

TRÓCAIRE
TRUSTEES' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 29 FEBRUARY 2012

TRÓCAIRE

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TRUSTEES AND OTHER INFORMATION

TRUSTEES:

Cardinal Sean Brady (Chair)
Archbishop Diarmuid Martin
Archbishop Dermot Clifford
Archbishop Michael Neary
Bishop John Kirby
Bishop Noel Treanor

DIRECTOR:

Justin Kilcullen

BOARD:

Bishop John Kirby (Chair)
Bishop Colm O'Reilly
John Carr
Harry Casey
Lucy Fallon Byrne (retired: May '11)
Sr. Geraldine Henry (appointed: May '11)
Paul Keating (retired: May '11)
Justin Kilcullen
Ita Lehane
Dr. Anne Looney (appointed: May '11)
Margot Lyons (appointed: May '11)
Maighread Uí Mháirtín
Cathy Molloy (retired: May '11)
Ronan Murphy
Michael O'Connor
Ronan O'Loughlin
Sr. Ursula Sharpe (retired: May '11)

BOARD SUB COMMITTEES

Audit Committee

Michael O'Connor (Chair)
Margot Lyons
Declan Kenny

Funding & Finance Committee

Ita Lehane (Chair)
Geraldine McCarthy
Justin Kilcullen
Paul Caskey

Organisation & Human Resource Committee

John Carr (chair)
Lucy Fallon Byrne (chair retired: Oct '11)
Ursula Murphy
Justin Kilcullen
Bishop John Kirby
Fiona Tierney

Programme Review Committee

Ronan O'Loughlin (Chair)
Ronan Murphy
Sr. Ursula Sharpe (retired: May '11)
Gillian Wylie
Carmel Fox
Su-Ming Khoo

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TRUSTEES AND OTHER INFORMATION

STRATEGIC LEADERSHIP TEAM:

| | |
|-----------------------------------------------------------|-------------------|
| Director | Justin Kilcullen |
| Deputy Director | Eamonn Meehan |
| Head of International Department | Caoimhe de Barra |
| Programme Leader for Emergency Preparedness & Response | Maurice McQuillan |
| Programme Leader for HIV & Gender Equality | Finola Finnan |
| Fundraising and Marketing Manager | Natalie O'Toole |

PRINCIPAL OFFICE:

Maynooth
Co Kildare

PRINCIPAL BANKERS:

AIB Bank
7/12 Dame Street
Dublin 2

Bank of Ireland
Lower Baggot Street
Dublin 2

PRINCIPAL SOLICITORS:

WJ Brennan and Company
33 Upper Merrion Street
Dublin 2

AUDITORS:

Horwath Bastow Charleton
Chartered Accountants and
Registered Auditors
Marine House
Clanwilliam Court
Dublin 2

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REPORT OF THE TRUSTEES

The Trustees present their report and the consolidated financial statements for the year ended 29 February 2012.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

REGISTRATION AND CONSTITUTION

Trócaire is the official overseas development agency of the Catholic Church in Ireland. It is a registered charity in the Republic of Ireland (charity number CHY 5883), granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997. Trócaire is governed by a Trust Deed dated 18 December 1973, as amended on 14 June 2001 and 19 October 2010.

Trócaire was established to express the concern of the Irish Catholic Church for any form of human need, but particularly for the needs and problems of under-developed communities by the relief of poverty and the advancement of education.

TRUSTEES AND BOARD

Trustees are appointed by the Episcopal Conference. There are six Trustees, all of whom must be an Archbishop or Bishop of the Irish Hierarchy. The Trustees appoint a Board consisting of up to 14 members to advise and assist them in the governance of Trócaire. The members of the Board are subject to retirement by rotation, having held office for three years consecutively. No member of the Board other than a Trustee or an ex Officio Member shall hold office for longer than six consecutive years.

The Trustees meet annually to receive the annual report and audited financial statements of Trócaire. Other meetings take place as required.

The Board meets formally at least three times a year. One of these meetings takes place over a residential weekend, to allow time for the members of our Board to develop a deeper understanding of our work both in Ireland and overseas. Trustees and Board members undergo an induction programme to ensure that collectively they have the overview necessary for the proper governance of the organisation. They also travel overseas to view at first hand the work we support in the developing world. Members of the sub-committees of the Board also attend the induction programme and visit our programmes overseas.

There are currently four subcommittees of the Board: (1) The Organisation and Human Resources Committee is responsible for giving advice to the Board and management in relation to organisational structure, human resources and the allocation of related financial resources and support to ensure the objectives of the strategic plan are achieved within the approved budget framework. (2) The Audit Committee assists the Board in fulfilling its responsibilities by independently reviewing financial statements and the effectiveness of our internal controls. This Committee also monitors the effectiveness of the external and internal audit functions. (3) The Programme Review Committee is responsible for the review and formal approval of regional and country strategies and thematic policies and strategies for the six key organisational programmes. It also oversees the internal programme evaluation processes. (4) The Funding and Finance Committee is responsible for overseeing all financial and funding aspects of our operation and performance to ensure short- and long-term viability.

DECISION MAKING

The Trustees and Board are the custodians of Trócaire's vision, mission and values; they approve strategy, structure, annual plans and budgets and ensure that the organisation is effective and accountable. The Trustees appoint the Director of Trócaire and have delegated a range of day-to-day decision-making powers to the Director and the Strategic Leadership Team.

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RISK MANAGEMENT AND INTERNAL CONTROL

The Trustees take primary responsibility for risk management within Trócaire. They are aware of the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

As part of the ongoing risk management process, Trócaire methodically addresses and quantifies the risks attached to its activities. The risk management framework within Trócaire involves risk identification, analysis, control, review and reporting. At an organisational level, risk management involves: Bi-monthly Strategic Risk Assessment where the live risk register is reviewed at Strategic Leadership Team meetings to ensure all strategic and operational risks have been adequately identified, evaluated, communicated, owned, controlled and mitigated; the promotion of risk awareness across Trócaire; and the Internal Audit programme whereby the Audit Committee, mandated by the Board, directs a programme of the review and assessment of the risk management and internal control system.

The internal Auditor reports to the Chairman of the Audit Committee and the Director, and administratively to the Head of Organisational Development and Corporate Affairs. In 2011/2012 the Internal Auditor undertook an assurance review of current partner governance and financial management processes by visiting partners and meeting their management, programme and finance staff as well as several of their directors and beneficiaries. This was complemented with a review of Trócaire field staff's oversight of partner organisations.

A major development during the financial year 2011/2012 was the extension of the formal and comprehensive risk management process by the strategic leadership team to Trócaire Northern Ireland and to the five overseas regions.

PRINCIPLE RISKS AND UNCERTAINTIES

The principle risks and uncertainties facing Trócaire are as follows:

Financial Stability: In the current economic environment Trócaire faces real challenges in the areas of fundraising, cost control, and cash security and management. Pressure on income is likely to continue and Trócaire is working to develop new sources of income in order to reduce the risk of significant fluctuations. In addition, Trócaire is working to reduce costs by putting in place processes and procedures to ensure that it gets the best value for money in all its expenditure. Finally, in response to continued uncertainty in financial markets, Trócaire is continually reviewing and assessing its investment strategy to reduce its exposure to fluctuations and risk as described in the Investment Policy and Performance section in this report.

Governance: In today's corporate environment there is increasing focus on the need for good governance in organisations. Trócaire has appropriate governance structures and procedures in place to ensure appropriate decision-making and the implementation of decisions. Senior management and the Board regularly review the structures and procedures by which the organisation is governed.

Working with Partners: A partnership approach has been central to Trócaire's work since the organisation was founded by the Irish Catholic Bishops in 1973. The decision to work in partnership with other organisations rather than taking a directly operational approach is based on the core values of solidarity, participation and subsidiarity from Catholic Social Teaching. Trócaire has clear procedures in place to ensure that our partners share our vision and values and that the relationship with them is well-managed.

IT Security and Continuity: Trócaire is becoming more dependent on IT systems for processing and storing its data. To prevent disruption to operations due to loss or damage to these systems, Trócaire has developed IT policies and procedures designed to counter this risk.

Staff and Related Risks: Trócaire achieves its results due to the dedication and hard work of its staff. To continue to succeed, Trócaire must continue to build a relationship with staff and develop their capabilities through effective resource planning, performance management and development. Attracting and retaining the best people is a key strategic goal of Trócaire, and the organisation continually reviews and develops human resources policies and procedures to ensure that it achieves this.

As staff work in areas of the world where personal security is always a concern, Trócaire has developed comprehensive security management policies to ensure that this risk is appropriately managed.

Reputation and Compliance: Significant damage to Trócaire's reputation could be caused due to errors, as a result of fraud, or other breakdowns in the organisation's internal controls. To safeguard against this risk the organisation has developed detailed financial management and reporting systems, and reviews them on a regular basis.

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Impact and Effectiveness: Trócaire must be able to demonstrate the impact of its work in a measurable and demonstrable way in order to be truly accountable to donors and beneficiaries, to guarantee the achievement of strategic objectives, and to attract future funding support. A Strategic Impact Unit has been set up and a results-based management system is being developed for field- and home-based activities.

TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Trustees are required to prepare financial statements that give a true and fair view of the state of the charity's affairs and of its income and expenditure for each financial year. In preparing the financial statements, the Trustees are required to select suitable accounting policies, to apply them consistently and to make judgements and estimates that are reasonable and prudent. The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

The Trustees are responsible for keeping proper accounting records which comply with accounting standards and which disclose, with reasonable accuracy at any time, the financial position of the charity. To ensure that proper books and records are kept, the charity has employed appropriately-qualified personnel and has maintained appropriate computerised accounting systems. It is 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 Audit Committee, which is a subcommittee of the Board, meets at least three times a year and reviews the carrying out of the above responsibilities for the Trustees.

SUBSIDIARY UNDERTAKING

Trocaire (Northern Ireland) (charity number XR 10431) is a subsidiary undertaking.

Subsidiary undertakings are those over which Trócaire exercises a dominant influence, this influence being the ability to direct the operating and financial policies of the undertaking. Details of transactions with the subsidiary undertaking are set out in Note 20 of the financial statements.

COMMITMENT TO STANDARDS IN FUNDRAISING PRACTICE

Trócaire is fully committed to achieving the standards contained within the Statement of Guiding Principles for Fundraising. The statement was developed by the Irish Charities and Tax Research group and exists to provide charities in Ireland with a Fundraising Code of Practice.

The purpose of the statement is to:

- Improve the way charities in Ireland raise their funds
- Promote high levels of accountability and transparency in organisations fundraising from the public
- Provide clarity and assurances to donors and prospective donors about the organisations they support

Trócaire meets the standards as set out in the Code of Practice.

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2. OBJECTIVES AND ACTIVITIES

INTRODUCTION

The Synod of Bishops meeting in Rome in 1971 on “Justice in the World” made the following statement:

“Action on behalf of justice and participation in the transformation of the world fully appear to us as a constitutive dimension of the preaching of the Gospel”.

In his encyclical *Deus Caritas Est*, Pope Benedict XVI reaffirmed this commitment to justice: “The promotion of justice through efforts to bring about openness of mind and will to the demands of the common good is something which concerns the Church deeply”.

In *Caritas in Veritate*, the Holy Father elaborated on this concept of the common good: “The more we strive to secure a common good corresponding to the real needs of our neighbours, the more effectively we love them. Every Christian is called to practice this charity, in a manner corresponding to his vocation... this is the institutional path – we might also call it the political path – of charity, no less excellent and effective than the kind of charity which encounters the neighbour directly... Only in charity, illumined by the light of reason and faith, is it possible to pursue development goals that possess a more humane and humanising value”.

At the heart of Trócaire’s work is that light of reason and faith. It is a light that distinguishes Trócaire’s work in the great endeavour of so many in pursuing the development of peoples. It is the light that gives it the courage to speak out “inculcating respect for the rights and needs of everyone, especially the poor, the lowly and defenceless”. (Blessed John Paul II).

We are aware that, despite the great progress made over the past five decades in lifting millions of people out of poverty, the task of creating an authentic human development remains daunting. Pope Benedict XVI encourages us not to lose heart for we do not face this task alone. “In the face of the enormous problems surrounding the development of peoples ... we find solace in the sayings of our Lord Jesus Christ who teaches us: ‘I am with you always to the close of the age (Mt 28:20)’. As we contemplate the vast amount of work to be done, we are sustained by our faith that God is present alongside those who come together in his name to work for justice... Openness to God makes us open towards our brothers and sisters and towards an understanding of life as a joyful task to be accomplished in a spirit of solidarity”.

