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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 2017

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

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

	Page
Reference and Administrative Information	3
Foreword from Board Chair	4
Directors' Annual Report	7
Statement of Directors' Responsibilities	12
Independent Auditor's Report	13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16 - 22
Supplementary Information relating to the Financial Statements	22 - 26

Tearfund Ireland

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

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Dr. David Weakliam (Chair) Richard Phillips (Vice-Chair) Richard Barkley (British) (Treasurer) Susan Heaney Dr. Oghenovo Oghuvbu Paraic O'Toole Sharon Morrow (Appointed 27 June 2016) Lucy Hill (Appointed 30 November 2016)
Development Committee	Richard Phillips (Chair) Dr. David Weakliam Helen Lane Michael O'Toole
Audit and Risk Committee	Richard Barkley (Chair) Paraic O'Toole
Company Secretary	Richard Barkley
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 D01 W2T2
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

Tearfund Ireland

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

Foreword from the Board Chair

This year we felt the blessing of the generosity and loyal support of Christians and churches across Ireland in a way that ensured that we had our 'daily bread' to meet our operational costs and commitments to projects overseas. Financially the final results this year do not look as successful as previous years. While we ended the year with a surplus which brings our general reserves up, our total income was considerably less than previous years. The reality is that it has been a challenging year. It was possibly one of the most exciting also as we sought to mobilise even greater resources to the needs of the poorest and most vulnerable across the world. We achieved very positive engagement by the staff team developing a five year programme that we sought to raise support for from Irish Aid.

There was an increase in giving by individuals ranging from 4.5% in regular giving to 38% in once-off giving. Our costs were kept at similar levels to the previous year and in line with budget. We managed many diverse projects and humanitarian responses in very difficult circumstances in the Middle East, Africa and Asia; we were the lead partner on an International publication, Footsteps that highlighted the positive work of reintegrating orphans and vulnerable children from institutions back into families and communities – distributed to over 120+ countries world-wide including 20,000 direct recipients translated into five languages; we hosted 80 Christian International Relief Agency delegates in Dublin representing 14 countries from across the world and continued to partner with local churches in Ireland in education based workshops equipping young leaders in responding to social justice and development as active global citizens. We continued to work closely with churches partnering with us in increasing the Irish church's involvement in our international work and God's mission to the poor, the orphan, the widow and the oppressed.

Every year the Board sets the annual budget for the new financial year and every year it is a step of faith. We anticipate and plan that our supporters will continue to value the work that we do in demonstrating the love of God to people in dire circumstances. We set ourselves ambitions to seek an increase in the number of people and churches that support us, apply for Institutional grants, engage more corporate and business support and fundraise. This enables us to deliver much needed projects on the ground in countries such as Ethiopia, Zimbabwe, Uganda, Cambodia, Jordan, Lebanon, Nepal and Yemen. Just like previous years, we are always thankful for His provision. Through all our efforts and generous support, we ended the year with a €17,204 surplus which given the challenges of the year, was a good result.

The financial results at the end of this year will appear disappointing as it is considerably less than previous years and what we had worked towards. This is to do with the timing of receipt of grants, an unsuccessful bid to the Irish Government for a much higher level grant to development work and the lack of any major emergency or natural disasters – which is good news of course. Disappointing yes, but our responses on the ground in some of the most challenging areas of conflict, poverty and injustice are once again worth celebrating and being thankful for.

Following a number of months of exceptional hard work by our staff team, we took the bold step of putting ourselves forward to the Irish Government's Irish Aid agency for an increased level of funding that would allow us to reach over 200,000 people living in dire poverty in Ethiopia, Tanzania and Malawi. It was a courageous step and it required our best efforts, resources and hard work. One of our strategic goals is to mobilise and release more resources into the areas where we work and where we feel called to make a greater contribution. Applying to Irish Aid for increased funding as a Development Programme Partner had the potential to release double what we have been directing to projects overseas and nearly three times what Irish Aid have previously awarded Tearfund Ireland for our development work.

Tearfund Ireland

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

Irish Aid accepted Tearfund Ireland as being eligible to apply and to make this brave application in a highly competitive environment where some of the largest and longest standing Irish agencies currently receive funding. Unfortunately in this instance, while we came close, we were unsuccessful. Irish Aid acknowledged the high quality of our projects overseas, in particular highlighting how we reach the poorest of the poor and most marginalised. They provided us with some helpful feedback on how we can be stronger in putting ourselves forward in the future. We felt disappointed but also hopeful. Tearfund Ireland positioned itself courageously with the top NGOs in development in Ireland and came very close. We are on the right path and we just have to keep walking it.

