



Tearfund Ireland
Annual Report and Audited Financial Statements
for the financial year ended 31 March 2022

Tearfund Ireland

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Tearfund Ireland

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Paraic O'Toole (Chair) Sharon Morrow (Vice-Chair) Richard Barkley (Hon. Treasurer) Susan Heaney Dr David Weakliam Oghenovo Oghuvbu Lucy Hill
Company Secretary	Richard Barkley (Hon. Treasurer)
Chief Executive Officer	Sean Copeland (appointed 19 July 2022) Sharan Kelly (resigned 23 March 2022)
Acting Chief Executive Officer	Sean Copeland (until 19 July 2022)
Development Committee	Richard Phillips (Chair) Dr David Weakliam Kate Bowen-Evans Libby Sweetman Helen Lane Lucy Hill
Audit and Risk Committee	Richard Barkley (Chair) Paraic O'Toole Christian Dijkstra Jody Johannie
Governance Committee	Sharon Morrow (Chair) Richard Barkley
Charity 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 Statutory Auditors 8 Priory Office Park Stillorgan Co Dublin
Bankers	Allied Irish Banks 126 Capel Street Dublin D01 VW89 Bank of Ireland 6 Lower O'Connell Street Dublin 1 KBC Bank Ireland Sandwith Street Dublin 2

Tearfund Ireland

CHAIRPERSON'S LETTER

for the financial year ended 31 March 2022

In another year full of change, Tearfund Ireland has adapted and grown. Not only did the organisation adapt to the continued challenges caused by the coronavirus pandemic, and damage to the office from a second water leak, but we've also had a number of internal changes.

In May 2021, two senior staff resigned to pursue roles elsewhere. The recruitment process carried out over the spring and summer led to Sophie Moreno joining as International Programmes Manager and Freda Owens joining as Finance Manager. In addition, Amanda Prather became the Fundraising and Communications Co-Ordinator. Taking up their roles in the autumn of 2021, each one has made a significant impact in the organisation and as part of the staff team.

On 23rd March 2022, the CEO, Sharan Kelly left to pursue a new role. We thank her for her years of service and wish her the best in her new endeavours.

The coronavirus pandemic continued to impact our programmatic work. Not only were our partners and beneficiaries directly affected by the disease, but the secondary impacts of the pandemic led to economic hardship and further loss of livelihoods. On top of the economic impacts this year saw an increase in humanitarian needs relating to conflict and climate-related events. This reporting period we were able to send over €160,000 to fund Humanitarian and Emergency projects to Ethiopia, Lebanon, Yemen, Afghanistan, Somaliland and Ukraine.

The conflict in the north-western region of Ethiopia led to multitudes of people becoming displaced from their homes. Thanks to the generosity of our supporters, we were able to provide humanitarian assistance for thousands of internally displaced Ethiopians. Just as this reporting period was coming to an end, the world witnessed the start of what has become the worst refugee crisis in Europe since WWII. Tearfund Ireland sent an appeal and sent funding to provide immediate humanitarian assistance to the people fleeing the conflict in Ukraine. With multiple failed crops due to lack of rainfall, smallholder farmers in Ethiopia faced a food crisis. We provided much needed funds to purchase seed for planting as well as food for those worst affected.

Our ongoing Development work in Ethiopia continues and this year we impacted 63,755 people (12,751 households) through the Self-Help Groups programme. In addition, the participants are becoming more resilient to climate-related shocks through taking part in the Conservation Agricultural programme. This Self-Help Group project is made possible through the support of Irish Aid and we wish to thank them for the Civil Society Funding grant. We are also grateful to Tearfund Australia and Cedar Fund for their continued collaboration and co-funding on this project. We also want to thank Bishop's Appeal for their funding to a number of projects through the year.

We continued our support of Syrian refugees and provided much needed hygiene kits for families in refugee camps. This project was part-funded by Brooklane Clinic in Cork.

We have also continued our work to keep families together in Cambodia and we have strengthened our efforts to raise awareness against volunteering in orphanages. Our participation in an EU-funded project called VIVID:T has enabled us to increase our activities in this important area.

In May, as part of our participation in the VIVID:T project, Tearfund Ireland put on an international conference to raise awareness of the harm caused to children when they are raised in an orphanage. The conference was aimed at peer agencies who work in the humanitarian and disability sectors as well as church leaders in Ireland. Attendees heard from adults who had grown up in institutional care as well as experts in the field. As a result of the conference, staff of Tearfund Ireland have been invited to speak on this subject in other fora.

The team, with Development Education funding from Department of Foreign Affairs, have created resources to assist youth leaders in ethical volunteering. A manual called Just Care: Just Volunteering, provides practical help in how to redirect volunteering initiatives away for orphanages and is available on the Tearfund Ireland website. We also, with support from Bishop's Appeal, provided funding to assist a government in the middle east to develop appropriate legislation in the area of alternative care.

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CHAIRPERSON'S LETTER

for the financial year ended 31 March 2022

The Tearfund Family as part of a continued process of improving collaboration, established a Statement of Identity and operating values. Tearfund Ireland are delighted to be a part of this international family of agencies who demonstrate love for our global neighbour by working with and through the Church. In Ireland, we are proud to continue in the Irish Emergency Alliance (IEA) which launched a public appeal for funding to assist the people fleeing Ukraine.