It is in that spirit of joyful solidarity that Trócaire continues its work on behalf of the Church in Ireland, supported so generously by the faithful.

VISION

Trócaire envisages a just and peaceful world where people’s dignity is ensured and rights are respected; where basic needs are met and resources are shared equitably; where people have control over their own lives and those in power act for the common good.

MISSION

Inspired by Gospel values, Trócaire works for a just and sustainable world for all.

Trócaire gives expression to this mission by:

- Providing long-term support to people who live in extreme poverty in the developing world, enabling them to work their way out of poverty
- Providing appropriate assistance to people most in need in emergencies, and enabling communities to prepare for and resist future emergencies
- Tackling the structural causes of poverty by mobilising people for justice in Ireland and abroad

To fulfil this mission Trócaire:

- Works in partnership with civil society organisations in Ireland and abroad
- Works directly on development education, advocacy and campaigns that emphasise the underlying causes of poverty

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VALUES

Trócaire's work is grounded in Catholic social teaching, which stresses the dignity of each person and their inalienable human rights - along with their responsibilities - regardless of culture, ethnicity, gender or religion.

As we work to achieve our mission we practice the following values, both within the organisation and in our programmes and relationships:

- Solidarity
- Perseverance
- Accountability
- Participation
- Courage

ACTIVITIES

We recognise that a variety of responses is needed to make a difference to the lives of poor and marginalised people in the developing world. We will face these challenges by:

- Building on our strengths and prioritising key aspects of our current work
- Taking on targeted new areas of work both globally and regionally
- Working in a more integrated manner across all programme areas
- Focusing on 27 programme countries

Trócaire builds long-term partnerships with local organisations in countries across Africa, Asia, Latin America and the Middle East, supporting their work to build a better world for people living in poverty.

We co-ordinate our work overseas through regional offices in Kenya (Horn and East Africa), the Democratic Republic of the Congo (Central and West Africa), Honduras (Latin America), Cambodia (Asia and Middle East), Mozambique (Southern Africa) and through the relief and development structures of the Catholic Church. These are supported by field offices in a number of countries, helping to ensure funds reach the people for whom they are intended.

In emergency situations we provide immediate humanitarian relief but also support long-term rehabilitation programmes to enable people to rebuild their lives. In much of our international emergency work, we act as part of the global Caritas network – a federation of 165 Catholic relief and development organisations operating in over 200 countries and territories, promoting social change and development, and responding to emergency and other social needs. Membership of Caritas Internationalis enhances our capacity to respond to the needs of people around the world. At times of emergency and crisis, aid can be co-ordinated by, and channelled through, the local Caritas Internationalis organisation and its local church structures.

We also support the relief and development work of local missionaries in a number of countries.

STRATEGY

Over the period of our current strategic plan – 2006 to 2016 – we are developing and implementing five organisational programmes, as follows:

- **Building Sustainable Livelihoods and Demanding Environmental Justice:** Working with some of the most vulnerable communities in the developing world by helping people to make a living so that they can escape from poverty while ensuring that Trócaire as an organisation, and through its programmes, contributes to the sustainable and just use of environmental resources.
- **Governance and Human Rights:** Building the capacity of civil society in poor countries to hold decision-makers to account and to engage in shaping policies that affect the lives of people living in poverty.
- **Preparing for and Responding to Emergencies:** Reducing the impact of natural disasters on vulnerable communities and individuals through disaster preparedness, and mitigation, relief and recovery.
- **Addressing the HIV and AIDS Crisis:** Reducing vulnerability to HIV and mitigating the impact of HIV and AIDS on poor and marginalised communities.
- **Promoting Gender Equality:** Contributing to the elimination of gender inequalities and ensuring that women and men have equal rights and opportunities to fulfil their human potential and to play an active role in the building of society.

3. ACHIEVEMENTS AND PERFORMANCE

The need to address global inequalities grows with each year that passes. *Mobilising for Justice*, Trócaire's strategic framework, charts our development agenda until 2016 and identifies the core areas that we will work on to ensure that we continue to respond to the critical challenges facing communities in the developing world. Its implementation plan outlines the annual milestones that each unit within Trócaire is working towards achieving.

In 2011, Trócaire undertook a fundamental organisational review of its operational structure, processes and ways of working. It did this to ensure that the organisation positioned itself to deliver high quality programmes in accordance with its mission and mandate. This review started in September 2011. It involved a considerable amount of consultation with staff and working partners. A number of recommendations were made to the Board in February 2012 around phasing out of a number of countries in which Trócaire currently operates, in order to concentrate existing resources and increase the size and scale of engagement in the remaining countries of operation. These proposals have been adopted. Work has now commenced on developing a robust organisational structure over the next 18 months involving both overseas and Ireland-based divisions that will deliver maximum impact for our stakeholders.

It is Trócaire's partnership approach that makes us different. Partnership means that we use our experience, funding and staff to support people in the act of changing their communities. Solutions are not imposed on the people we help; people want to have control over their own lives and the decisions affecting them. When we help people, we work with them so that they drive the entire process themselves. During the year we worked to strengthen our partnership approach so that we can bring about greater change in the communities where we are invited to work.

Trócaire is a member of Caritas Internationalis, the Catholic Church's global confederation of development agencies and the second largest humanitarian network in the world. This means we can respond immediately through our Caritas partners should an emergency occur. We are also a member of CIDSE, the international alliance of Catholic development agencies which works together for global justice. The organisation has a presence in almost 120 countries and territories worldwide.

Building sustainable livelihoods and securing environmental justice

Successive commitments have been made on tackling global hunger since the early 1970s. Yet, over the last 40 years, the number of people going hungry has doubled to one billion. When families have food and a reliable income they can look to the future. They can build a safe home, children can go to school, they can afford medical care, their overall health improves and communities can grow from strength to strength.

Fourteen livelihoods programmes were supported by Trócaire in 2011/2012 with an investment of €7.7 million. In Haiti and Pakistan for example, we are developing long-term livelihoods programmes following our emergency responses in 2010.

In **El Salvador**, 12 partners supported 900 small-scale farmers (500 women, 400 men) in sustainable agriculture training on how to use scarce natural resources efficiently. In 2010, 55 per cent of beneficiaries employed sustainable practices when farming beans and corn. At the end of 2011, this had risen to 80 per cent.

In **Rwanda**, 6,113 farmers are using organic manure to improve soil structure, while 4,915 farmers have adopted an integrated soil fertility management approach. The number of maize and soya seed producers rose respectively from 2,204 and 419 in 2010 to 3,133 and 1,334 in 2011. The area under modern production technology rose from 796 hectares in 2010 to 1,000.8 ha in 2011, and 2,699 households are now using artificial land (sack gardens, kitchen gardens) compared to 920 in 2009. These new approaches are bringing extremely positive results. An evaluation of the Rwanda programme found that "there were general reports of significant increases in crop yields for soya, maize and wheat as a result of improved farming practices. Many farmers of soya and maize in various areas reported that, compared to 2006, today they plant about half of the seed and get twice as much yield."

In relation to farm diversification, our **Ethiopia** programme is reporting a shift from cereal-based rain-fed agriculture to small-scale irrigation-supported vegetable production, and from one harvest to 2 to 3 harvests a year. Fifty per cent of beneficiaries in the north of the country now have access to irrigated land and 88 per cent harvest more than once a year. 10,715 households have transformed from rain-fed agriculture to using irrigation technology, up from 6,692 in 2010.

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In **Malawi**, 4,436 households received goats or chickens in 2011 as an alternative source of income from agriculture. Different (and increased) ways of earning a living reduce dependency on harvesting crops or growing vegetables.

In **India**, 91 per cent of participants in our programmes now have National Rural Employment Guarantee Act (NREGA) job cards, up from 84 per cent in 2010, thereby adding to household income. This also means reducing the need for people to undertake short-term migration away from their families. In Orissa, local government implementation of the NREGA has been weak. Advocacy by Trócaire's partners has increased access to the scheme by the most vulnerable.

CREPAIMASUL, a farming cooperative of small cashew producers in **Honduras** – supported by Trócaire since its formation in 2005 – won the Exporter of the Year, 2011. This was awarded by the Government of Honduras through the Ministry of Industry and Commerce. CREPAIMASUL produce, process and export cashew nuts to the USA. Their €12,000 prize will help to increase working capital.

Evidence-based advocacy work was also carried out in relation to food, agriculture and trade. In 2011, our livelihoods team hosted, in Dublin, a policy discussion on *Access to Land and Right to Food*. Presentations by a Trócaire partner from Orissa, India, and the International Land Coalition (a global alliance of organisations working to promote land rights in the developing world), highlighted how land tenure policies could both support and undermine livelihoods.

Recognising that competition for land and food security is not a standalone issue, 2011 was a year when Trócaire also engaged in policy work on food price volatility, coinciding with the first G-20 Agriculture Ministers meeting.

Trócaire continues to engage in both domestic and international policy processes on climate change negotiations. The second phase of Trócaire's climate change campaign, *Up To Us*, was launched with a new climate change policy report at a Round Table Discussion in October 2011, at which Minister of State Fergus O'Dowd was a keynote speaker.

Another key achievement was the completion of field research of the household climate change study in October 2011. We look forward to publishing this research in summer 2012.

75 per cent of the world's poorest people live in rural areas

Before the war in northern Uganda, Milton Okello and his wife Milly had a steady way of life. They were farmers living in a community called Bar Kawach, with cattle, goats and a thriving farm – enough to care for their family and send their children to school. But during the war they lost everything. Rebels destroyed their home and their land, leaving them starving and traumatised. Eventually the war cost Milly her life and Milton was left to care for their children alone.

The violence ended almost 6 years ago, leaving survivors in desperate poverty. Milton's family and the community got support from Trócaire's local partner to help them to move back home and rebuild their lives. Families were given agricultural training, seeds and tools, and some livestock such as goats and chickens. This helped them to begin to recover and start again.

But it wasn't easy. The community also needed a lot of support to help them cope with the trauma of what they had endured, which had manifested itself in the form of alcohol abuse, domestic violence, community disputes, and general unrest and tension. Trócaire's partner, FAPAD, worked with the community to help them adjust to their new lives, cope with their hurt and anger, and move on with their lives. Life is now calmer for the families in Barlonyo. "There is less violence now," according to one of Milton's neighbours, Betty Alum. "We feel secure now in the village."

Today, families have been able to rebuild their farms to feed themselves and some have managed to earn extra income for secondary school fees and basic healthcare. But they deserve more.

75 per cent of the world's poorest people live in rural areas and depend on agriculture to survive. Therefore governments and political representatives across the world must respond to the needs of farming families if they are serious about tackling global poverty.

In 2003, African governments – including the government of Uganda – committed to allocate 10 per cent of their budgets to agriculture investment. The Ugandan government is spending an average of 4 per cent on agriculture, while the vast majority of its population are farmers. Trócaire's local partners are challenging the Ugandan government to prioritise agriculture investment for the people of northern Uganda. But it's slow work.

This work is about Ugandans holding their leaders to account and demanding that they act in the best interests of the people; that people are not denied the opportunity to free themselves from poverty.

While we at Trócaire (and our partners) are working to bring about lasting solutions to poverty at national and international level, we never lose sight of the struggles faced by families and communities today. "I have received a lot of practical training from FAPAD," said Milton, "so that even when we don't have any money to go to market we can get something small off the land to keep us going. We have been helped to set up sanitation and rubbish disposal for our farm. All these things are helping us to move on with our lives, however hard things get along the way. I am very confident for the future."

Milton Okello and his Bar Kawach community group is one of 30 groups in this area alone who are being supported by Trócaire. Overall, 1,050 families are being targeted through this initiative, which will benefit over 16,500 people.

Governance and Human Rights – giving people a voice

Trócaire supported Governance and Human Rights programmes across the five regions with an investment of €10.7m.

Every day, ordinary people in the poorest parts of the world are taking a stand and sacrificing their own safety for the justice and rights we often take for granted. In **Colombia, Honduras, Guatemala, Sudan, Zimbabwe** and **Israel/Occupied Palestinian Territories**, human rights defenders, trade unionists and journalists continue to come under extreme pressure for speaking out.

Trócaire places a significant importance on governance and human rights to challenge the social, economic and political structures that deepen injustice and condemn people to a life of poverty. Empowering marginalised people to demand their rights and challenge their governments to account for their actions is critical to ending global poverty.

