405,183
Remittances to overseas programmes	6	140,932	492,550	633,482	417,338
Transfer from unrestricted to restricted		184,083	(184,083)	-	-
		490,044	480,433	970,477	822,521
Other resources expended:		11,399	10,946	22,345	22,908
Total resources expended	7	580,583	566,816	1,147,045	1,042,882
Surplus/(deficit) for the year		23,271	-	23,271	(24,788)
Net movement in funds for the year		23,271	-	23,271	(24,788)
Reconciliation of funds					
Balances brought forward at 1 April 2015		35,141	-	35,141	59,929
Balances carried forward at 31 March 2016		58,412	-	58,412	35,141

Approved by the Directors on 21 SEP 2016 and signed on its behalf by



Richard Barkley
Director

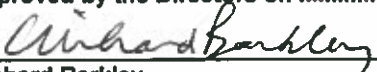



David Weakliam
Director

Tearfund Ireland
 (A company limited by guarantee, not having a share capital)
BALANCE SHEET
 as at 31 March 2016

	Notes	2016 €	2015 €
Fixed Assets			
Tangible assets	9	2,423	7,415
Current Assets			
Debtors	10	4,985	9,322
Cash and cash equivalents		404,319	235,564
Creditors: Amounts falling due within one year	11	409,304 (353,315)	244,886 (217,160)
Net Current Assets		55,989	27,726
Total Assets less Current Liabilities		58,412	35,141
Net Assets		58,412	35,141
Funds			
Unrestricted funds		58,412	35,141
Total funds	14	58,412	35,141

Approved by the Directors on 21 SEP 2016 and signed on its behalf by


 Richard Barkley
 Director


 David Weakliam
 Director

Tearfund Ireland
CASH FLOW STATEMENT
for the year ended 31 March 2016

	Notes	2016 €	2015 €
Cash flows from operating activities			
Net movement in funds		22,326	(26,388)
Adjustments for:			
Depreciation		4,835	5,705
		<u>27,161</u>	<u>(20,683)</u>
Movements in working capital:			
Movement in debtors		4,337	(5,408)
Movement in creditors		136,028	(30,610)
		<u>167,526</u>	<u>(56,701)</u>
Cash flows from investing activities			
Interest received		946	1,477
Payments to acquire tangible assets		-	(1,199)
		<u>946</u>	<u>278</u>
Net cash generated from investment activities		<u>946</u>	<u>278</u>
Net increase/(decrease) in cash and cash equivalents		<u>168,472</u>	<u>(56,423)</u>
Cash and cash equivalents at 1 April 2015		<u>235,566</u>	<u>291,989</u>
Cash and cash equivalents at 31 March 2016	16	<u><u>404,038</u></u>	<u><u>235,566</u></u>

Tearfund Ireland

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

1. ACCOUNTING POLICIES

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 and the Charities Act 2009. They comply with the financial reporting standards of the Financial Reporting Council, as promulgated by Chartered Accountants Ireland. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Restricted funds

Restricted funds represent unspent grants, donations and legacies which can only be used for the particular purposes as contracted with the donors, these purposes are within the overall objectives of Tearfund Ireland.

Unrestricted designated funds

Unrestricted designated funds represent amounts including donations designated to a particular area or country which are expendable at the discretion of the Board, in furtherance of Tearfund Ireland's objectives and in accordance with the donor's intentions.

Incoming resources

Voluntary income or capital is included in the Statement of Financial Activities when the company is legally entitled to it, its financial value can be quantified with reasonable certainty and there is reasonable certainty of its ultimate receipt. Entitlement to legacies is considered established when the company has been notified of a distribution to be made by the executors. Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grants contracted with the donor for a specific purpose are accordingly shown as restricted income. All other income is accounted for on an accruals basis.