With the easing of pandemic restrictions, the staff made the transition to return to the office and even held the annual coffee morning in the office for the first time since 2019. We continue to support the Church in Ireland through resources, church talks, workshops and prayer initiatives.

In the areas of Governance, the staff continue to progress a programme of policy development and training. To further that area, the organisation became members of the CHS Alliance and plan to carry out a self-assessment of the Core Humanitarian Standards.

Over the course of the year the staff and Board carried out a number of meetings to review the organisational strategic plan. This strategy refresh will be published in the early part of the 2022-2023 financial year. In the closing days of this reporting period, the staff completed two major applications for funding from Irish Aid.

Financially, we ended the year with a surplus of €28,372. Our total spend on charitable activities was €1,216,388 against an income of €1,244,760. Costs of generating funds amounted to €146,012 (11.7%). Our overall expenditure on charitable activities increased by 15%. The spend toward international programmes, advocacy and social justice increased during the year.

Finally, I would like to thank all who have supported Tearfund Ireland. Your generosity, prayers and frequent messages of encouragement have been a blessing. I want to thank the staff for their commitment, and my fellow Directors for their dedication to Tearfund Ireland. I also thank all of our local church partners in the countries we work in and here in Ireland.

Paraic O'Toole
Chairperson

Date: 4 October 2022

Paraic O'Toole is the CEO of software company Automsoft, based in Dublin. He is also a member of the Advisory Board of the United Nations Environment Programme GEMS/Water, a former Chairman of the Marketing Institute of Ireland and a director of a number of technology companies. He lives in Kiltarnan in Dublin with his wife Susan and two sons and spends his spare time looking after his horses.

Tearfund Ireland

DIRECTORS' ANNUAL REPORT

for the financial year ended 31 March 2022

The directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 March 2022.

The financial statements are prepared in accordance with the Companies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Directors' Report contains the information required to be provided in the Directors' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The directors of the company are also charity trustees for the purpose of charity law and under the company's constitution are known as members of the board of trustees.

In this report the directors of Tearfund Ireland present a summary of its purpose, governance, activities, achievements and finances for the financial year 2022.

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 applicable in the UK and Republic of Ireland FRS 102, the organisation has implemented its recommendations where relevant in these financial statements.

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

Financial Review

The surplus for the year after providing for depreciation amounted to €28,372 (2021 - €198,836). The resulting reserves include a provision for six-months' reserves as set out by the Board's policy.

Tearfund Ireland's income for the financial year ended March 2022 increased compared with the previous year as a result of higher donations from generous supporters and larger grants from institutional donors. Tearfund Ireland continues to place priority on building strong and healthy relationships with members of the Tearfund Family and Integral Alliance. In particular, Tearfund Australia and Cedar Fund have continued their generous funding and partnership in our Self Help Group programme in Ethiopia. Irish Aid continues to be the company's largest donor. The Civil Society Funding enables the company to carry out the programme in Ethiopia and the Development Education grants facilitate the creation of education resources while engaging the Irish public in global citizenship education. In addition, within Ireland, the Church of Ireland Bishops' Appeal has been a generous donor to a number of our development projects as well as our humanitarian relief efforts. The World Charitable Fund also provided generous designated funding. Tearfund Ireland is a founder-member of the Irish Emergency Alliance, and a member of Dóchas, Comhlámh and EU-Cord. As a registered charity, Tearfund Ireland was able to reclaim €96,088 from the Revenue Commissioners 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 committed volunteers who raise funds, pray, serve on our committees and Board 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 and governance costs have been spread across direct charitable expenditure, and costs of generating funds.

Financial Results

At the end of the financial year the company has assets of €661,901 (2021 - €528,776) and liabilities of €276,514 (2021 - €171,761). The net assets of the company have increased by €28,372.

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DIRECTORS' ANNUAL REPORT

for the financial year ended 31 March 2022

Directors and Secretary

Early in the reporting period, the Board appointed a new Chair and Vice-Chair. On 27 April 2021, Paraic O'Toole was appointed Chair following the completion of Dr David Weakliam's term as Chair. On the same date, Sharon Morrow was appointed Vice-Chair.

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

Paraic O'Toole (Chair)
Sharon Morrow (Vice-Chair)
Richard Barkley (Hon. Treasurer)
Susan Heaney
Dr David Weakliam
Oghenovo Oghuvbu
Lucy Hill

The secretary who served throughout the financial year was Richard Barkley (Hon. Treasurer).

Compliance with Sector-Wide Legislation and Standards

The company engages pro-actively with legislation, standards and codes which are developed for the sector. Tearfund Ireland subscribes to and is compliant with the following:

- The Companies Act 2014
- The Charities SORP (FRS 102)

Changes of Staff

In May 2021 two key members of staff announced their resignation, both of whom have gone to other organisations with blessing and gratitude for their substantial contributions over the years. A thorough recruitment process was undertaken which led to the appointment of two new employees and a restructure of internal roles. In February 2022 the two-year, EU-Funded VIVID:T project concluded. The contract employee directly managing the project chose to pursue career options abroad. The Board continues its strategic focus of strengthening the organisation. On 23 March 2022, the CEO resigned, and on 19 July 2022 Sean Copeland was appointed Chief Executive Officer.