During 2011, the political context in many countries continued to present challenges to Trócaire's programming, given restrictions on freedom of movement and threats to the security of our partners and human rights defenders. This was especially the case in **Malawi, Honduras** and **Ethiopia**.

In relation to challenging corruption, it is important that people are enabled to exercise a 'watchdog' function over local government in order to overcome petty embezzlement and the abuse of power that can occur. Trócaire's programmes support social audits and expenditure monitoring. This function, in turn, can build trust in local institutions, and enable them to collect taxes for investment in development and serve their people fairly.

There are many instances where local citizen organisations supported by Trócaire have identified corruption and succeeded in reversing it or holding those responsible to account. In **Uganda**, for example, there was a scam within the National Agricultural Advisory Service in Kitgum district where suppliers were renegeing on commitments to supply cassava planting materials to farmers. Local people discovered the scam, which led to the supplier being forced to restore the commitment and supply good materials.

One of the main users of goods and services in any state is the government, so a focus in Sierra Leone and Malawi is on correct procurement practices to ensure local infrastructure and other types of public services are of good quality. In **Malawi**, members of Trócaire's partner MEJN's district chapter in Chitipa received budget training and identified mismanagement of local development funds associated with procurement of construction materials. Now open tenders are being issued.

In **Sierra Leone**, local monitoring committees have reported increased adherence to national public procurement laws: 64 per cent of the contracts monitored by partners in 2010/2011 were deemed to be awarded transparently – an improvement on previous years.

Creating awareness among vulnerable people of their rights, and the avenues open to them through which to defend themselves, is the first step in much of our partners' human rights protection work. Groups targeted include those that are victimised because of their status – women, indigenous, ethnicity, nationality, sexual orientation – and others, such as human rights defenders. Partners in **Zimbabwe** and **Liberia**, with the support of community radio stations, have opened community resource centres which function as citizen information centres. They are equipped with internet, radio, and education materials on a range of rights and entitlements. Six such centres have been opened in each of the provinces of Zimbabwe. Public road-shows in Zimbabwe which publicise and engage communities in dialogue have reached over 7,000 people in 2011, while legal awareness raising in Gaza reached over 2,646 women and 275 men.

Several partners received awards or recognition for their work for human rights in 2011. In **Burundi** and **Liberia**, leading church activists were appointed to governmental commissions on human rights and on anti-corruption. In **Zimbabwe**, a female lawyer, was appointed as one of the three principal drafters of the new constitution after being proposed for the position by our human rights partner, while Jestina Mukoko – Director of Zimbabwe Peace Project – was awarded the *Legion d'Honneur* by the French government. This recognition of partners' integrity is helpful as it supports civil society advocacy and furthers the protection of its activists.

In **Honduras**, in the Aguan valley (which was the focus of Trócaire's Lenten campaign in 2011), over 400 cases of serious human rights violations – ranging from murder of community leaders by state authorities to torture, disappearance and illegal detentions – were brought to the judicial services. Trócaire partners brought 100 of these cases to the Inter-American Court of Human Rights in Washington where the Honduran government was ordered to provide protection measures.

In **Colombia**, 89 cases against paramilitaries and 43 cases against national armed forces are being handled by Trócaire partners for various violations of rights. Five of these cases are being treated at the Inter-American Court. Nearly 20 per cent of all of these cases relate to sexual violence against women.

Trócaire responded strongly to attacks on civil society leaders in Malawi and direct threats to Benedicto Kondowe, the director of our partner organisation, CSQBE (Civil Society Coalition for Quality Basic Education). Along with Frontline Defenders, we invited Mr Kondowe to Ireland to meet TDs, government officials and trade unions. Benedicto's powerful and urgent testimony prompted policymakers in Ireland to call for the Malawian government to stop its assault on civil society.

Stopping house evictions in Jerusalem

Nassir Al-Ghawi and his family were asleep in bed when soldiers started banging on their door. It was 4.30am and, within minutes, Nassir and his family found themselves homeless on the street.

Their home was now the property of Israeli settlers.

Nassir describes the moment his house came under attack as being like a scene from a movie. The soldiers tried to gain entrance through the windows and the doors before eventually deciding to use explosives to break down the front door.

"It was like an action movie," he says. "They said, 'we know you are at the door, please go back four or five steps because we want to bomb the door'. They then bombed the door open. After ten minutes they evicted all of my family. Within one hour, the settlers had moved in."

Nassir and his family are amongst the hundreds of Palestinians to fall victim to house evictions over recent years, as Israel encourages settler families to populate the Palestinian area east of the city.

Since losing his home in August 2009, Nassir has campaigned against house evictions by holding a dignified protest outside what he still considers to be his home.

In summer 2011, Trócaire highlighted Nassir's case. We worked with organisations such as the Israeli Committee against House Demolitions – an Israeli organisation which campaigns against evictions and attempts to raise awareness of human rights abuses in the West Bank.

Nassir's case and others like it received widespread international attention – including visits from President Jimmy Carter and former President of Ireland, Mary Robinson – and he believes this may help his search for justice. As a result of the attention Nassir's case received, Israel has halted house evictions in this section of east Jerusalem.

In January of this year, an Israeli court ruled that Nassir's eviction was not carried out with due process. It was a small victory, but it gives Nassir hope that one day a court will rule that the house legally belongs to him.

"The court said that my eviction was carried out illegally, but I am still not back in my house," he said. "I want a little bit of justice in the courts of Israel so I can end my struggle here on the street. Israel should know that they cannot go on ignoring our rights."

Humanitarian programme – our approach to an emergency response

Certain core principles lie at the heart of our approach to emergency response. We believe that aid must be given to those who need it most, to address human suffering wherever it is found. This aid must at all times be independent from political, economic, military or other interests.

In 2011, Trócaire responded to humanitarian crises in 13 countries with an expenditure of €16.7m. Responding to the gravest crisis, a severe drought and famine in the Horn of Africa, Trócaire provided immediate life-sustaining relief – food, water, sanitation, livelihood support and health services – to over 400,000 people across **Kenya, Ethiopia and Somalia.**

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The humanitarian context in 2011 was dominated by this drought crisis in the Horn of Africa. With a long-term presence in these three affected communities (Ethiopia, Kenya, and Somalia), Trócaire was positioned to deliver a large-scale response in each country. Communities in Kenya and Ethiopia were supported through food, water, and cash distributions, along with emergency livelihood support – rapid destocking and eventual restocking of livestock – to protect longer-term livelihoods and further build resilience.

In July 2011, the Irish public displayed extraordinary generosity in support of Trócaire’s emergency appeal for the Horn of Africa, donating in excess of €10m, €5.8m of which came through church collections. The funding of the Trócaire humanitarian programme globally was heavily diversified. Trócaire’s global budget was funded through Irish Aid (EHAF and ERF), DFID, EC, and Caritas agencies.

We recognise and respect the enormous trust placed in us by our supporters and partners and our collective responsibility to act with the utmost integrity in the stewardship of those resources.

Some of the emergency initiatives funded under the Horn of Africa appeal include:
Beneficiary number in excess of 400,000.

- 4,657 tonnes of food and 261,062 litres of oil supplied to 110,882 people in Kenya
- Drought resistant seeds supplied to 9,852 households (benefitting c.50,000 people) in Kenya and Somalia
- 60 water tanks, 22 wells, 12 rain water catchments and 4 boreholes constructed or rehabilitated
- 52,260 in Ethiopia benefitting from cash for work or direct cash transfers
- Meat and grain distributed to 5,380 households (c. 30,000 people) in Ethiopia
- 4,000 bed nets provided to communities vulnerable to malaria in Somalia
- 82,500 water treatment tablets distributed to 2,750 households in Somalia
- Food vouchers supplied to 35,486 people in Somalia, giving them access to food each day for five months
- 33,346 people in Somalia given water vouchers, providing them with clean water over a three month period
- 2,874 patients and carers in two hospitals were supplied with two meals a day
- 1,833 pregnant women or new mothers supplied with rations of Unimix

Trócaire will continue to work with these communities over the coming years, strengthening protection against future droughts and increasing food security through long-term livelihood programming.

Somalia represented, and still represents, a more complex crisis. The absence of any functioning government has created a challenging operating environment. In response to the outbreak of famine, Trócaire scaled up its long-running integrated nutrition programme to treat sharp increases of malnutrition. Trócaire also collaborated with Italian NGO, COOPI (Cooperazione Internazionale) to deliver food and water to 30,600 people in rural communities and to displaced people in the Gedo region to prevent additional deaths.

Two defining humanitarian responses in 2011 were initiated in South Kordofan in **North Sudan** and Kachin State in Northern **Myanmar**. Both contexts are characterised by conflict-induced displacement and severely restricted humanitarian access. Trócaire, through the local diocese, has supported the provision of medical supplies for Gidel Hospital in South Kordofan, which will continue into 2012. In Kachin state in Myanmar, where 50,000 remain displaced, Trócaire is working with local organisations to provide shelter and food rations.

Trócaire also responded to severe localised flooding which had displaced 1.4 million people from the Sindh province of **Pakistan** in August, delivering hygiene kits and food packages to 5,600 families in the immediate aftermath. Humanitarian interventions were also implemented in reaction to natural disasters in **Guatemala**, displacement and political violence in **Liberia** (implemented through the Caritas confederation), and protracted food insecurity in **Zimbabwe** and the **Democratic Republic of Congo**.

Trócaire published a policy document titled *Bridging the Gap Between Policy & Practice*. The document outlines key recommendations to institutions of the European Union on renewal of their commitments to meeting obligations under the European Consensus on humanitarian aid.

Our humanitarian team is trained to the highest international standards. All of our humanitarian workers comply with SPHERE guidelines (a rights-based approach to humanitarian assistance), Livestock Emergency Guidelines and Standards (LEGS), the Code of Conduct and the Good Enough Guide (international multi-agency guidelines which are recognised as international best practice).

East Africa emergency appeal

Andrew Lodio's uncle got gradually weaker until one day his body could take no more. Andrew buried him underneath a wild bush just outside his village near Lokitaung, northern Kenya.

"Hunger is everywhere," said Andrew. "Other years were different. Sometimes there were good rains, but for the last two years there has been no rain. There have been droughts here before but never like this one. This one is worse because it is all over the region. Normally if it is bad here we can go somewhere else, but now it is bad all over. There is nowhere to go."

Andrew's village was one of thousands across Kenya, Ethiopia and Somalia which, last summer, faced prolonged hunger brought about by drought and famine. The failure of consecutive rainy seasons plunged the region into crisis. Crop failure and the deaths of millions of animals led to 13 million people throughout east Africa facing hunger.

Trócaire provided immediate life-sustaining relief – food, water, sanitation, livelihood support, and health services – to over 400,000 people across the region.

With a presence in the region dating back almost 40 years, Trócaire was well positioned to respond to the emergency. Indeed, Trócaire had been providing emergency relief long before the official declaration of famine in Somalia in July.

Communities in Kenya and Ethiopia were supported through food and water distributions, as well as cash-for-work programmes which complemented Trócaire's long term development projects in the communities.

As one of the few international agencies with an established presence in Somalia, Trócaire was in a position to rapidly scale-up its long-running health and nutrition programmes to respond to the drastic increase in malnutrition cases.

Promoting Gender Equality - unlocking the potential of women

Trócaire works to unlock the potential of women, eliminate inequalities that make and keep them poor, and empower them to improve their own lives. We address violence against women, which has a huge impact on women in the developing world – particularly in emergencies – and is a major source of suffering and injustice.

Our work on equal rights for women and men is both a stand-alone programme and a key strategy in all the work that we do and in our workplace. Violence against women seriously hampers the development of people and communities across the world. Throughout the countries in which we work, we advocate for laws that protect women and respect their rights and dignity.

Gender inequality is undoubtedly one of the most critical challenges facing the developing world. The personal, societal, economic and political impacts of gender inequality are enormous. Globally, women represent 70 per cent of the world's poor, while six out of ten women face abuse in their lifetime. The appalling levels of gender-based violence in places such as the **Democratic Republic of Congo** and **Darfur**, and women's increasing vulnerability to HIV, are just two stark manifestations of gender inequality. In the face of new challenges, such as increasing climate shocks, food and fuel crises and strained economic times, it has never been more important to ensure that all our work promotes equality between women and men and ensures the equal rights and dignity of all.

Supporting women whose rights are being violated strengthens communities, helps families to overcome poverty, improves the health and education of children and builds a more solid future for everyone.

2011 was a significant year for gender programming in Trócaire: a new programme was developed in **Myanmar** addressing women's participation and leadership; there was ongoing support of a high-level domestic violence campaign with the Catholic Church in **Uganda**; and a three-year research project across four countries looking at women's participation in decision making within their own local communities was begun.