In the meantime, we feel a great sense of thankfulness for the way in which we can depend on God for His provision through the generosity of individuals and churches across the Republic of Ireland. We are being provided with 'our daily bread' by His church here on earth. We were also able to meet our costs to operate effectively and with high quality. We continued to manage and support some exceptional projects and responses in the Middle East, Africa and Asia.

Our end of year financial results are impacted by our not succeeding this year in drawing in funds from Irish Aid, a lack of emergencies that usually results in an increase in donations and also a year that across the sector was a tough one for fundraising. However, we are encouraged by the level of growth in voluntary income from individuals. In terms of overall spending as a proportion of our income, as our income overall is down this year, our proportion of spend on projects is also down. Our organisational costs this year are 23% of income (cost of generating funds 21 %, and governance costs 2%). The reality is that where grant income was considerably less it resulted in fewer new projects being supported than previous years. It also sees the proportion of operational costs higher due to the disproportionate lower income levels to development projects and humanitarian responses from donors such as Irish Aid and no emergency income during the year.

On writing this foreword we are delighted to have been very recently informed by Irish Aid that our subsequent application under the Civil Society Fund to continue the Self Help Group project in Ethiopia is agreed for three years from July 2017. The grant award over the three years is €525,000.

I would like thank all our supporters, donors, volunteers, staff team and my fellow Directors for having the vision and ambition to reach more people across this hurting world. 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. I encourage us to continue to see the big vision we hold as something that can be achieved with God's help. That we, as Tearfund Ireland can be a catalyst in helping communities and people lift themselves out of poverty and suffering and flourish as God intended them to, with the help of the local church in Ireland and overseas.

As we end the year we think of the many refugees, displaced people, vulnerable children and women who we support across Africa, Asia and the Middle East. We are encouraged as always by the impact of our work. In particular, let me end by capturing some highlights from our visit to Ethiopia at the end of 2016.

The Self Help Groups project in Ethiopia continued to make a massive impact in the lives of many poor families. People who are living in extreme poverty are facilitated to improve their livelihood, allowing them to have up to three meals a day, feed their children and have the means to educate their children including to third level. It is also restoring relationships between husband and wife, neighbours and communities as well as developing good relations with local governments. This is truly sustained and transformational grassroots development through the local church and

Tearfund Ireland
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communities working together. It is this transformational work that we continue to press forward into as we seek to make a greater difference as Salt and Light in this broken world.

Dr David Weakliam
Chairperson
23rd June 2017

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.

Tearfund Ireland

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

DIRECTORS' ANNUAL REPORT

for the year ended 31 March 2017

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 2017.

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.

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.

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.

Tearfund Ireland

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

DIRECTORS' ANNUAL REPORT

for the year ended 31 March 2017

Financial Review

Tearfund Ireland's income for the financial year ended March 2017 saw a decrease of 34% on the previous year which was mainly due to a significant drop in institutional funding. However, there was an increase in giving by individuals ranging from 4.5% in regular giving to 38% in once-off giving which is encouraging as we press on. Tearfund Ireland continues to place priority on building strong and healthy relationships with Trusts, Foundations and Grant Giving Organisations within Ireland including the Church of Ireland Bishops' Appeal. As a registered charity, Tearfund Ireland was able to reclaim €86,980 from Revenue under the charitable donations scheme.

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.

Structure, Governance and Management

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. In accordance with the Articles of Association, the directors retire by rotation and, being eligible, may offer themselves for re-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 two new Directors during 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 which includes at least two directors continues to oversee financial matters and 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.

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.

Tearfund Ireland

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

DIRECTORS' ANNUAL REPORT

for the year ended 31 March 2017

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.

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.

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

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

DIRECTORS' ANNUAL REPORT

for the year ended 31 March 2017

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;

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.

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 where 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.

Tearfund Ireland

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

DIRECTORS' ANNUAL REPORT

for the year ended 31 March 2017

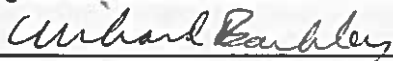
The Board allocated reserves previously for once-off expenditure items and put in place a strategy to increase the level of reserves to a minimum of 3 months' expenditure including staff costs, running costs and liabilities in the short term to grow to 6 months over the next 4 years. Led by the Audit 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 increase 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

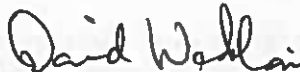
The work of Tearfund in Ireland relies on the commitment and hard work of its valued staff and volunteers. Tearfund Ireland also appreciates the support of the staff at Tearfund in the UK.