Coronavirus

The impact of the coronavirus pandemic continued to affect our activities during the reporting period. The organisation had restructured its operations to enable staff to work effectively from home. With a plan for a return to the office, relevant policies, procedures and collaboration tools were developed and put into place. Staff engagement and consultation was prioritised in the process of determining a hybrid model of working. The wider impacts of the pandemic continued to affect all projects and partners. Staff consulted all partners and donors around changes to planned programmatic activities.

Water Damage

On 26 December 2021 the office experienced another incident of damage as a result of a water leak from an adjoining property. The cause of the flow of water was different from the incident in June 2020 but the effect on the office was similar. The damage and necessary repairs rendered the office unusable for a period and the repairs were managed by staff in conjunction with the Landlord. A claim was made to the insurers.

Core Humanitarian Standard

As part of continued efforts to improve quality standards, Tearfund Ireland applied for and was accepted into membership of the CHS Alliance. The Core Humanitarian Standard is a measurable standard to improve the quality and effectiveness of humanitarian activity. Tearfund Ireland plan to carry out a self-assessment to the standard during the next financial reporting period.

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DIRECTORS' ANNUAL REPORT

for the financial year ended 31 March 2022

Principal Risks and Uncertainties

The directors have overall responsibility for Tearfund Ireland's system of internal controls. Such a system can provide only reasonable and not absolute assurance against errors or frauds. The external auditors present their report to the board of directors on an annual basis. A comprehensive register of the risks faced by Tearfund Ireland is maintained. Risks are identified at three major levels, global, organisational and partner/beneficiary level.

Risk Management

Tearfund Ireland's risk 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 Ireland'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 and their respective mitigation measures are summarised in the following table.

Risk	Mitigation Measures
Reputational risk or loss of credibility	Commitment to Christian ethos and values. Strong Code of Conduct and Professional Ethics with commitment to high professional & quality standards. Maintain purpose to seek Poverty Eradication and Justice for Vulnerable & Marginalised. Effective Governance from Board. Proactive engagement with Donors, Partners, Churches & Supporters; Effective communications and media plans. Clear brand & independence for Tearfund Ireland; Strengthening relationships with Tearfund Family. Founding member of Irish Emergency Alliance, compliant with Dóchas codes, Charities Regulator Code and SORP financial standards.
Finances: Limited Funding, Misappropriation or Fraud	Income & fundraising strategy in place and funding mix monitored; Partner assessments & audits carried out; Partner agreement documentation revised. Relationship with Irish Aid maintained in staff transitions. Targeting offers to businesses, Trusts & Foundations. Building Fundraising Committee. Audit and Risk Committee involved and active. Policies updated & procedures in place. Strong Finance Management with regular management meetings; Lessons learnt from partner event; Fraud awareness training implemented; Screening of individuals and organisations to mitigate against money laundering and/or fund flows to individuals linked with terrorist organisations.

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Weakened or ineffective partner relationships	Strengthening reciprocal relationships with implementing partners including organisational assessments and capacity building; Revising Partnership Covenant and Grant Agreements; Cooperation and collaboration across the Tearfund Family with shared Partner processes; Partner monitoring and auditing; Fraud awareness training and wrongdoing response policy; Intentional relationship building with institutional donors and co-funding donors; Good relationships with Irish churches, opportunities to widen influence with peer networks and alliances.
Programmes no longer relevant, effective or achieving intended outcomes	Board and Development Committee monitor progress against Strategy and annual plans; Development Committee with strong advisory role. Project reporting & monitoring challenged in Covid-19 but strong partnerships with good accountability aid reporting. Ongoing discussions with Institutional Donors and Co-Funders to align development and humanitarian activity; Core Humanitarian Standard self-assessment to strengthen systems; Strong reporting criteria, experienced staff with excellent relationships & trust with Partners. Innovating methods of engagement and education with niche support base.
Safety and well-being of all staff and volunteers	Committed to safety and security of staff. Implemented new policies, procedures and staff training for Health & Safety and Security in Travel. Closely monitoring all local and national news in conflict-disturbed areas. Aware of and observing travel advisories from appropriate government agencies. All travel, including within country required to be approved prior to undertaking. Adequate and appropriate insurance cover for all staff and visitors travelling for/with Tearfund Ireland. Appropriate implementation of duty of care for employees through Employee Assistance Programme and Well-Being policies. Relevant policies in line with current employment legislation; Maintaining contract with Human Resources Management service provider; Continued employee engagement and consultation on Covid-19 protocols, Hybrid working arrangements, right to switch off and Time Off In Lieu. Committed to the safety and protection of all children and vulnerable adults. Updated Safeguarding Policy and Statement in place and signed by Staff for acknowledgement of policy. Annual training for Safeguarding and Prevention of Sexual Exploitation, Abuse and Harassment Policy in place. Relevant roles named: Mandated Person, Designated Liaison & Deputy Designated Liaison, with reporting decision process flow provided.

Structure, Governance and Management

The Board of Directors met seven times during the reporting period, and 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 selected based on criteria established in the Board Terms of Reference and are appointed by the members at the Annual General Meeting. The directors may also co-opt 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, offer themselves for re-election.

A Code of Corporate Governance (based on Dóchas' 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. 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.