Trócaire continued to support nine gender related programmes with an investment of €2.2m consisting of: six gender-based anti-violence programmes in Cambodia, Pakistan, Uganda, Kenya, Sierra Leone and Nicaragua; two HIV and gender programmes in Central America and Malawi; and one new programme, as stated, in Myanmar.

Innovative programming continued in **Uganda**, with Trócaire – alongside Irish Aid and Raising Voices – supporting the Church to lead a nationwide response to domestic violence. This campaign was launched in November 2011 with the distribution of five million prayer cards in 19 languages, posters, information packs on domestic violence, and homily and community conversation notes to 25,000 churches nationwide. Forty percent of dioceses created their own diocesan days to launch the national campaign in their own localities. Lessons learned from this collaboration are outlined in a report called *Breaking the Silence – a learning review on the Domestic Violence Partnership Programme*, produced in 2011.

At an Irish policy level, Trócaire provided input on the Irish National Action Plan (NAP) on UN Security Council Resolution 1325 on Women, Peace and Security, sitting on both the consultative group and the technical sub-group.

Our engagement with the Irish joint consortium on gender-based violence continued throughout 2011. We are a member of this group which advocates at national and international level for stronger laws and access to justice for victims of violence.

As part of our work, we promote women's leadership and participation in decision-making, and in lobbying for legislative change and awareness-raising. We aim to support women who participate in local government at village, district or provincial level in order to influence decisions that affect their lives.

In **Nicaragua**, for example, we have continued to support the participation of women in local governance structures. As a result, 89 women from Posoltega participated in town councils, communities' assemblies and budgeting consultations.

In **Myanmar** a new programme aims to support the participation of women in decision-making processes. With an increasing number of opportunities opening up in Myanmar, and with decentralisation processes underway, there is renewed scope for women to engage. Partners have now been identified to help us with this work. This programme is taking place in Mon and Shan states, and at the national level.

In relation to economic empowerment, one partner in **Sierra Leone** – DMI (Daughter of Mary Immaculate Women's World) – formed 213 self-help groups with 3,140 women, and these groups have increased their financial savings by an average of 70 per cent.

In **Sierra Leone**, training was conducted for 168 Law Enforcement and Justice Officials (LEJOs) in four districts on the three Gender Acts, (the Child Rights Act, Customary Law Courts, and the roles and responsibilities of LEJOs). In addition, advocacy meetings were held with court officials to enhance court procedures for gender-based violence-related cases such as timings of court sittings and the availability of interpreters. Some improvements on how cases are dealt with in courts are becoming apparent. For example in Kenema, court officials now recruit interpreters for litigants who do not speak the predominant language of *Mende*.

In **Kenya**, five partners who work with Trócaire are active members in several high-level task forces where they have engaged in ongoing policy influencing. Through these processes they contributed to the Sexual Offences Act Amendment Bill 2011 and the Marriage Bill 2011 – relating to the inheritance rights of widows and children – currently being discussed in parliament.

Also, in **Sierra Leone**, gender-based violence-related education, outreach and awareness-raising activities (e.g. radio discussion programmes, focus groups, paralegal mobile clinics, school visits and school human rights clubs) have taken place in three districts (Bombali, Port Loko and Kambia) on identification, monitoring and addressing gender-based violence, reaching 23,743 men, women and youth, of whom 70 per cent are women.

Retail therapy in Malawi

Mary Thole (28) has a shrewd eye for buying clothes. It's not that she's particularly interested in fashion, she admits, but she knows what sells and what doesn't. When she sets up her second-hand clothes shop on a mat outside her home and starts tearing open black polythene bags she is soon surrounded by an audience eager to see what's new.

Within minutes, Mary has laid out a colourful display, from old football jerseys to Barack Obama t-shirts and children's tiny khaki outfits. The women dive in. There's laughter as she greets her customers with high-fives, rearranging her display as it's pulled asunder by enthusiastic shoppers.

Women size up t-shirts, skirts and kids' clothes, and admire each other's choices. There's haggling and discounts as Mary's pen switches from behind her ear, to her mouth, to her notebook, while she keeps track of sales. Small notes are exchanged and everyone leaves with a smile on their face. Retail therapy has the same effect on women the world over, from Mtuwa, Malawi, to Ireland. For women like Mary, it has an even deeper meaning. It has helped her to begin a new life after her marriage unfortunately ended in January 2011 due to persistent abuse.

As she lived in her husband's village, she had to leave the family home with their four children, in line with tradition. She initially moved back in with her parents. It wasn't easy.

"I struggled to accept that I'd have to support myself as I depended on my husband. As time passed I accepted that I needed to rise up ... I recovered from this state on my own."

Mary had lost her husband and her home, but she soon gained another family – a group of women who came together to set up small businesses. Many were separated like her. Trócaire's local partner, CADECOM, (Catholic Development Commission in Malawi), gave the women money and training to set up a savings and loans scheme where they could borrow to start businesses and save their earnings.

Mary started selling clothes that March. It was a purely financial decision. "It's not that I like dressing up. I heard that there were better profits from second-hand clothes so that's why I started."

She buys the clothes in Malawi's industrial capital, Blantyre, about two hours away. "Vendors open boxes from overseas. I select the clothes I want and buy them. They charge per item, I calculate the cost of transport and I add a profit."

Mary's market fluctuates with the cotton season. From April to August, when people are harvesting, they have money for clothes and she makes two trips to Blantyre every month. Other months require just one trip. During these times, she has crops to fall back on. And while life is undoubtedly tough living in the driest part of Malawi, Mary's children are in school and she feels that, now she can stand on her own, she has broken a tradition that's damaging to women.

HIV programmes – reducing vulnerability

Over 90 per cent of the people living with HIV worldwide live in a developing country. A baby born in Ireland can expect to live to 80 years of age but, in Zimbabwe – where 14.3 per cent of the population is living with HIV – the average life expectancy is just 47 years.

Trócaire continued to support seven HIV programmes with an investment of €2m, five dedicated programmes in Cambodia, Ethiopia, Kenya, Mozambique and Zimbabwe, and two joint HIV and gender programmes in Central America and Malawi. Of significance during the year was the planning and development of the programme in Malawi to incorporate a research focus, looking specifically at women’s vulnerability to HIV, involving the Global Women’s Study Centre at the National University of Ireland Galway and a local research institution in Malawi. In Kenya, a final external evaluation of our HIV programme concluded that the programme was having a positive impact on the target population.

Policy activity on HIV was strong in 2011. Trócaire, as Chair of the Catholic HIV and AIDS Network, commissioned desk research on the impact of the economic downturn on the work of Catholic agencies worldwide and hosted an event on the issue at the UNGASS High Level Meeting on HIV in New York in June.

Later in the year, Trócaire launched its first ever public campaign on HIV. The campaign – ‘HIV ~~POSITIVE~~ Free’ – was mainly driven through social media. It called for a continued focus on HIV and used successful stories from the field on prevention of mother-to-child transmission to mobilize supporters. An exhibition of associated stories was launched at the Gallery of Photography, Dublin 2, on the 1st of December 2011 to mark World AIDS Day.

Trócaire’s HIV and AIDS programmes work to ensure access to a range of prevention, treatment, care and support services in different ways. In 2011, this included some direct service provision and advocacy around access to treatment.

In **Cambodia**, 2,407 home visits were made, by care teams, to people living with HIV to provide counselling and to ensure that people could access medical care.

In **Zimbabwe**, the advocacy work undertaken delivered gains in access to services for people living with HIV. For example, Batanai – a local Trócaire partner operating in the district of Gutu – worked to have 14 health centres rehabilitated, equipped and staffed in order to meet the Ministry of Health’s requirements to operate as ART (Anti-Retroviral Therapy) Centres. Prior to this project, people living with HIV in Gutu had to travel distances of up to 60km to receive their HIV medication.

In order to help change views about gender, key methods adopted in **Malawi** included engaging men through ‘Man to Man’ clubs and engaging men and women in STAR – (Societies tackling AIDS through Rights) circles. Women who have benefitted from the STAR circles have stated that their personal relationship with their husbands improved and there was a greater willingness on the part of their husbands to adopt new roles. “My husband was the real boss of the house. When we joined the project and learned about the daily workload of a woman and man he realised that I was doing most of the work and that some could be done by him. Now when I am busy, he either helps me or does something to benefit both of us. When it is time to rest, now both of us rest.” Mrs Vintengha, a beneficiary of COWHLA’s project in Dowa District.

Work on reducing the levels of stigma and discrimination associated with those living with HIV happens on two fronts throughout Trócaire’s programmes: working with people struggling with their own HIV status, and working with general community members on their attitudes towards people living with HIV.

At least 20 support groups have been established in **Central America** with the support of Trócaire. These aim to build confidence in people living with HIV and help them to overcome their fear of speaking about living with HIV.

Being born HIV Free

Eda Carranza wants the world to know that, with the right treatment, women living with HIV are fully capable of having healthy babies. She believes pregnant women who are HIV positive deserve the same levels of care and respect that other patients receive, rather than the discrimination and stigma that characterise delivery rooms in Honduras today.

In 2000, Eda gave birth to a baby daughter, Jessica. Soon afterwards, both mother and baby fell ill, suffering from fever and vomiting. They attended a local health centre, where tests revealed that both Eda and Jessica were HIV positive.

Eda was completely shocked by the results. She went through total emotional turmoil, experiencing depression, sadness, anger, and guilt, but her feelings of despair quickly turned into a sense of responsibility towards her daughter.

When Eda became pregnant again she immediately sought medical advice and was worried that she would give birth to a second HIV-positive child. Doctors prescribed antiretroviral drugs aimed at combatting mother-to-child transmission, and advised her on nutrition and the importance of good mental health.

When baby Lester Romero was born, Eda was thrilled when tests showed that he was negative for HIV.

Lester Romero recently underwent his second HIV test and, again, he was shown to be clear. Eda says the news has filled her with joy and inspires her to keep on fighting her condition. She plans on attending night-school and is desperate to improve her family's living conditions.

Trócaire has continued to support Eda and her family by offering her counselling and school supplies for the children. Eda believes that her story shows that children do not have to be born with HIV just because their mother is HIV positive. With effective treatment, the children of HIV-positive mothers can be born HIV free.

“You are able to recover from hardship, even when you think you can't,” she says.

Institutional support for our work

Along with donations from the public, Trócaire receives significant funding from governments and other institutional donors. This funding supports both our long-term development work and our humanitarian work. This income is classed as restricted income and allocated to specific projects and programmes overseas and also to some of the education, campaigning and policy work that we do in Ireland.

Trócaire received €16m from Irish Aid through its Multi-Annual Programme Scheme (MAPS) for 2010/2011. It was informed in February 2012 that its funding allocation from Irish Aid for its new Programme Funding Scheme (replacing MAPS) was €15.7m for the 2012 financial year. Despite the challenging fiscal environment, this continued funding support from Irish Aid demonstrates the strategic, long-term relationship Trócaire continues to have with Irish Aid.

The IFU is currently revising and strengthening its policies and procedures to enable it to respond more effectively to the competitive global donor funding environment and is aiming to diversify and strengthen the restricted income base of the organisation. It is assessing the potential for locating new funding from donors in the US and Europe and through strengthening existing contacts with Caritas agencies representing countries as diverse as Australia, New Zealand and Slovakia.

HOME-BASED ACTIVITIES

Advocating and raising awareness in Ireland

Our dual-mandate calls on us to educate and inform the Irish public about the root causes of poverty and injustice. We work with people in schools, colleges, parishes and communities throughout the island. We also advocate on behalf of the poor with legislators and politicians at national, UK, EU and international level.

The public side of our work in Ireland is comprised of development education, public advocacy campaigns, fundraising and marketing, and communications through media and online. Our aim is to ensure that the public is better educated about its role in building a just world, and takes action against injustice and poverty. During 2011, key areas of our work included climate change, human rights violations in Israel and the Occupied Palestine Territories, and overseas aid.

Since the 31st Dáil was elected, Trócaire has had significant engagement with TDs and newly formed Oireachtas committees – including the Foreign Affairs and Trade Committee (FATC), EU Affairs and Environment, and the Association of Western European Parliamentarians for Africa (AWEPA) group – in order to highlight the issues and concerns of the people with whom we work overseas.

A climate change and sustainable development campaign dominated much of Trócaire's advocacy work in 2011, with the organisation engaging with the Department of the Environment on issues including Ireland's Climate Change Bill and the government's participation at the UN climate change negotiations in South Africa in December 2011.