Resources expended

Expenditure is analysed between charitable expenditure, cost of generating funds and governance, and is further analysed according to the proportion of restricted and unrestricted income. Costs which directly relate to each activity are allocated to that activity. Costs that are not directly attributable to one particular activity are allocated on an estimated basis. Such allocations are made by reference to an estimate of staff time used in each activity, head count, floor area or other appropriate basis. Expenditure includes VAT when charged.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- 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.
- 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 Statement of Financial Affairs 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 as set out in Note 7.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Fixtures, fittings and equipment	-	25% straight line
Computers	-	33% straight line

Tearfund Ireland

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 March 2016

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.

Taxation

The company has been granted charitable status by the Revenue Commissioners under Sections 207 and 208 of the Taxes Consolidation Act 1997, CHY number 8600, and as such is exempt from any charge to corporation tax. The charity 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 personal donations exceeding €250 per annum are included in unrestricted funds. Irrecoverable value added tax is expended as incurred.

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year. The regular cost of providing retirement pensions and related benefits is charged to the income and expenditure account on the basis of a constant percentage of earnings.

2. PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other charitable companies of our size and nature, we use our auditors to assist with payroll services and the preparation of the financial statements.

3. NET INCOMING RESOURCES

	2016	2015
	€	€
Net incoming resources are stated after charging/(crediting):		
Depreciation of tangible assets	4,835	5,705

4. INVESTMENT AND OTHER INCOME

	2016	2015
	€	€
Bank interest	946	1,477

5. INCOME

	2016	2015
	€	€
Donations – general	504,546	356,369
Donations – restricted	15,076	44,082
Grants – restricted	551,739	529,649
Other income	98,362	86,517

Grants were received from the Government of Ireland (Irish Aid) amounting to €362,000, for use in Ethiopia and Syria.

Grants were also received from the Church of Ireland Bishops' Appeal, as well as other church donors.

As a registered charity, Tearfund Ireland was able to reclaim €95,766 in tax from Revenue Commissioners.

Income from donations (other than grants) was given either as one-off gifts or by standing order. Some of this income was given towards specific geographical area/country needs and projects, and this income has been treated as designated but unrestricted income. Other donations are not directly specified or are given towards general funds, and these are designated as unrestricted. The tax reclaim from the Revenue Commissioners is treated as unrestricted because it is not possible to match this to specific donors. Contracted income from a donor to be used for a specific project is treated as restricted.

Tearfund Ireland

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

continued

6. CHARITABLE ACTIVITIES - CAMPAIGNS

Remittances to overseas programmes	2016
	€
Nepal	132,837
Myanmar	9,000
Haiti	10,517
Cambodia	5,698
Horn of Africa	3,750
Zimbabwe	5,000
Refugees	267,468
Ethiopia	181,212
Malawi	10,000
Sierra Leone	8,000
	<u>633,482</u>

Additional unrestricted income was used to cover the shortfall from costs associated with making restricted grants. At the year end, €127,000 was awaiting payment from Irish Aid funds to Ethiopia. This amount, as well as other accruals for grants not yet paid out, are accrued in the financial statements at the year end and are included in the totals above. Tearfund Ireland's in-country partners in Ethiopia are Tearfund Horn of Africa, Wolaita Kaleheywet Church Terepeza Development Association, and Ethiopian Guenet Church Development & Welfare Organisation.

It is the policy of Tearfund Ireland to distribute funds to specified projects as quickly as possible. Delays may occasionally arise which necessitate the holding back of remittances. At the year end all restricted reserves were committed in full to selected overseas projects. Unrestricted reserves will be allocated to projects after careful review of proposals by the Development Committee.

7. COSTS INCURRED IN IRELAND

Costs incurred in Ireland	Basis of allocation	Direct charitable expenditure	Cost of generating funds	Governance	Total 2016 €	Total 2015 €
Salaries including pension costs	Headcount	234,182	79,624	11,802	325,608	304,557
Travel and subsistence	Headcount	17,225	7,382	-	24,607	20,903
Communication and marketing	Direct	49,627	51,640	-	101,267	71,274
Office and IT costs	Headcount	32,441	14,616	5,335	52,392	42,174
Depreciation	Headcount	3,520	1,315	158	4,992	5,705
Legal and professional	Direct	-	-	-	-	4,693
Auditors' remuneration	Direct	-	-	5,050	5,050	5,376
		336,995	154,577	22,345	513,916	454,682