Resource planning includes financial, human and operational resources required to achieve the strategy. Key principles underpinning resource allocation include matching expenditure to designated and restricted income resources and maintaining a diversity of income to achieve an appropriate balance of sources. Allocations for expenditure are 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 with developing annual plans and budgets to achieve the desired outcomes in line with the overall strategy. Annual plans and budgets are approved by the Board. Progress in achieving objectives is monitored.

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The Development Committee, a sub-committee of the Board, met on three occasions during the reporting period. In addition, members of the Committee gave support to the newly appointed International Programmes Manager in the development of procedures, programmes policy and the strategy refresh. The membership of the Development Committee includes at least two directors and includes four external members. The Development Committee assists the Board in ensuring Tearfund Ireland follows internationally recognised humanitarian and development best practice, utilising and allocating its financial resources effectively and in accordance with the vision, policy, criteria and guidelines established by the Board. 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. Its Terms of Reference are approved by the board.

The Audit and Risk Committee, a sub-committee of the Board, met on five occasions during the reporting period. In addition, members of the Committee gave support to the newly appointed Finance Manager in the development of finance policies and procedures as well as the strategy refresh. The committee's membership includes at least two directors. The Committee reviews, monitors and reports on the financial position and results compared with the budget on a continuing basis. Forward cash projections and forecasts are considered at each meeting, and are reported to the Board. The Committee is also responsible for strengthening internal controls and procedures, identifying future risks, and ensuring financial accountability and effective management of funds.

The Governance Committee, a sub-committee of the board, met on five occasions during the reporting period. In addition, members of the Committee gave support to the organisation in the development of policy and the strategy refresh. Its membership includes at least two directors. The Committee supports the Board by reviewing legislation and best practice in governance in order to develop policies which support the operational and corporate function of Tearfund Ireland. The committee assists in the development of organisational policies and recommending same to Board for approval. The committee also assists the continuing development of the Board through regular evaluations, effectiveness reviews, succession planning and Board renewal.

Tearfund Ireland is a company limited by guarantee registered with the Companies Registration Office, and is registered as a charity with the Charities Regulatory Authority. It is in full compliance with the Charities Acts and is compliant with the Charity Regulator Governance Code. Tear Times is a magazine circulated regularly in paper form and by email to supporters and donors. It covers results achieved and details the various partner associations and projects worked with during the period and how lives and communities have and are being transformed. Audited Accounts, which are adopted by members at the AGM and published on our website, provide details of income from public donations and grants and how this income is expensed to fund our vital work and run the organisation.

Strategy

Tearfund Ireland's Board approved the organisation's Strategic Plan for the period 2015-2020 which captured its strategy, vision, mission and goals and was comprehensively researched and drafted. The Plan was extended for the last two years, and while deciding to retain the main elements of the previous strategy, the Board, during this reporting period, carried out a process to refresh the organisation's strategic plan for the period 2022-2025.

Tearfund Ireland is a Christian development and relief organisation committed to the holistic transformation of the most marginalised and vulnerable in specific regions around the world. Working in relationship with local partners and the church, we enable people to lift themselves out of poverty and respond with humanitarian relief when disasters or emergencies arise. As a Christian organisation, we resource the Church in Ireland, to practically demonstrate their faith by engaging in sustainable development, pursuing biblical justice and advocating on behalf of the world's marginalised. At the same time, we continually strengthen the organisational resources, expertise, skills and capacity in order to achieve our mission.

Tearfund Ireland continues to strategically manage its geographic and country focus. As a result of the pandemic challenges, along with an increase in conflict and climate related humanitarian needs, Tearfund Ireland continues to emphasise sustainable development and humanitarian responses in targeted regions. Tearfund Ireland's approach is to work holistically in communities affected by poverty with a focus on the most marginalised and vulnerable. This includes vulnerable women, children at risk and orphans, and people worst affected by conflict and protracted crises. Tearfund Ireland emphasises principles of empowerment, 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. The organisation's Marketing, Communications and Fundraising strategy identifies churches and individuals as a major source of support, income, prayer and awareness-raising. In addition, Development Education initiatives provide avenues for deeper engagement and critical thinking around issues related to sustainable development and global citizenship.

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for the financial year ended 31 March 2022

Tearfund Ireland continues to build its partnerships with Irish Aid, peer organisations and other institutional donors toward providing restricted resources to build its overseas development & humanitarian programmes. At the same time, Tearfund Ireland continues pursuing unrestricted funding sources from individuals, churches and businesses to broaden its reach, build its capacity and give individuals and churches who share the vision and mission of Tearfund Ireland an opportunity to participate in its work. A key element of the Marketing, Communications and Fundraising strategy is to grow the regular giving stream from churches and individuals 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 continues to be an integral part of its work in development and humanitarian responses. During this reporting period, advocating for change has been achieved through raising awareness around the harm caused to children by orphanage volunteering. As well as continuing this messaging, Tearfund Ireland aims to leverage advocacy resources from within the Tearfund Family to influence those in positions of power to act in more just and equitable ways.

Vision, Mission, Goals and Values

Tearfund Ireland's Vision is for flourishing communities free from poverty and injustice.

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

Tearfund Ireland's Strategic Goals are to:

- 1) Alongside the local church and other partners, empower the most vulnerable and marginalised people to transform their lives through meaningful partnerships, capacity building and increased provision of resources.
- 2) Deepen relationships with churches across Ireland to envision, equip and mobilise the Christian community to engage in justice and sustainable development internationally, as well as responding to humanitarian emergencies.
- 3) Advocate with and on behalf of those most vulnerable to poverty and injustice.
- 4) Grow and strengthen organisational resources, technical expertise, skills and capacity.