During 2011, Trócaire published and launched *Leading Edge 2020*, the culmination of major research undertaken in 2010 which outlined the future of development, including the challenges and emerging trends that will influence how the world will respond to and tackle global poverty. The launch was addressed by Minister Jan O'Sullivan, TD, and the European Commissioner for Development, Andris Piebalgs.

During 2011, Trócaire also developed its partnerships with the Curriculum Development Unit, City of Dublin Vocational Education Committee, and with Saint Patrick's College, Drumcondra, Dublin. These partnerships included an in-depth research initiative with St Patrick's College – which was finalised last year – and the launch of a new resource for early years/junior primary classes, which enables children aged between 3 and 6 years to explore issues of global justice.

In 2011, Trócaire developed its education resources for the increasing number of schools and classrooms throughout Ireland using interactive white boards. Trócaire has been one of the leading development agencies in this regard and, in our 2011 Lenten campaign, primary education resources were fully developed for this new technology. Over 15,000 of these resources were downloaded from our website in 2011.

December 1st – World AIDS Day – saw the launch of Trócaire's first ever advocacy campaign on the issue of HIV. The campaign aimed to highlight the importance of maintaining a strong focus on HIV in the Irish government's White Paper from Irish Aid. The campaign also highlighted the positive impact of Trócaire's programmes reducing the cases of mother-to-child transmission in the communities where we work.

The organisation's online engagement strategy was finalised in 2011, with a clear vision of encouraging people to support our work and highlighting the impact their support is having overseas. The website (<http://www.trocaire.org>) was re-launched in 2011 with a renewed focus on representing Trócaire's work in a compelling way and providing supporters with the resources and information they need to continue to support our work.

The communications unit secured widespread media coverage of Trócaire's work across print, broadcast and online media throughout 2011. The team generated media coverage for the organisations high-profile advocacy and fundraising campaigns including:

- Haiti earthquake - one year on: the communications team undertook a national media, outreach and online campaign to provide feedback to supporters on how their 2010 donations were used.
- Lent: a national, regional and online-communications campaign was initiated in spring 2011 for Trócaire's annual campaign. This included hosting writer Anne Enright on a trip to see Trócaire's work in Honduras, which resulted in an RTÉ Primetime report and two features in the Irish Times Saturday Magazine. A photographic exhibition of our work was developed and placed in almost 20 parishes nationwide.

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- East Africa Emergency Appeal: Trócaire took part in the delegation that hosted former President of Ireland Mary Robinson in East Africa in the summer, highlighting the famine crisis in the region. The communications team travelled to the region, facilitating media coverage from RTÉ, The Irish Times and UTV among others.

Support for our work

Trócaire's work is only possible because of the loyal and generous commitment shown by all of our supporters. That includes our Diocesan Trócaire Representatives throughout the island who work tirelessly to promote our work in parishes alongside the clergy and parish volunteers, and also schools and teachers. **In the course of the year, our supporters donated €34.8m.**

During 2011, Trócaire's fundraising and marketing work included a major emergency appeal for East Africa (as outlined in our humanitarian section) as well as the promotion of established fundraising and marketing campaigns and the delivery of strategic initiatives to guide future work.

Our annual Lenten campaign took place during March and April 2011 and focused on land rights in Honduras. The campaign raised €8.5m, which is comparable with income from the previous year. New initiatives for Lent included fundraising staff visiting a number of schools throughout the Dublin Archdiocese to promote the campaign, as well as an increased focus on outreach in schools and parishes around the country.

In June, our appeal (as earlier stated) to help people affected by the drought in East Africa was generously supported by the Irish public who donated over €10m.

Trad for Trócaire took place in September 2011 in partnership with Comhaltas Ceoltóirí Éireann. It was supported by a number of high-profile bands and musicians, including Sharon Shannon, Altan and Finbar Furey. Almost 400 music events were held around the country. In November and December, our Christmas campaign – Global Gift – raised €1.8m.

During the year, Trócaire produced a number of newsletters and resources for parish and faith groups on a variety of issues including climate change, Palestine, and the Eucharistic Congress. During our Lenten campaign, Trócaire also produced our annual liturgical resource, which was sent to 1,400 parishes around the country.

Trócaire participated in the International Eucharistic Congress (IEC) social justice committee in 2011.

Key engagements abroad with our Director and Chairman

In his capacity as President of Concord (Confederation for Relief and Development), Trócaire's Director, Justin Kilcullen, gave the keynote address at the Open Forum for Civil Society Organisation Development Effectiveness in Siem Reap, Cambodia. This was in preparation for the OECD/DAC Level Forum on aid effectiveness in Busan, South Korea. The Director led the European NGO delegation and represented Trócaire at this event that is seen as critical for the future of development aid.

In summer 2011, Justin Kilcullen joined with former President of Ireland Mary Robinson and the chief executives of Concern Worldwide and Oxfam Ireland on a mission to Somalia and Kenya to evaluate the region's hunger crisis (which was subsequently declared a famine) The consequent publicity associated with the visit contributed to an emergency appeal, which saw Trócaire raise over €10m in support of our emergency relief work in the region.

In May, Trócaire's Chairman Bishop John Kirby and Justin Kilcullen, accompanied by a number of Trócaire staff, participated in the Caritas Internationalis general assembly – an event held every four years in Rome. The assembly brought together 164 Catholic relief, development and social service organisations, operating in over 200 countries and territories worldwide.

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4. FINANCIAL REVIEW

The results for the year are presented on page 30 in the form of a Statement of Financial Activities in order to comply with the 2005 Statement of Recommended Practice “Accounting by Charities.”

INCOME

Total income for Trócaire was €67m. Our supporters donated €34.8m in the current year. The public contributed in excess of €10m to our special appeals for funds to assist those affected by the famine in East Africa. Other income from our supporters amounted to €24.4m in support of our development, other emergencies, and educational and advocacy programmes. This was raised from the Lenten Campaign, Committed Giving campaign, Global Gift campaign, bequests and general donations which are used to finance our core work.

The organisation secured €30.9m from institutional donors in support of our development, emergency and rehabilitation work.

Trócaire received €18.5m from Irish Aid in the current financial year.

In addition to MAPS II funding of €16m, we received €2.5m from Irish Aid towards emergency response.

EXPENDITURE

The statement of financial activities shows the analysis of charitable expenditure between charitable activities (overseas development, emergency, recovery and education programmes), cost of generating funds, and governance costs. Direct charitable expenditure on 84 programmes amounted to €56.1m (2011 – €45.5m), which represents 91.4 per cent (2011 – 87.7 per cent) of total expenditure.

Spending on fundraising and publicity expenditure represented 8 per cent (2011 – 11.5 per cent) of total expenditure. Spending on governance costs represented 0.7 per cent (2011– 0.8 per cent) of total expenditure.

FINANCIAL POSITION AND RESERVES POLICY

Trócaire’s available resources at the end of year were €41m (2011 - €36m). Of the available resources, €27.5m is held for restricted purposes, as the funds were donated for specific areas and programmes.

In managing its unrestricted reserves of €13.9m, the organisation has an agreed policy of holding a contingency reserve in its Emergency Fund, to cater for emergencies and to allow the organisation to respond rapidly in such circumstances. The amount in this reserve at 29th February 2012 is €0.35m.

The reserve in the Communications and Education Fund stands at €0.5m. This fund is used for work that helps to create a greater awareness among the Irish people of the causes of world poverty and injustice. The reserve in the Development Programme Fund stood at €11.6m (2011 - €8.4m). This will be used to fund programmes overseas to further the objectives of the organisation.

The general reserve fund at the start of the year amounted to €1.3m. As part of responding to the economic crisis, Trócaire implemented a voluntary redundancy scheme in Ireland and closed offices overseas in 2009. The Board gave approval for the severance costs arising to be charged to the general reserve and to be replenished over the next three years. In 2011, the general reserve was replenished by €0.15m. At the end of the financial year the reserve stood at €1.45m.

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INVESTMENT POLICY AND PERFORMANCE

The objective of the Investment Policy is to maintain high liquidity while ensuring maximum security, meeting ethical standards and achieving the highest possible return within these limiting factors. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio, mitigating against credit risk, interest rate risk, currency risk and county risk.

The interest earned is applied to our work.

The primary mechanism for meeting the objectives is to invest in fixed-interest deposits accounts, spreading the total invested and limiting the amount invested with any individual financial institution. These financial institutions are authorised by the Finance and Funding Committee. The management of the organisation will determine the level of funds and the period of investment with these institutions, taking into account the day-to-day cash flow requirements.

The Investment Policy is reviewed by the Finance and Funding Committee and approved by the Board.

POLITICAL CONTRIBUTIONS

There were no political contributions which require disclosure under the Electoral Act 1997.

AUDITORS

Horwath Bastow Charleton is eligible and has expressed a willingness to continue in office.

5. PLANS FOR FUTURE PERIODS

In Ireland, 2013 will mark the 40th anniversary of the founding of Trócaire. During the year, Trócaire will engage in a number of opportunities, including a conference event, to reflect on the impact the organisation has had both on Irish life and on the lives of millions of people in the developing world since its establishment in 1973.

As one of our organisational advocacy priorities going into 2013, we will continue to work towards mitigating the effect of climate change in the developing world, whilst also informing people in Ireland of the dangers posed by climate change. As a leading member of the Stop Climate Chaos coalition, Trócaire will continue to work both domestically and internationally to bring focus on this important area. Also, in June 2012, the Director will attend the Rio+20 conference on sustainable development in Rio de Janeiro.

Trócaire will continue its development education partnership with St Patrick's College, Drumcondra, into 2013, through the development of a 'Critical Literacy and Global Citizenship' resource for primary year classes. Following on from the latest whiteboard resources – which are currently being expanded – the development education section of Trócaire's website will be re-launched later in 2012 to enable teachers to access Trócaire's resources more easily and will allow Trócaire to provide teachers with more interactive and compelling information for their students.

Trócaire is operating in a very challenging external environment when it comes to raising public funds and communicating with existing and new supporters about the positive impact of our life-enhancing work. We will continue to seek new ways in which to communicate to donors and supporters about the impact their contributions have on communities in the developing world. Through engagement with supporters and the public, we will demonstrate how Trócaire works to get the best results by working with communities to achieve lasting change.

Sustainable livelihoods and environmental justice programme

- We will disseminate and use the climate change household research findings for programming and policy work.
- We will support the development of new livelihoods programmes in Pakistan and Zimbabwe.

Governance and human rights programme

- We will publish key findings from the field research carried out in 2011 about civil society space and develop an organisational advocacy strategy focusing on Irish, UK and EU levels and on supporting individual countries to develop their own advocacy strategies.
- We will start implementing the joint gender/governance and human rights research on participation of women in decision-making.

Humanitarian programme

- The early months of 2012 will be dominated by livelihoods work in Kenya, Ethiopia, and Somalia. Support to conflict-affected communities in South Sudan and Myanmar will also be scaled up. Community-based disaster preparedness interventions that will look to build local response capacities of vulnerable communities will be expanded across Central America.

Gender programme

- We will provide technical support to programmes prioritising countries that are engaged in monitoring frameworks or conducting reviews (particularly Pakistan, Sierra Leone, Uganda and Central America).

TRÓCAIRE

REPORT OF THE TRUSTEES

HIV programme

- We will advance research through further development of the Malawi research on women's vulnerability to HIV and additional initiatives on economic empowerment of people living with HIV. We will develop guidelines to support disclosure for children living with HIV.
- There will be further development of policy and advocacy initiatives on HIV following on from the campaign in 2011. We will continue to engage with Catholic agencies' involvement in the global plan to Eliminate New Infections in Children.

SIGNED ON BEHALF OF THE TRUSTEES:

Archbishop Michael Neary)

Trustees

Archbishop Dermot Clifford)

Date: 28/6/2012

TRÓCAIRE

INDEPENDENT REPORT OF THE AUDITORS TO THE TRUSTEES OF TRÓCAIRE

We have audited the financial statements of Trócaire on pages 29 to 50, which have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Trustees of Trócaire. Our audit work has been undertaken so that we might state to the Trustees 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 organisation for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 4, the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with Generally Accepted Accounting Practice in Ireland. We also report to you whether, in our opinion, proper books of account have been kept by the organisation, and whether the information given in the Report of the Trustees is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the organisation's balance sheet is in agreement with the books of account.