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 (Treasurer)
Director

26th June 2017


David Weakliam (Chair)
Director

26th June 2017

Tearfund Ireland

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 March 2017

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:

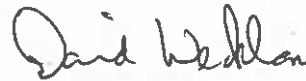
- there is no relevant audit information (information needed by the charity's auditor in connection with preparing the auditor's report) of which the charity's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit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

Signed on behalf of the Board



Richard Barkley (Treasurer)
Director

26th June 2017



David Weakliam (Chair)
Director

26th June 2017

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 2017 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, 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 explained more fully in the Directors' Responsibilities Statement, 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 Practice Board's Ethical Standards for Auditors, including 'APB Ethical Standard - Provisions Available for Small Entities (Revised)', in the circumstances set out in Note 3 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 Directors' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

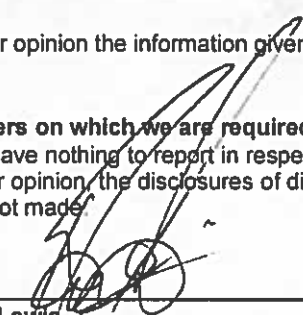
- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly 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.

Matters on which we are required to report by exception

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



Ben Lewis
for and on behalf of
LEWIS & CO
Chartered Accountants and Registered Auditors
8 Priory Hall
Stillorgan
Co Dublin

26th June 2017

Tearfund Ireland

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

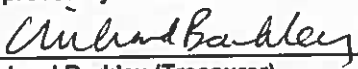
STATEMENT OF FINANCIAL ACTIVITIES

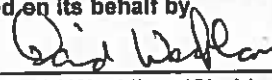
(Incorporating an Income and Expenditure Account)

for the year ended 31 March 2017

	Notes	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total 2017 €	Total 2016 €
Incoming Resources					
Generated funds:					
Voluntary Income					
Grants		6,249	217,686	223,935	569,412
Donations		544,452	-	544,452	600,312
Investment Income	5	236	-	236	946
Total incoming resources		550,937	217,686	768,623	1,170,670
Resources Expended					
Cost of generating funds		114,838	45,376	160,214	154,577
Net Incoming Resources available for charitable application		436,099	172,310	608,409	1,016,093
Resources Expended on Charitable Activities					
Costs incurred in Ireland		253,616	123,734	377,350	359,340
Remittances to overseas programmes		104,940	108,915	213,855	633,482
Transfer from unrestricted to restricted		60,339	(60,339)		
		418,895	172,310	592,231	992,822
Total Resources Expended	6	533,733	217,686	751,419	1,147,399
Surplus/(deficit) for the year		17,204	-	17,204	23,271
Net movement in funds for the year		17,204	-	17,204	23,271
Reconciliation of funds					
Balances brought forward at 1 April 2016		58,412	-	58,412	35,141
Balances carried forward at 31 March 2017		75,616	-	75,616	58,412

Approved by the Directors on 26th June 2017 and signed on its behalf by


Richard Barkley (Treasurer)
Director


David Weakliam (Chair)
Director

Tearfund Ireland


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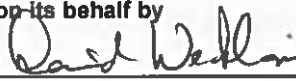
BALANCE SHEET

as at 31 March 2017

	Notes	2017 €	2016 €
Fixed Assets			
Tangible assets	10	2,471	2,423
Current Assets			
Debtors	11	10,862	4,985
Cash and cash equivalents		364,105	404,319
Creditors: Amounts falling due within one year	12	374,967 (301,822)	409,304 (353,315)
Net Current Assets		73,145	55,989
Total Assets less Current Liabilities		75,616	58,412
Funds			
Unrestricted funds		75,616	58,412
Total funds	15	75,616	58,412

Approved by the Directors on 26th June 2017 and signed on its behalf by


Richard Barkley (Treasurer)
Director


David Weakliam (Chair)
Director

Tearfund Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

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. 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.

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'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.

Grants were received from the Government of Ireland (Irish Aid) amounting to €10,000, for use in Ethiopia and Syria.

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

Resources Expended

Expenditure is analysed between charitable expenditure and cost of generating funds, 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, governance costs 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.
- 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 4.