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.

Core Values:

Christ-Centred: As followers of Jesus Christ we aim to love God with our whole self, representing his nature and goodness through practical demonstrations of love and compassion toward our neighbour. We intentionally nurture our faith and prioritise prayer across all aspects of our work and decision-making.

Relational: We are committed to meaningful, effective and mutually beneficial relationships. With humility and respect, we seek to understand and learn from others for the benefit of those we serve.

Justice Minded: We believe justice is a fundamental component of a flourishing society so we pursue just and equitable treatment for all. We are committed to changing systems of injustice and we work for the dignity, value and empowerment of every human being.

Behavioural Values:

Passionate: We believe in a world with no poverty so we are passionately committed to ending cycles of poverty through restoring broken relationships, empowering the marginalised and facilitating holistic transformation.

Empowerment: We work in collaborative partnerships to empower others to lift themselves out of poverty.

Integrity: We are professional and act with integrity, transparency & accountability.

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DIRECTORS' ANNUAL REPORT

for the financial year ended 31 March 2022

Operating Principles:

Faith-Based: Motivated by our faith, we engage, educate and equip the Church in Ireland; our projects are implemented through local partners who work alongside, and as part of, their local church. Our work is provided on the basis of need alone without discrimination.

Localisation: We work with like-minded local partners who understand their own context and, as part of their communities, influence change through locally led initiatives.

Partnership: We aim for meaningful and mutually beneficial partnerships where we can add value as well as learn from our partners.

Relationship: We value relationship over transaction. We prefer long-term engagement with our supporters, donors, churches, businesses and partners.

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 poverty alleviation, gender, conflict, children, environment and sustainability needs. 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 all our activities are carried out 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 maintain our projects to international standards as laid out in the Sphere Humanitarian Charter, Minimum Standards in Disaster Response and the Humanitarian Accountability Partnership and we aim to self-assess as compliant to the Core Humanitarian Standards. 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 is compliant with the Guidelines for Charitable Organisations on Fundraising from the Public and has adopted the Charities Regulator Code of Governance.

During the financial period Tearfund Ireland undertook a review of organisational policies which resulted in the drafting or updating a number of key organisational policies: Finance Policy, Risk Policy, Fraud Policy, Anti-Laundering and Anti-Terrorism, Wrongdoing Response. Two significant organisational procedure manuals were also instituted: Finance Procedures and Programme and Partnership Procedures. In addition, staff began a series of formal trainings in key policies areas which will be undertaken annually.

Tearfund Ireland has continued to progress closer relationships with other Tearfund organisations around the world as part of the Tearfund Family. Along with sharing resources and collaborations, these strengthening relationships have led to agreed common compliance standards. Tearfund Ireland will continue to implement these shared policy standards with a target completion by December 2022. Tearfund Ireland have adopted the Quality Standard framework and Partner's Organisational Capacity Assessment process as developed by Tearfund (UK).

Irish Emergency Alliance

Tearfund Ireland, along with Action Aid, Christian Aid, Plan International, Self-Help Africa and World Vision are founding members of the Irish Emergency Alliance (IEA). In the spring of 2021 Trócaire became a member of IEA bringing the membership to seven organisations. This alliance of Irish NGOs is designed to provide a streamlined approach for the Irish public to respond to humanitarian disasters and emergencies. Each member agency contributes to the operation of the alliance through staff time, expertise and bi-annual membership fees. In February 2022 the IEA launched an appeal to raise funds to respond to the humanitarian needs resulting from the conflict in Ukraine.

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DIRECTORS' ANNUAL REPORT

for the financial year ended 31 March 2022

Reserves Policy

The Directors consider that maintaining Tearfund Ireland's cash reserves at a target level of 6 months' expenditure and an annual review of internal controls and risks will provide Tearfund Ireland with adequate risk assurance and sufficient resources in the event of adverse conditions. The Board allocated reserves for once-off expenditure items and increased the level of reserves to a minimum of 6 months' expenditure including staff costs, running costs and liabilities. This was maintained during the reporting period. 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 have actively been working towards building surpluses to replenish reserves. A key objective, implemented by the staff, is to raise restricted funding from institutional donors while, simultaneously, improve regular donations by standing order and direct debit to provide a solid financial base for our activities. The Board continues to monitor its strategy to raise its income levels and ensure its reserves policy is maintained. The Board continues to build an emergency reserve to enable Tearfund Ireland to respond to humanitarian emergencies as they arise.

The Board also recognise that the nature of some of Tearfund Ireland'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 Ireland operates. As a result, Tearfund Ireland 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, which maintains a register of the irregularities, actions taken and results.

Employees and Volunteers

The work of Tearfund Ireland relies on the commitment and hard work of its valued staff and volunteers. Tearfund Ireland also appreciates the support of staff across the Tearfund Family, particularly that of Tearfund (UK), Tearfund Australia, Tearfund Canada and Tearfund Germany.

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 serving on committees, 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.