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

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the organisation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

TRÓCAIRE

INDEPENDENT REPORT OF THE AUDITORS TO THE TRUSTEES OF TRÓCAIRE

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 Trócaire's affairs as at 29th February 2012, and of its incoming resources, application of resources and cash flows for the year ended on that date.

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 Trócaire. The Trust balance sheet is in agreement with the books of account.

In our opinion, the information given in the Report of the Trustees on pages 4 to 2 is consistent with the financial statements.

Signed: *Sharon Gallen*

For and on behalf of: Horwath Bastow Charleton

**Chartered Accountants and Registered Auditors
Marine House
Clanwilliam Court
Dublin 2**

Date: 9 August 2012

TRÓCAIRE

STATEMENT OF ACCOUNTING POLICIES

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

BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention and with reference to the recommendations of the revised Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued by the Charity Commissioners in 2005.

INCOME

Income from the public represents donations received during the year.

The charity can reclaim tax on certain donations and this tax income is credited to the Statement of Financial Activities in the year in which it is receivable.

Income is treated as being general and unrestricted, unless a donor has specified the manner in which the donation is to be spent, in which case it is treated as restricted income. The Board review the restricted income funds on an annual basis. Where restricted funds remain unspent three years following receipt and the Board consider that funds exist which are surplus to requirements, an appropriate transfer is made to unrestricted funds.

Institutional funding received is credited directly to the appropriate fund. Income earned on funds held on deposit is treated as unrestricted income in its respective jurisdiction, unless specified by the donor.

Non-monetary donations utilised by the organisation as part of programmes designed, implemented, and managed by Trócaire are valued and included in incoming resources in the year in which they are distributed. These donations are valued at the estimated market price at the time of receipt in their country of origin.

In accordance with the policy laid down by the Trustees, unrestricted funds are allocated to designated funds on the basis specified below, after deducting governance costs and any foreign exchange translations or adjustments. All global gift and major donor campaign income is allocated to development programme fund.

- 70%: Development Programme Fund -
- 20 %: Communications and Education Fund -
- 10 %: Emergency Programme Fund -

Restricted income is allocated to the funds as specified by the donors.

RESOURCES EXPENDED

Resources expended are analysed between direct charitable expenditure, fundraising and publicity, and governance costs. Governance costs are those costs incurred on the strategic management of the charity, and on compliance with constitutional and statutory requirements. Where costs cannot be directly attributed, they have been allocated in proportion to estimated benefits received.

The costs have been apportioned to designated funds as follows:

Costs recorded as managing and administering the charity are apportioned 80 per cent to the Development and Emergency Programme fund, 20 per cent to the Communications and Education fund (including 10 per cent to Fundraising and Publicity).

TRÓCAIRE

STATEMENT OF ACCOUNTING POLICIES - CONTINUED

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Amounts held in foreign currencies at the balance sheet date are translated at the rate of exchange on that date. Profits and losses on translations are dealt with through the Statement of Financial Activities.

PENSIONS

Trócaire operates both defined benefit and defined contribution schemes, and pension benefits are funded over the employees' period of service by way of contributions from the organisation and employees. Contributions are charged to the Statement of Financial Activities in the year in which they become payable.

TAXATION

No charge to taxation arises as the Trust has been granted exemption under Sections 207 and 208 of the Taxes Consolidation Act 1997.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation is calculated to write off the cost of the asset, other than freehold property, over its expected useful life at the following annual rates:

| | |
|----------------------------------|-----------------------------------------|
| Leasehold property | Over term of lease - |
| Computer installation | 33.3 per cent straight line method - |
| Fixtures, fittings and equipment | 12.5 per cent reducing balance method - |
| Motor vehicles | 20 per cent reducing balance method - |

The Board reviews the estimates of useful lives and residual values regularly. Based on prices prevailing at the time of acquisition and based on their estimates, the Board have determined that any charge for depreciation on freehold properties would be immaterial in the current year.

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

GOVERNMENT GRANTS

Capital grants are treated as deferred income.

SHORT TERM INVESTMENTS

Current asset investments are stated at market value.

PROJECT ALLOCATIONS

Project allocations are charged to the Statement of Financial Activities in the year in which they are approved. Project funds approved but not disbursed are reviewed at the balance sheet date and are carried forward as project creditors in the balance sheet.

TRÓCAIRE

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 29 FEBRUARY 2012**

| | Note | Unrestricted funds €'000 | Restricted funds €'000 | Total 2012 €'000 | Total 2011 €'000 |
|------------------------------------------------|-------|--------------------------------|------------------------------|------------------------|------------------------|
| <u>Incoming resources</u> | | | | | |
| Incoming resources from generating funds: | | | | | |
| Lenten Campaign | | 7,612 | 856 | 8,468 | 8,206 |
| Voluntary income, excluding Lenten campaign | | 11,916 | 14,410 | 26,326 | 28,486 |
| Investment income | | 982 | 246 | 1,228 | 1,147 |
| Incoming resources from charitable activities: | | | | | |
| Government and institutional funding | | - | 30,943 | 30,943 | 25,222 |
| Total incoming resources | 1 | 20,510 | 46,455 | 66,965 | 63,061 |
| <u>Resources expended</u> | | | | | |
| Costs of generating funds: | | | | | |
| Fundraising and publicity | 3 | (4,375) | (512) | (4,887) | (5,951) |
| Direct charitable expenditure | 4 | (12,646) | (43,442) | (56,088) | (45,549) |
| Governance costs | 5 | (396) | (20) | (416) | (439) |
| Total resources expended | | (17,417) | (43,974) | (61,391) | (51,939) |
| Net incoming resources for year | | 3,093 | 2,481 | 5,574 | 11,122 |
| Transfer between funds during the year | 15/16 | 444 | (444) | - | - |
| Movements on investments | 10 | - | - | - | 16 |
| Net movement in funds | | 3,537 | 2,037 | 5,574 | 11,138 |
| Fund balances at beginning of year | | 10,557 | 25,434 | 35,991 | 22,587 |
| Currency translation (loss) gain | | - | (4) | (4) | 488 |
| Actuarial (loss) gain | 22 | (138) | - | (138) | 1,778 |
| Fund balances at end of year | 15/16 | 13,956 | 27,467 | 41,423 | 35,991 |

All income and expenditure arises from continuing operations. -

The financial statements were approved and authorised for issue by the Trustees on 28/6/2012 and signed on its behalf - by: -

Archbishop Michael Neary) -
Archbishop Dermot Clifford)
Trustees

TRÓCAIRE

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 29 FEBRUARY 2012

| | 2012 €'000 | 2011 €'000 |
|---------------------------------------------------------|---------------|---------------|
| Net movement in funds | 5,574 | 11,138 |
| Actuarial (loss) gain on defined benefit pension scheme | (138) | 1,778 |
| TOTAL MOVEMENT IN FUNDS FOR THE PERIOD | 5,436 | 12,916 |

RECONCILIATION OF MOVEMENT IN FUNDS FOR THE YEAR ENDED 29 FEBRUARY 2012

| | 2012 €'000 | 2011 €'000 |
|------------------------------------|---------------|---------------|
| Net movement in funds | 5,574 | 11,138 |
| Actuarial (loss) gain for the year | (138) | 1,778 |
| Currency translation (loss) gain | (4) | 488 |
| Opening funds | 35,991 | 22,587 |
| CLOSING FUNDS | 41,423 | 35,991 |

TRÓCAIRE

CONSOLIDATED BALANCE SHEET AS AT 29 FEBRUARY 2012

| | Note | 2012 €'000 | 2011 €'000 |
|--------------------------------------------------------|------|----------------|-----------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 7 | 1,218 | 1,671 |
| Less: Government grants | 8 | (73) | (73) |
| | | <u>1,145</u> | <u>1,598</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 2,648 | 2,549 |
| Cash at bank and on short term deposit | | 51,222 | 46,315 |
| Short term investments | 10 | 1 | 78 |
| | | <u>53,871</u> | <u>48,942</u> |
| CREDITORS (Amounts falling due within one year) | | | |
| Approved programme allocations | 11 | (6,904) | (7,553) |
| Creditors and accruals | 12 | (3,055) | (3,317) |
| | | <u>(9,959)</u> | <u>(10,870)</u> |
| NET CURRENT ASSETS | | <u>43,912</u> | <u>38,072</u> |
| CREDITORS (Amounts falling due after one year) | 12 | (502) | (685) |
| RETIREMENT BENEFIT SCHEME DEFICIT | 22 | (3,132) | (2,994) |
| TOTAL NET ASSETS | 14 | <u>41,423</u> | <u>35,991</u> |
| INCOME FUNDS | | | |
| Restricted funds | 15 | 27,467 | 25,434 |
| Unrestricted funds | 16 | 13,956 | 10,557 |
| TOTAL FUNDS | | <u>41,423</u> | <u>35,991</u> |

The financial statements were approved and authorised for issue by the Trustees on 28/6/2012 and signed on its behalf by:

Archbishop Michael Neary)
Archbishop Dermot Clifford) **Trustees**

TRÓCAIRE

TRUST BALANCE SHEET AS AT 29 FEBRUARY 2012

| | Note | 2012 €'000 | 2011 €'000 |
|--------------------------------------------------------|------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 7 | 712 | 1,166 |
| CURRENT ASSETS | | | |
| Debtors | 9 | 4,570 | 3,905 |
| Cash at bank and on short term deposit | | 39,703 | 32,079 |
| Short term investments | 10 | 1 | 78 |
| | | 44,274 | 36,062 |
| CREDITORS (Amounts falling due within one year) | | | |
| Approved programme allocations | 11 | (6,904) | (7,553) |
| Creditors and accruals | 12 | (3,028) | (3,290) |
| | | (9,932) | (10,843) |
| NET CURRENT ASSETS | | | |
| | | 34,342 | 25,219 |
| CREDITORS (Amounts falling due after one year) | | | |
| | 12 | (502) | (685) |
| RETIREMENT BENEFIT SCHEME DEFICIT | | | |
| | 22 | (3,132) | (2,994) |
| TOTAL NET ASSETS | | | |
| | | 31,420 | 22,706 |
| INCOME FUNDS | | | |
| Restricted funds | | 19,475 | 14,161 |
| Unrestricted funds | | 11,945 | 8,545 |
| TOTAL FUNDS | | | |
| | | 31,420 | 22,706 |

The financial statements were approved and authorised for issue by the Trustees on 28/6/2012 and signed on its behalf by:

Archbishop Michael Neary)
Archbishop Dermot Clifford) **Trustees**

TRÓCAIRE

CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2012

| | Note | 2012 €'000 | 2011 €'000 |
|-------------------------------------------------------------|------|---------------|---------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 17 | 3,679 | 1,679 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 18 | 1,228 | 1,151 |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | 18 | - | (271) |
| INCREASE IN CASH | 19 | 4,907 | 2,559 |
| RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS | | | |
| Increase in cash in the year | 19 | 4,907 | 2,559 |
| Movements on investments | 19 | (77) | 16 |
| CHANGE IN NET FUNDS DURING THE YEAR | | 4,830 | 2,575 |
| NET CASH FUNDS AT START OF YEAR | 19 | 46,393 | 43,818 |
| NET CASH FUNDS AT END OF YEAR | 19 | 51,223 | 46,393 |