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.

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 are depreciated at 33% Straight line to reflect their limited lifespan.

Tearfund Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 March 2017

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.

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.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions in the process of applying the company's accounting policies. The following are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements:

Depreciation of Assets:

Depreciation on property, plant and equipment is allocated according to estimates of the expected useful life of the asset and any residual value.

3. 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.

4. NET INCOMING RESOURCES

	2017	2016
	€	€
Net Incoming Resources are stated after charging/(crediting):		
Depreciation of tangible assets	2,415	4,992
(Deficit)/surplus on foreign currencies	6,898	-
	<u>9,313</u>	<u>4,992</u>

5. INVESTMENT AND OTHER INCOME

	2017	2016
	€	€
Bank interest	236	946
	<u>236</u>	<u>946</u>

Tearfund Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

continued

6. ANALYSIS OF RESOURCES EXPENDED

	Costs incurred in Ireland 2017 €	Total 2017 €	Total 2016 €
Direct costs			
Cost of generating funds	160,214	160,214	154,577
Other costs			
Office and IT costs	50,866	50,866	42,808
Salaries	245,089	245,089	245,983
Travel and subsistence	17,636	17,636	17,225
Communication and marketing	63,006	63,006	49,627
Depreciation	1,779	1,779	3,520
	<u>378,376</u>	<u>378,376</u>	<u>359,163</u>
Totals	<u><u>538,590</u></u>	<u><u>538,590</u></u>	<u><u>513,740</u></u>

7. ANALYSIS OF RESOURCES EXPENDED AND RELATED INCOME FOR CHARITABLE ACTIVITIES

	Costs incurred in Ireland 2017 €	Total 2017 €	Total 2016 €
Charitable activities:			
Direct and other costs			
Costs	(378,376)	(378,376)	(359,163)

Tearfund Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 March 2017

8. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive directors) during the year was as follows:

	2017 Number	2016 Number
Executive and Programmes	2	2
Marketing and fundraising	3	3
Administration and finance	3	3
	<u>8</u>	<u>8</u>

The staff costs comprise:

	2017 €	2016 €
Wages and salaries	275,864	281,529
Social security costs	28,873	28,569
Pension costs	19,495	15,510
	<u>324,232</u>	<u>325,608</u>

Key management of the charity comprises the chief executive and head of programmes. The gross pay to key management personnel for the period was €123,500. The highest salary paid for executive staff was €73,500 plus 7% employers pension contribution.

9. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment €	Total €
Cost		
At 1 April 2016	37,628	37,628
Additions	2,463	2,463
	<u>40,091</u>	<u>40,091</u>
At 31 March 2017		
Depreciation		
At 1 April 2016	35,205	35,205
Charge for the year	2,415	2,415
	<u>37,620</u>	<u>37,620</u>
At 31 March 2017		
Net book value		
At 31 March 2017	<u>2,471</u>	<u>2,471</u>
At 31 March 2016	<u>2,423</u>	<u>2,423</u>

Tearfund Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

continued

9.1 TANGIBLE FIXED ASSETS PRIOR YEAR

	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	2,423	2,423		
At 31 March 2015	7,415	7,415		
10. DEBTORS	2017	2016		
	€	€		
Prepayments and accrued income	10,862	4,985		
11. CREDITORS	2017	2016		
Amounts falling due within one year	€	€		
Trade creditors	26,694	8,042		
Taxation and social security costs (Note 13)	20,246	21,395		
Other creditors	(1,477)	(880)		
Pension accrual	1,617	3,441		
Accruals	255,768	321,315		
	302,848	353,313		
12. TAXATION AND SOCIAL SECURITY	2017	2016		
	€	€		
Creditors:				
PAYE / PRSI	20,246	21,395		
13. ANALYSIS OF NET ASSETS BY FUND				
	Fixed assets - charity use €	Current assets €	Current liabilities €	Total €
Restricted income				
Restricted funds	-	(4,500)	-	(4,500)
Unrestricted income				
Unrestricted funds	2,471	379,466	(302,848)	79,089
	2,471	374,966	(302,848)	74,589

Tearfund Ireland

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 March 2017

14. ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 April 2016 €	Incoming resources €	Resources expended €	Balance 31 March 2017 €
Restricted income				
Restricted funds	-	217,686	(278,360)	(60,674)
Unrestricted income				
Unrestricted funds	58,412	550,937	(474,085)	135,264
Total funds	58,412	768,623	752,445	74,590

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. RELATED PARTY TRANSACTIONS

Tearfund Ireland co-operates with Tearfund UK, while supporting other international projects. Funds are transferred through Tearfund UK, where an administration charge of 7% is levied to cover monitoring, auditing and supervision of these projects on behalf of Tearfund Ireland. During the year ended 31 March 2017, Tearfund Ireland remitted €81,303 to Tearfund UK.

17. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Charity 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 2017

18. CHARITABLE ACTIVITIES - CAMPAIGNS

Remittances to overseas programmes

	2017	2016
	€	€
Cambodia	18,600	5,698
South Sudan	4,169	-
Haiti/Phillipines	8,900	10,517
Zimbabwe	46,325	5,000
Tanzania	13,000	-
Sierra Leone	-	8,000
Refugees/Syria/Yemen/Nepal	34,210	400,305
Ethiopia	78,226	181,212
Uganda	9,400	-
Team Hope/Malawi/Myanmar	-	22,750
	<u>212,830</u>	<u>633,482</u>

Additional unrestricted income was used to cover the shortfall from costs associated with making restricted grants. Grants not yet paid out, are accrued in the financial statements at the year end and are included in the totals above.

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.

19. FINANCIAL INSTRUMENTS

Financial assets that are debt instruments, and financial liabilities, measured at amortised cost

	2017	2016
	€	€
Cash and cash equivalents	364,105	404,319
Debtors	10,862	4,985
Trade creditors	(26,694)	(7,162)
Accruals	(255,908)	(321,315)
	<u>92,365</u>	<u>80,827</u>

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26th June 2017.

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

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

NOT COVERED BY THE REPORT OF THE AUDITORS

Tearfund Ireland

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

SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

OPERATING STATEMENT

for the year ended 31 March 2017

	Schedule	2017 €	2016 €
Income		768,387	1,169,724
Charitable activities and other expenses	1	(751,419)	(1,147,397)
		<u>16,968</u>	<u>22,327</u>
Miscellaneous income	2	236	946
Net surplus		<u>17,204</u>	<u>23,273</u>

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SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

SCHEDULE 1 : CHARITABLE ACTIVITIES AND OTHER EXPENSES

for the year ended 31 March 2017

	2017 €	2016 €
Expenses		
Wages and salaries	275,864	281,529
Social security costs	28,873	28,569
Staff defined contribution pension costs	19,495	15,510
Grants to overseas programmes	212,830	275,271
Grants paid - Irish Aid	-	358,211
Insurance	3,439	3,674
Office and IT costs	44,457	46,153
Communications and marketing	115,129	101,266
Travelling and subsistence	25,194	24,607
Legal and professional	8,159	-
Auditors' remuneration	6,476	5,050
Bank charges	2,190	2,566
Surplus/deficit on exchange	6,898	-
Depreciation	2,415	4,992
	<u>751,419</u>	<u>1,147,397</u>

Tearfund Ireland

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SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

SCHEDULE 2 : MISCELLANEOUS INCOME

for the year ended 31 March 2017

	2017 €	2016 €
Miscellaneous Income		
Bank Interest	<u>236</u>	<u>946</u>

SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
SCHEDULE 3 : INCOME – ISLAND OF IRELAND (INCL NORTHERN IRELAND)

for the year ended 31 March 2017

The following is given for management information purposes only, as some church institutions operate on an all Ireland basis. The income from Northern Ireland belongs to Tearfund UK and does not form part of the statutory accounts of Tearfund Ireland.

	2017 €	2016 €
Income		
Income		
- Donations	457,472	504,546
- Restricted grants	207,686	204,816
- Restricted grants - Irish Aid	10,000	362,000
- Legacies	4,383	1,605
- Other income	1,866	991
- Tax recoverable	86,980	95,766
	<hr/>	<hr/>
Income	768,387	1,169,724
Tearfund UK		
Tearfund UK – Emergency Appeals	772,058	1,280,489
Tearfund UK – General	3,165,326	3,202,019
Tearfund UK – Restricted	1,568,224	1,138,947
	<hr/>	<hr/>
Total Tearfund UK income raised in Northern Ireland	5,505,608	5,621,455
	<hr/>	<hr/>
Total combined income	6,273,995	6,791,178
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Conversion rate used for GBP to EUR (averaged over period)	0.84131	0.73315