Statement on Relevant Audit Information

In accordance with Section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

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 established appropriate books to adequately record the transactions of the company. The directors also ensure that the company retains the source documentation for these transactions. The accounting records are maintained at the company's office at 2nd Floor Ulysses House, 22/24 Foley Street, Dublin 1.

Approved by the Board of Directors on 4 October 2022 and signed on its behalf by:

Richard Barkley (Hon. Treasurer)
Director

Paraic O'Toole (Chair)
Director

Tearfund Ireland

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 March 2022

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the net income or expenditure of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

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

In so far as the directors are aware:

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

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.

Approved by the Board of Directors on 4 October 2022 and signed on its behalf by:

Richard Barkley (Hon. Treasurer)
Director

Paraic O'Toole (Chair)
Director

INDEPENDENT AUDITOR'S REPORT

to the Members of Tearfund Ireland

Report on the audit of the financial statements

Opinion

We have audited the company financial statements of Tearfund Ireland for the financial year ended 31 March 2022 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2022 and of its surplus for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", as applied in accordance with the provisions of the Companies Act 2014 and having regard to the Charities SORP; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 3 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT

to the Members of Tearfund Ireland

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Annual Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not complied with by the company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT to the Members of Tearfund Ireland

The purpose of our audit work and to whom we owe our responsibilities

Our 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 any 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.

Ben Lewis
for and on behalf of
LEWIS & CO

Chartered Accountants and Statutory Auditors
8 Priory Office Park
Stillorgan
Co Dublin

4 October 2022

Tearfund Ireland

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)
for the financial year ended 31 March 2022

	Notes	Unrestricted Funds 2022 €	Restricted Funds 2022 €	Total 2022 €	Unrestricted Funds 2021 €	Restricted Funds 2021 €	Total 2021 €
Income							
Donations and legacies	4.1	519,679	725,075	1,244,754	680,135	546,004	1,226,139
Other income	4.2	6	-	6	9,059	-	9,059
Total income		519,685	725,075	1,244,760	689,194	546,004	1,235,198
Expenditure							
Raising funds	5.1	68,148	77,864	146,012	61,103	48,413	109,516
Charitable activities	5.2	398,866	671,510	1,070,376	398,373	528,473	926,846
Total Expenditure		467,014	749,374	1,216,388	459,476	576,886	1,036,362
Net income/(expenditure)		52,671	(24,299)	28,372	229,718	(30,882)	198,836
Transfers between funds		(100,686)	100,686	-	(58,002)	58,002	-
Net movement in funds for the financial year		(48,015)	76,387	28,372	171,716	27,120	198,836
Reconciliation of funds							
Balances brought forward at 1 April 2021	12	244,699	112,316	357,015	72,983	85,196	158,179
Balances carried forward at 31 March 2022		196,684	188,703	385,387	244,699	112,316	357,015

The Statement of Financial Activities includes all gains and losses recognised in the financial year. All income and expenditure relate to continuing activities.

Approved by the Board of Directors on 4 October 2022 and signed on its behalf by:

Richard Barkley (Hon. Treasurer)
Director

Paraic O'Toole (Chair)
Director

Tearfund Ireland

BALANCE SHEET

as at 31 March 2022

	Notes	2022 €	2021 €
Fixed Assets			
Tangible assets	9	12,625	4,424
Current Assets			
Debtors	10	98,622	37,452
Cash at bank and in hand		550,654	486,900
		649,276	524,352
Creditors: Amounts falling due within one year	11	(276,514)	(171,761)
Net Current Assets		372,762	352,591
Total Assets less Current Liabilities		385,387	357,015
Funds			
Restricted funds		188,703	112,316
Unrestricted designated funds		20,402	46,341
General fund (unrestricted)		176,282	198,358
Total funds	12	385,387	357,015

Approved by the Board of Directors on 4 October 2022 and signed on its behalf by:

Richard Barkley (Hon. Treasurer)
Director

Paraic O'Toole (Chair)
Director

Tearfund Ireland
STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2022

	Notes	2022 €	2021 €
Cash flows from operating activities			
Net movement in funds		28,372	198,836
Adjustments for:			
Depreciation		3,246	3,067
Interest receivable and similar income		(6)	(44)
		<u>31,612</u>	<u>201,859</u>
Movements in working capital:			
Movement in debtors		(61,170)	15,360
Movement in creditors		104,753	55,815
		<u>75,195</u>	<u>273,034</u>
Cash flows from investing activities			
Interest received		6	44
Payments to acquire tangible assets		(11,447)	(6,157)
		<u>(11,441)</u>	<u>(6,113)</u>
Net cash generated from investment activities		<u>(11,441)</u>	<u>(6,113)</u>
Net increase in cash and cash equivalents		63,754	266,921
Cash and cash equivalents at 1 April 2021		486,900	219,979
Cash and cash equivalents at 31 March 2022	14	<u>550,654</u>	<u>486,900</u>

Tearfund Ireland

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2022

1. GENERAL INFORMATION

Tearfund Ireland is a company limited by guarantee incorporated in the Republic of Ireland. The registered number of the company is 323619. The registered office of the company is 2nd Floor Ulysses House, 22/24 Foley Street, Dublin 1 which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Director's Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

The company has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland. As permitted by the Companies Act 2014, the company has varied the standard formats in that act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats, as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with section 4.7, 10.6 and 15.2 of that SORP.