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012

| 1. | TOTAL INCOMING RESOURCES | Unrestricted funds | Restricted funds | Total 2012 | Total 2011 |
|-----|------------------------------------------------|--------------------|------------------|------------|------------|
| 1.1 | INCOME FROM THE PUBLIC | €'000 | €'000 | €'000 | €'000 |
| | General donations and bequests | 10,716 | 3,148 | 13,864 | 15,737 |
| | Lenten Campaign | 7,612 | 856 | 8,468 | 8,206 |
| | Global Gift Campaign | 1,200 | 619 | 1,819 | 2,179 |
| | Specified income | - | 10,643 | 10,643 | 10,570 |
| | Total income from the public | 19,528 | 15,266 | 34,794 | 36,692 |
| 1.2 | INSTITUTIONAL FUNDING | | | | |
| | Irish Aid | - | 18,532 | 18,532 | 18,760 |
| | EU | - | 2,812 | 2,812 | 1,336 |
| | DFID | - | 1,658 | 1,658 | 1,698 |
| | | - | 23,002 | 23,002 | 21,794 |
| | <i>Contributions from agencies and groups:</i> | | | | |
| | ADSUM Foundation | - | - | - | 16 |
| | Bank of Ireland Employees Fund | - | 75 | 75 | 80 |
| | Big Lottery Fund | - | 5 | 5 | - |
| | Broederlijk | - | 168 | 168 | 190 |
| | CAFOD | - | 964 | 964 | 243 |
| | Caritas Austria | - | 289 | 289 | - |
| | Caritas Australia | - | 773 | 773 | 313 |
| | Caritas Belgium | - | - | - | 280 |
| | Caritas New Zealand | - | 151 | 151 | 219 |
| | Caritas Czech | - | 138 | 138 | 20 |
| | Caritas Italy | - | 100 | 100 | - |
| | Caritas Japan | - | 7 | 7 | - |
| | Caritas Slovenia | - | 32 | 32 | - |
| | Caritas Slovakia | - | 20 | 20 | - |
| | Caritas Switzerland | - | 418 | 418 | - |
| | Comic Relief | - | 527 | 527 | 393 |
| | Cordaid | - | 239 | 239 | 128 |
| | Catholic Relief Services | - | 66 | 66 | - |
| | Dan Church Aid | - | 8 | 8 | - |
| | Development and Peace | - | 729 | 729 | 103 |
| | Electric Aid | - | 87 | 87 | 89 |
| | Fisher Foundation | - | 3 | 3 | 2 |
| | Food & Agriculture Organisation | - | 12 | 12 | - |
| | Human Dignity Foundation | - | 81 | 81 | - |
| | Gorta | - | 444 | 444 | - |
| | International Organisation for Migration | - | 58 | 58 | 86 |
| | Mecanismo de Apoio a Sociedade Civil | - | 161 | 161 | - |
| | MISEREOR | - | 502 | 502 | 100 |
| | New Zealand Aid | - | 132 | 132 | - |
| | NIPSA | - | 17 | 17 | 26 |
| | Norwegian Church Aid | - | 76 | 76 | 235 |
| | OCHA | - | - | - | 34 |
| | Open Society Initiative for Southern Africa | - | 12 | 12 | - |
| | Oxfam Australia | - | 70 | 70 | 68 |
| | Partner MDG | - | 37 | 37 | - |
| | SCIAF | - | 685 | 685 | 299 |
| | Secours Catholique | - | 475 | 475 | - |
| | Society of Saint Vincent de Paul | - | 100 | 100 | - |
| | Unicef | - | 280 | 280 | 504 |
| | | - | 7,941 | 7,941 | 3,428 |
| | Total Institutional Funding | - | 30,943 | 30,943 | 25,222 |

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

1. TOTAL INCOMING RESOURCES (CONTINUED)

1.3 OTHER INCOME

| | | | | |
|---------------------------------|---------------|---------------|---------------|---------------|
| Deposit and investment income | 982 | 246 | 1,228 | 1,147 |
| TOTAL INCOMING RESOURCES | 20,510 | 46,455 | 66,965 | 63,061 |

2. SCHEDULE OF ALLOCATION OF FUNDS

| | Unrestricted funds €'000 | Restricted funds €'000 | Total 2012 €'000 | Total 2011 €'000 |
|-----------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Total income | 20,510 | 46,455 | 66,965 | 63,061 |
| Movements on investments | - | - | - | 16 |
| Governance costs | (396) | (20) | (416) | (439) |
| DISPOSABLE INCOME | 20,114 | 46,435 | 66,549 | 62,638 |
| Allocated as follows: - | | | | |
| Items for specific funds and programmes | - | 10,695 | 10,695 | 11,635 |
| Institutional Funding | - | 30,943 | 30,943 | 25,222 |
| Other: Northern Ireland | - | 4,797 | 4,797 | 4,455 |
| Development Programme Fund | 14,454 | - | 14,454 | 14,929 |
| Communications and Education Fund | 3,773 | - | 3,773 | 4,265 |
| Emergency Programme Fund | 1,887 | - | 1,887 | 2,132 |
| INCOME FOR DISTRIBUTION | 20,114 | 46,435 | 66,549 | 62,638 |

Net resources generated by Trocaire (Northern Ireland) have been treated as a restricted fund in the consolidated financial statements to ensure compliance with the guidelines laid down by the Charity Commissioners for England and Wales. The disposable income for Northern Ireland comprises the following:

| | 2012 €'000 | 2011 €'000 |
|--------------------------------|---------------|---------------|
| General donations and bequests | 3,098 | 2,616 |
| Lenten Campaign | 856 | 754 |
| Global Gift Campaign | 619 | 787 |
| Deposit interest | 244 | 318 |
| | 4,817 | 4,475 |
| Governance Costs | (20) | (20) |
| Disposable income | 4,797 | 4,455 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

3. FUNDRAISING AND PUBLICITY COSTS

| | 2012 €'000 | 2011 €'000 |
|------------------------------------------|---------------|---------------|
| Advertising and publicity | 1,497 | 1,402 |
| Committed Giving campaign | 374 | 1,290 |
| 24 Hour Fast | 327 | 324 |
| Lenten campaign | 1,201 | 1,469 |
| Salaries and other staff costs | 1,133 | 1,113 |
| Management and Administration (Note 5.2) | 355 | 353 |
| | ----- | ----- |
| | 4,887 | 5,951 |
| | ===== | ===== |

4. DIRECT CHARITABLE EXPENDITURE

Direct charitable expenditure represents 91.4 per cent (2011: 87.7 per cent) of total expenditure. Direct charitable expenditure includes transfers of funds overseas and the cost of goods, services and salaries relating directly to overseas programmes which are paid from Ireland. It also includes direct expenditure on communications and education programmes in Ireland aimed at creating a greater awareness of the causes of world poverty and injustice and how change can be achieved and is analysed as follows:

| | 2012 €'000 | 2011 €'000 |
|-----------------------------------------|---------------|---------------|
| Overseas programme | 39,317 | 28,840 |
| Communications and education programmes | 3,025 | 2,771 |
| Programme support costs | 13,746 | 13,938 |
| | ----- | ----- |
| | 56,088 | 45,549 |
| | ===== | ===== |

4.1 Overseas Programme Expenditure

| | 2012 €'000 | 2011 €'000 |
|------------------------------|---------------|---------------|
| Development | 22,582 | 22,613 - |
| Emergency and Rehabilitation | 16,735 | 6,227 - |
| | ----- | ----- |
| | 39,317 | 28,840 |
| | ===== | ===== |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

4. DIRECT CHARITABLE EXPENDITURE - CONTINUED

4.2 Communications and education programmes

| | 2012 €'000 | 2011 €'000 |
|------------------------------------------|---------------|---------------|
| Salaries and other staff costs | 1,558 | 1,536 |
| Travel | 129 | 153 |
| Training | 10 | 8 |
| Campaigns | 29 | 19 |
| Web related costs | 79 | 41 |
| Strategic partnerships | 458 | 295 |
| Media consultants | 26 | 29 |
| Resource production and distribution | 251 | 224 |
| Other costs | 156 | 137 |
| Management and administration (note 5.2) | 329 | 329 |
| | ----- | ----- |
| | 3,025 | 2,771 |
| | ===== | ===== |

4.3 Programme Support Costs

| | 2012 €'000 | 2011 €'000 |
|------------------------------------------|---------------|---------------|
| Salaries and other staff costs | 2,557 | 2,878 |
| Training | 63 | 17 |
| Telephone | - | 12 |
| Postage, stationery and printing | 40 | 67 |
| Domestic travel | 227 | 165 |
| Professional fees | 218 | 160 |
| Office and computer maintenance | 7 | 22 |
| Light and heat | - | 5 |
| Miscellaneous | 9 | - |
| Depreciation | - | 23 |
| Exchange loss | 47 | 34 |
| Campaigns | 3 | 22 |
| National and international co-operation | 203 | 209 |
| Publication and education resources | 2 | 2 |
| Programme Quality and monitoring | 184 | 109 |
| Management and Administration (Note 5.2) | 2,862 | 2,674 |
| Other costs | 97 | 344 |
| <u>Regional Offices:</u> | | |
| Horn and East Africa | 1,358 | 1,532 |
| Southern Africa | 1,777 | 1,532 |
| Latin America | 1,351 | 1,249 |
| Central and West Africa | 1,367 | 1,515 |
| Asia | 1,374 | 1,367 |
| | ----- | ----- |
| | 13,746 | 13,938 |
| | ===== | ===== |

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

5. MANAGING AND ADMINISTERING THE CHARITY

Governance costs are those costs incurred on the strategic management of the charity, and on compliance with constitutional and statutory requirements. Costs recorded as managing and administering the charity are apportioned 80 per cent to the Development and Emergency Programme fund, 20 per cent to the Communications and Education fund (including 10 per cent to Fundraising and Publicity).

| | | | |
|------------|---------------------------------------------------|-------|-------|
| 5.1 | Governance - | 2012 | 2011 |
| | | €'000 | €'000 |
| | Salaries and other staff costs | 350 | 377 |
| | Auditors' remuneration – audit services | 57 | 62 |
| | Auditors' remuneration – non-audit services | 9 | - |
| | | ----- | ----- |
| | | 416 | 439 |
| | | ===== | ===== |
| | | | |
| 5.2 | Management and Administration - | 2012 | 2011 |
| | | €'000 | €'000 |
| | Salaries and other staff costs | 1,707 | 1,751 |
| | Travel | 124 | 35 |
| | Insurance | 38 | 38 |
| | Office rent | 393 | 398 |
| | Office maintenance and repairs | 120 | 81 |
| | Light and heat | 6 | - |
| | Postage and stationary | 75 | 56 |
| | IT costs | 248 | 156 |
| | Bank charges | 152 | 115 |
| | Professional fees | 116 | 127 |
| | Miscellaneous | 17 | 15 |
| | Depreciation | 523 | 537 |
| | Campaigns | - | 5 |
| | Training | 17 | 25 |
| | Loss on disposals of fixed assets | 10 | 17 |
| | | ----- | ----- |
| | | 3,546 | 3,356 |
| | | ===== | ===== |
| | | | |
| | Analysed as follows: - | 2012 | 2011 |
| | | €'000 | €'000 |
| | Programme Support Costs (Note 4.3) | 2,862 | 2,674 |
| | Fundraising and Publicity Costs (Note 3) | 355 | 353 |
| | Communication and Education Programmes (Note 4.2) | 329 | 329 |
| | | ----- | ----- |
| | | 3,546 | 3,356 |
| | | ===== | ===== |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. STAFF COSTS

The average number of employees in Ireland and overseas during the financial year was 414 (2011: 383).

The full staff profile is as follows:

| | 2012 | 2011 |
|-------------------------------------------|-------|-------|
| Trustees and Board | 20 | 21 |
| Management and support staff in Ireland | 137 | 136 |
| Programme staff in countries of operation | 257 | 226 |
| | ----- | ----- |
| | 414 | 383 |
| | ===== | ===== |

The aggregate amounts paid to or on behalf of staff are as follows:

| | 2012 | 2011 |
|----------------------|--------|--------|
| | €'000 | €'000 |
| Wages and salaries | 9,359 | 10,121 |
| Social welfare costs | 736 | 733 |
| Pension costs | 1,129 | 1,110 |
| | ----- | ----- |
| | 11,224 | 11,964 |
| | ===== | ===== |

The Trustees and members of the Board do not receive remuneration for their services as Trustees and members of the Board. Directly incurred expenses are reimbursed, if claimed, and amounted to €nil (2011: € nil).

The number of employees whose remuneration was greater than €90,000 to whom retirement benefits were accruing under a defined benefit scheme is 2 (2011:3) as follows:

| Salary Range | 2012 | 2011 |
|----------------------|------|------|
| €90,000 to €105,000 | - | 1 |
| €105,001 to €120,000 | 1 | 1 |
| €135,001 to €150,000 | 1 | 1 |
| | --- | --- |
| | 2 | 3 |
| | == | == |

Remuneration includes salaries and benefits in kind but excludes employer pension scheme contributions.

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

7. FIXED ASSETS

| | Fixtures, fittings and equipment €'000 | Computer installation €'000 | Motor vehicles €'000 | Freehold property €'000 | Leasehold property €'000 | Total €'000 |
|-----------------------------|-------------------------------------------------|-----------------------------------|----------------------------|-------------------------------|--------------------------------|----------------|
| COST: | | | | | | |
| Balance 1 March 2011 | 866 | 2,163 | 77 | 709 | 6 | 3,821 |
| Additions | 10 | 42 | 29 | - | - | 81 |
| Disposals | (11) | (1) | (47) | - | - | (59) |
| Exchange difference | 1 | - | - | 3 | - | 4 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance 29 February 2012 | 866 | 2,204 | 59 | 712 | 6 | 3,847 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| DEPRECIATION: | | | | | | |
| Balance 1 March 2011 | 594 | 1,502 | 51 | - | 3 | 2,150 |
| Charge for year | 39 | 475 | 8 | - | 1 | 523 |
| Disposals | (12) | - | (33) | - | - | (45) |
| Exchange difference | 1 | - | - | - | - | 1 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance 29 February 2012 | 622 | 1,977 | 26 | - | 4 | 2,629 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| NET BOOK VALUE | | | | | | |
| At 28 February 2011 | 272 | 661 | 26 | 709 | 3 | 1,671 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| At 29 February 2012 | 244 | 227 | 33 | 712 | 2 | 1,218 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

All fixed assets are held by the charity for use in meeting its charitable objectives.