8. EMPLOYEES AND REMUNERATION

The staff costs comprise:	2016	2015
	€	€
Wages and salaries	325,608	304,587
Social welfare costs	28,569	27,588
Pension costs	19,994	16,036
	<u>374,171</u>	<u>348,211</u>

Number of employees

The average monthly number of employees during the year were:	2016	2015
Executive and Programmes	2	2
Marketing and Fundraising	3	3
Administration and Finance	3	3

Employment costs have been apportioned between direct charitable activities, costs of generating funds and governance.

The highest salary paid for executive staff was €73,500, plus a 7% employers' pension contribution.

Tearfund Ireland

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

continued

9. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment €	Total €
Cost		
At 31 March 2016	37,628	37,628
Depreciation		
At 1 April 2015	30,213	30,213
Charge for the year	4,992	4,992
At 31 March 2016	35,205	35,205
Net book value		
At 31 March 2016	<u>2,423</u>	<u>2,423</u>
At 31 March 2015	<u>7,415</u>	<u>7,415</u>

9.1 TANGIBLE FIXED ASSETS PRIOR YEAR

	Fixtures, fittings and equipment €	Total €
Cost		
At 1 April 2014	36,429	36,429
Additions	1,199	1,199
At 31 March 2015	37,628	37,628
Depreciation		
At 1 April 2014	24,508	24,508
Charge for the year	5,705	5,705
At 31 March 2015	30,213	30,213
Net book value		
At 31 March 2015	<u>7,415</u>	<u>7,415</u>
At 31 March 2014	<u>11,921</u>	<u>11,921</u>

10. DEBTORS

	2016 €	2015 €
Prepayments and accrued income	4,985	9,322

11. CREDITORS**Amounts falling due within one year**

	2016 €	2015 €
Trade creditors	8,042	20,452
Taxation and social security costs (Note 12)	21,395	19,704
Other creditors	(879)	63
Pension accrual	3,441	2,954
Accruals – general	6,916	6,945
Accruals – grants	314,400	167,168
	<u>353,315</u>	<u>217,286</u>

Tearfund Ireland

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 March 2016

12. TAXATION AND SOCIAL SECURITY

2016	2015
€	€

Creditors:
PAYE / PRSI

21,395	19,704
---------------	---------------

13. ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use €	Current assets €	Current liabilities €	Total €
Restricted income				
Restricted funds	-	-	-	-
Unrestricted income				
Unrestricted funds	2,422	409,303	(353,313)	58,412
	2,422	409,303	(353,313)	58,412

14. ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 April 2015 €	Incoming resources €	Resources expended €	Balance 31 March 2016 €
Restricted income				
Restricted funds	-	566,816	(566,816)	-
Unrestricted income				
Unrestricted funds	35,141	603,854	(580,583)	58,412
Total funds	35,141	1,170,670	1,147,399	58,412

15. STATUS

The company is limited by guarantee not having a share capital.

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding € 10.

16. CASH AND CASH EQUIVALENTS

2016	2015
€	€

Cash and bank balances
Cash equivalents

313,278	45,452
91,041	190,114
404,319	235,566

17. POST-BALANCE SHEET EVENTS

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

Tearfund Ireland

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 March 2016

18. ADOPTION OF CHARITIES SORP (FRS102)

This is the first set of financial statements prepared by Tearfund Ireland in accordance with accounting standards issued by the Financial Reporting Council, including the Statement of Recommended Practice (Charities SORP in accordance with FRS 102, effective January 2015). The company transitioned from previously extant Irish and UK GAAP to FRS 102 as at 1 January 2014. No adjustments were required to the amounts presented in the financial statements as a result of this transition.

19. PENSION COSTS

The company contributes to pension schemes on behalf of certain employees. The pension charge represents contributions due from the company to the employees and amounted to €19,994 (2015 - €16,036).

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 21 SEPT 2016