Statement of compliance

The financial statements of the company for the financial year ended 31 March 2022 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

Fund accounting

The following are the categories of funds maintained:

Restricted funds

Restricted funds represent income received which can only be used for particular purposes, as specified by the donors. Such purposes are within the overall objectives of the company.

Unrestricted funds

Unrestricted funds consist of General and Designated funds.

- General funds represent amounts which are expendable at the discretion of the board, in furtherance of the objectives of the company.
- Designated funds comprise unrestricted funds that the board has, at its discretion, set aside for particular purposes. These designations have an administrative purpose only, and do not legally restrict the board's discretion to apply the fund.

Income

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 and the distribution has been received in the bank account. Income received in advance of due performance under a contract is accounted for as deferred income. 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.

Tearfund Ireland
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2022

Expenditure

Expenditure is analysed between costs of charitable activities and raising 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 raising funds comprise the costs associated with attracting voluntary income and the costs for fundraising purposes.

- Costs of charitable activities 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 6.

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

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the company from government agencies and other co-funders, but not yet received at financial year end, is included in debtors.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Taxation and deferred 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.

3. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

In common with many other charities of our size and nature, we use our auditors to calculate payroll and prepare and submit payroll tax returns to the Revenue and assist with the preparation of the financial statements.

4. INCOME

4.1 DONATIONS AND LEGACIES

	Unrestricted Funds €	Restricted Funds €	2022 €	2021 €
Donations and legacies	519,679	68,679	588,358	680,135
Grants	-	656,396	656,396	546,004
	<u>519,679</u>	<u>725,075</u>	<u>1,244,754</u>	<u>1,226,139</u>

Tearfund Ireland
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2022

4.2 OTHER INCOME	Unrestricted Funds €	Restricted Funds €	2022 €	2021 €
Other income	6	-	6	9,059
4.3 INCOME SUMMARY				
		2022 €	2021 €	
Donations - unrestricted		488,788	579,151	
Grants - restricted		314,115	171,556	
Irish Aid development grant - restricted		342,281	374,448	
Gifts in kind		2,382	-	
Legacy Income		1,100	-	
Taxation recoverable		96,088	100,959	
Sale of products		-	25	
Investment income		6	44	
Insurance claims receivable		-	9,015	
		<u>1,244,760</u>	<u>1,235,198</u>	

A grant was received from The Department of Foreign Affairs (Irish Aid) for a contracted project in Ethiopia, amounting to €350,000, however, following the termination of the relationship with one of the project partners, €30,132 was refunded to the Department. There were also other grants received from Tearfund Australia, Cedar Fund and the World Charitable Foundation which totalled €159,255.

At the year end, a total balance of €80,263 of the Department of Foreign Affairs (Irish Aid) grant received remained to be expended. This has been accrued at the year end.

The partners in Ethiopia to whom the funds are paid are:

1. Wolaita Kaleheywet Church Terepeza Development Association (TDA)
2. Consortium of Self help group Approach Promoters (CoSAP)
3. Meserete Kristos Church Relief and Development Association (MKC-RDA)

Additionally €10,904 was given by The Department of Foreign Affairs (Irish Aid) towards development education expenditure, the full amount received was utilised during the year.

Restricted Grants were received from Tearfund Australia, Cedar Fund, Bishops Appeal, World Charitable Foundation as well as an EU-funded Aid Volunteer Initiative project called VIVID:T during the year.

Income tax recovered on donations amounted to €96,088 in the year.

Income from donations (other than grants) was given either as one-off gifts or by standing order. Some of this income has been 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 treated as unrestricted. The tax reclaim from the Revenue Commissioners is treated as unrestricted because it is not possible to identify the amount relating to specific donors. Contracted income from a donor to be used for a specific project is treated as restricted.

Tearfund Ireland

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2022

5. EXPENDITURE

5.1 RAISING FUNDS

	Support Costs	2022	2021
	€	€	€
International programmes	78,409	78,409	58,864
Social Justice and Development	49,372	49,372	36,741
Advocacy and Policy	18,231	18,231	13,911
	<u>146,012</u>	<u>146,012</u>	<u>109,516</u>

Support costs are apportioned between the three key charitable activities undertaken during the year (International Programmes, Social Justice and Development and Advocacy and Policy).

5.2 CHARITABLE ACTIVITIES

	Grants	Direct Costs	2022	2021
	€	€	€	€
International programmes	572,594	260,843	833,437	754,930
Social Justice and Development	8,091	163,718	171,809	142,774
Advocacy and Policy	2,996	62,134	65,130	29,142
	<u>583,681</u>	<u>486,695</u>	<u>1,070,376</u>	<u>926,846</u>

Many programmes achieve benefits in a number of different areas and their costs are allocated on the basis of their principal aims. Cost allocation includes an element of judgment and Tearfund Ireland has had to consider the cost benefit of detailed calculations and record-keeping in calculating a best estimate of the attributable costs.

5.3 DIRECT COSTS

	Basis of Apportionment	Charitable Activities	2022	2021
		€	€	€
Travel & subsistence		2,436	2,436	359
Audit		2,972	2,972	12,108
Office costs	Headcount	111,982	111,982	97,013
People costs	Headcount	303,069	303,069	254,176
Insurance		9,314	9,314	6,187
Accountancy		6,700	6,700	6,701
Communications and marketing	Headcount	43,802	43,802	35,592
Legal		6,420	6,420	32,178
		<u>486,695</u>	<u>486,695</u>	<u>444,314</u>

Direct costs are costs associated with the delivery of Tearfund's charitable activities such as salaries, office costs etc which are necessarily incurred in order to provide these activities. They are apportioned between the three key charitable activities undertaken during the year (International Programmes, Social Justice and Development and Advocacy and Policy).

Tearfund Ireland
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2022

continued

6 GRANTS

	2022	2021
	€	€
Grants were given to the following countries/projects:		
Syria	-	24,500
Jordan	10,000	
Iraq	9,000	-
Zimbabwe		1,000
Bahamas	-	1,550
Ukraine	25,000	-
Afghanistan	15,000	-
Somaliland	25,000	-
Cambodia	26,368	-
Ethiopia - Tigray Humanitarian Response	30,000	-
Ethiopia Capacity Building Project	13,350	-
Ethiopia Food Security	25,000	-
Ethiopia Humanitarian Response	15,218	-
Ethiopia Self Help Groups	242,586	275,895
Yemen	14,000	41,000
Lebanon	11,000	94,083
	<u>461,522</u>	<u>438,028</u>

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 €165,263 (2021: €78,826) was committed in full to selected projects, the remaining amounts form part of the designated and restricted reserves. Any unrestricted amounts will be allocated to projects after careful review of proposals by the Development Committee.

Following the termination of a local project partner relationship in the previous financial year, on determination of the misappropriation of €3,879, an amount of €30,132 was refunded to the Department of Foreign Affairs (Irish AID), and we continue to seek repayment of the outstanding amount from the local partner.

Tearfund Ireland
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2022

continued

7. NET INCOME	2022	2021
	€	€
Net Income is stated after charging/(crediting):		
Depreciation of tangible assets	3,246	3,067
Deficit/(surplus) on foreign currencies	55	-
	<u><u> </u></u>	<u><u> </u></u>
 8. EMPLOYEES AND REMUNERATION		
Number of employees		
The average number of persons employed during the financial year was as follows 8, (2021 - 9).		
 The staff costs comprise:	2022	2021
	€	€
Wages and salaries	370,647	268,676
Social security costs	32,235	26,570
Pension costs	15,170	20,423
	<u><u> </u></u>	<u><u> </u></u>
	418,052	315,669
	<u><u> </u></u>	<u><u> </u></u>
 9. TANGIBLE FIXED ASSETS		
	Fixtures, fittings and equipment	Total
	€	€
Cost		
At 1 April 2021	49,692	49,692
Additions	11,447	11,447
	<u> </u>	<u> </u>
At 31 March 2022	61,139	61,139
	<u> </u>	<u> </u>
Depreciation		
At 1 April 2021	45,268	45,268
Charge for the financial year	3,246	3,246
	<u> </u>	<u> </u>
At 31 March 2022	48,514	48,514
	<u> </u>	<u> </u>
Net book value		
At 31 March 2022	12,625	12,625
	<u><u> </u></u>	<u><u> </u></u>
At 31 March 2021	4,424	4,424
	<u><u> </u></u>	<u><u> </u></u>
 10. DEBTORS	2022	2021
	€	€
Prepayments	13,021	2,430
Accrued Income	85,601	35,022
	<u> </u>	<u> </u>
	98,622	37,452
	<u><u> </u></u>	<u><u> </u></u>

Tearfund Ireland
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2022

11. CREDITORS		2022	2021
Amounts falling due within one year		€	€
Trade creditors		21,213	4,722
Taxation and social security costs		22,195	18,150
Other creditors		921	-
Pension contribution accrual		1,805	558
Accruals		230,380	148,331
		276,514	171,761

12. FUNDS				
12.1 RECONCILIATION OF MOVEMENT IN FUNDS		Unrestricted Funds	Restricted Funds	Total Funds
		€	€	€
At 1 April 2020		72,983	85,196	158,179
Movement during the financial year		171,716	27,120	198,836
At 31 March 2021		244,699	112,316	357,015
Movement during the financial year		(48,015)	76,387	28,372
At 31 March 2022		196,684	188,703	385,387

12.2 ANALYSIS OF MOVEMENTS ON FUNDS					
	Balance	Income	Expenditure	Transfers	Balance
	1 April			between	31 March
	2021			funds	2022
	€	€	€	€	€
Restricted funds					
Restricted	20,268	382,794	(386,111)	100,686	117,637
Restricted Irish Aid funds	92,048	342,281	(363,263)	-	71,066
	112,316	725,075	(749,374)	100,686	188,703
Unrestricted funds					
Designated funds	46,341	-	(150,200)	124,261	20,402
Unrestricted General	198,358	519,685	(316,814)	(224,947)	176,282
	244,699	519,685	(467,014)	(100,686)	196,684
Total funds	357,015	1,244,760	(1,216,388)	-	385,387

13. 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 financial 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.

14. CASH AND CASH EQUIVALENTS		2022	2021
		€	€
Cash and bank balances		550,654	486,900
		550,654	486,900

Tearfund Ireland
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2022

15. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Charity since the financial year-end.

16. KEY MANAGEMENT PERSONNEL

The key management of the charity is the acting chief executive. The gross pay to key management personnel for the period was €63,333, plus 7% employer pension contribution.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 4 October 2022.