The property at Cork is held under a 35-year lease dated 1 December 1987.

The net book value of the group fixed assets at 29 February 2012 is made up as follows:

| | Trust €'000 | Subsidiaries €'000 | Total €'000 |
|----------------------------------|----------------|-----------------------|----------------|
| Leasehold property | 3 | - | 3 |
| Freehold property | 263 | 449 | 712 |
| Motor vehicles | 33 | - | 33 |
| Computer installation | 225 | 2 | 227 |
| Fixtures, fittings and equipment | 188 | 55 | 243 |
| | ----- | ----- | ----- |
| | 712 | 506 | 1,218 |
| | ===== | ===== | ===== |

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. GOVERNMENT GRANTS

| | Group | | Trust | |
|---------------------|---------------|---------------|---------------|---------------|
| | 2012 €'000 | 2011 €'000 | 2012 €'000 | 2011 €'000 |
| Opening balance | 73 | 69 | - | - |
| Exchange difference | - | 4 | - | - |
| | ----- | ----- | ----- | ----- |
| Closing balance | 73 | 73 | - | - |
| | ===== | ===== | ===== | ===== |

9. DEBTORS

| | Group | | Trust | |
|------------------------------------------|---------------|---------------|---------------|---------------|
| | 2012 €'000 | 2011 €'000 | 2012 €'000 | 2011 €'000 |
| Amounts falling due within one year | | | | |
| Amounts due from subsidiary undertaking: | | | | |
| Trocaire (Northern Ireland) | | - | 1,641 | 1,101 |
| Tax refundable | 1,179 | 1,239 | 1,037 | 1,097 |
| Deposit income accrued | 122 | 71 | 122 | 71 |
| Advertising prepaid | 740 | 567 | 740 | 567 |
| Other debtors and prepayments | 607 | 672 | 552 | 591 |
| | ----- | ----- | ----- | ----- |
| | 2,648 | 2,549 | 4,092 | 3,427 |
| Amounts falling due after one year | | | | |
| Amounts due from subsidiary undertaking: | | | | |
| Trocaire (Northern Ireland) | - | - | 478 | 478 |
| | ----- | ----- | ----- | ----- |
| | 2,648 | 2,549 | 4,570 | 3,905 |
| | ===== | ===== | ===== | ===== |

Amount due after one year from Trocaire (Northern Ireland): -

This amount mainly arises as a result of the sale of the property situated at 50 and 52 King Street, Belfast - from Trócaire to Trocaire (Northern Ireland). All monies due are secured by a registered charge over this - property and are interest free. -

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. SHORT TERM INVESTMENTS

| | 2012 €'000 | 2011 €'000 |
|----------------------------------|---------------|---------------|
| Market value at 1 March 2011 | 78 | 62 |
| Realised gain on Disposal | 3 | - |
| Proceeds on Disposal | (80) | - |
| Revaluation | - | 16 |
| | ----- | ----- |
| Market value at 29 February 2012 | 1 | 78 |
| | ===== | ===== |
| Historical cost | 1 | 62 |
| | ===== | ===== |

Investments on hand at 29 February 2012 relate to €521 prize bonds.

11. APPROVED PROJECT ALLOCATIONS

This amount represents approved project allocations, which were pending payment at the balance sheet date.

12. CREDITORS AND ACCRUALS

| | Group | | Trust - | |
|---------------------------------------|---------------|---------------|---------------|-------------------|
| | 2012 €'000 | 2011 €'000 | 2012 €'000 | 2011 - €'000 - |
| Amounts falling due within one year: | | | | |
| Trade creditors and accruals | 2,662 | 2,907 | 2,635 | 2,879 |
| Payroll taxes | 194 | 205 | 194 | 206 |
| Bank loan (note 13) | 199 | 205 | 199 | 205 |
| | ----- | ----- | ----- | ----- |
| | 3,055 | 3,317 | 3,028 | 3,290 |
| | ===== | ===== | ===== | ===== |
| Amounts falling due after one year: - | | | | |
| Bank loan (note 13) | 502 | 685 | 502 | 685 - |
| | ----- | ----- | ----- | ----- |
| | 3,557 | 4,002 | 3,530 | 3,975 |
| | ===== | ===== | ===== | ===== |

13. BANK LOAN

The bank loan is unsecured and repayable as follows:

| | 2012 €'000 | 2011 €'000 |
|----------------------------------|---------------|---------------|
| Bank loan within one year | 199 | 205 |
| Bank loan from one to two years | 205 | 205 |
| Bank loan from two to five years | 297 | 480 |
| | ----- | ----- |
| | 701 | 890 |
| | ===== | ===== |

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds €'000 | Restricted funds €'000 | Total 2012 €'000 | Total 2011 €'000 |
|--------------------------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Tangible fixed assets | 1,145 | - | 1,145 | 1,598 |
| Net assets, after Retirement Benefit Scheme Deficit | 12,811 | 27,467 | 40,278 | 34,393 |
| | <u>13,956</u> | <u>27,467</u> | <u>41,423</u> | <u>35,991</u> |

In the opinion of the Trustees, sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed. The majority of funds are held as cash deposits to enable the charity to respond rapidly to ongoing Trócaire activities.

15. RESTRICTED FUNDS

| | Balance at beginning of year €'000 | Incoming resources €'000 | Exchange differences and transfers between funds €'000 | Resources expended €'000 | Balance at end of year €'000 |
|------------------------------|---------------------------------------------|--------------------------------|-----------------------------------------------------------------------|--------------------------------|---------------------------------------|
| Development programme | 421 | 26,906 | (448) | (26,406) | 473 |
| Communications and education | 51 | 50 | - | (44) | 57 |
| Emergency | 825 | 4,039 | - | (4,228) | 636 |
| Other: Northern Ireland | 7,527 | 4,797 | (2) | (7,014) | 5,308 |
| Specific funds: | | | | | |
| Africa – East Africa | - | 10,414 | 17 | (1,973) | 8,458 |
| Africa – Other | 18 | 12 | - | (20) | 10 |
| Africa – South Sudan | 2,651 | 3 | - | (848) | 1,806 |
| Central America | 5 | - | - | (5) | - |
| Pakistan | 6,842 | 157 | (2) | (1,057) | 5,940 |
| Japan | - | 25 | - | (22) | 3 |
| Middle East | 36 | 1 | - | (37) | - |
| SEA Disasters | 47 | - | - | (47) | - |
| Peru | 2 | - | - | (2) | - |
| Haiti | 6,617 | 31 | (9) | (1,863) | 4,776 |
| Myanmar | 392 | - | - | (392) | - |
| | <u>25,434</u> | <u>46,435</u> | <u>(444)</u> | <u>(43,958)</u> | <u>27,467</u> |

During the year, €444k was transferred from restricted to unrestricted funds, this was income received in the 2011/2012 financial year from Gorta, which was reimbursement of expenditure funded from unrestricted funds in 2010/2011.

The balances on the restricted funds represent amounts received from donors for specified purposes in response to specific appeals, which have not been expended at the balance sheet date.

In response to the ongoing crisis in South Sudan, the programme will be a long-term one, as insecurity and lack of protection for the displaced people in the region continues to undermine rehabilitation and recovery activities.

The balance of €4.8m on the Haiti fund, €5.9m on the Pakistan fund and €8.4m on the East Africa fund will be spent on relief and recovery over a five year period. Spending the funds over this timeframe will enable us to ensure that we spend the money to best effect with our Haitian, Pakistani and East African partners.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

16. UNRESTRICTED FUNDS

| | Balance at - beginning of year €'000 | Incoming resources €'000 | Exchange differences and transfers between funds €'000 | Resources expended/ actuarial (gain) €'000 | Balance at end of year €'000 |
|-----------------------------------------------------------|-----------------------------------------------|--------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------|
| Designated Funds: | | | | | |
| Development Programme - Communications and Education - | 8,407 | 14,454 | (3,284) | (7,921) | 11,656 |
| Emergency - | 500 | 3,773 | 3,909 | (7,682) | 500 |
| | 350 | 1,887 | (331) | (1,556) | 350 |
| | 9,257 | 20,114 | 294 | (17,159) | 12,506 |
| General Fund | 1,300 | - | 150 | - | 1,450 |
| | 10,557 | 20,114 | 444 | (17,159) | 13,956 |

(a) - Development Programme Fund

The Development Programme Fund is used to support relief and development programmes overseas, in partnership with local communities.

(b) - Communications and Education Fund

The Communications and Education Fund has been established to help create a greater awareness among the Irish people of the causes of world poverty and injustice and how change can be achieved.

(c) - Emergency Fund

The Emergency Fund is set aside out of general income to enable Trócaire to react in the event of a disaster or emergency for which resources may not be otherwise available.

(d) - General Fund -

The general fund is represented mainly by tangible fixed assets. -

17. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2012 €'000 | 2011 €'000 |
|----------------------------------------------|---------------|---------------|
| Net incoming resources for year | 5,574 | 11,122 |
| Depreciation | 523 | 555 |
| Interest and investment income receivable | (1,228) | (1,147) |
| Increase (decrease) in debtors | (99) | 1,504 |
| Decrease in creditors | (1,094) | (10,826) |
| Loss on disposal of fixed assets | 10 | 11 |
| Profit on disposal of short term investments | (3) | - |
| Exchange gain | (4) | 460 |
| Net cash inflow from operating activities | 3,679 | 1,679 |

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

18.1 RETURNS ON INVESTMENT AND SERVICING OF FINANCE

| | 2012 €'000 | 2011 €'000 |
|-------------------------------------------------|---------------|---------------|
| Deposit and investment income interest received | 1,228 | 1,151 |

18.2 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

| | 2012 €'000 | 2011 €'000 |
|------------------------------------------------|---------------|---------------|
| Payment to acquire tangible fixed assets - | (80) | (278) |
| Proceeds from disposal of fixed assets - | - | 7 |
| Proceeds from sale of short term investments - | 80 | - |
| | - | (271) |

19. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 March 2011 €'000 | Cash flows €'000 | 29 February 2012 €'000 |
|----------------------------------------|--------------------------|------------------------|------------------------------|
| Cash at bank and on short term deposit | 46,315 | 4,907 | 51,222 |
| Current asset investments - | 78 | (77) | 1 |
| | 46,393 | 4,830 | 51,223 |

20. SUBSIDIARY UNDERTAKING

Trocaire (Northern Ireland) is a registered charity in Northern Ireland (charity number XR 10431). It was established for the relief of poverty and the advancement of education. Trocaire (Northern Ireland) received donations amounting to Stg£7.6m and expended Stg£10.4m in direct charitable expenditure, Stg£17k on governance costs and Stg£69k on fundraising and publicity costs during the year under review. It had funds of Stg £8.5m at 29 February 2012.

Trocaire (Northern Ireland) is a company limited by guarantee registered in Northern Ireland, and has its registered office at 50 King Street, Belfast BT1 6AD.

21. COMMITMENTS

RENTAL

Commitments payable during the next twelve months on leasehold properties amount to €390,872 on leases, which expire after five years.

22. PENSIONS

Trócaire operates a defined benefit pension scheme and a defined contribution scheme for employees.

The defined benefit pension scheme assets are held in separate trustee administered funds.

FRS 17 DISCLOSURES

The valuation is based on the most recent actuarial valuation (May 2010) and has been updated by the actuary to 29 February 2012 so as to comply with the requirements of FRS 17 in order to assess the liabilities of the scheme at 29 February 2012.

| Amounts recognised in the balance sheet: | 2012 | 2011 |
|-------------------------------------------------|--------------|--------------|
| | €'000 | €'000 |
| Present value of funded obligations | 15,300 | 14,017 |
| Fair value of plan assets | (12,168) | (11,023) |
| | ----- | ----- |
| Deficit | 3,132 | 2,994 |
| Related deferred tax asset | | - |
| | ----- | ----- |
| Net liability - | <u>3,132</u> | <u>2,994</u> |
| | ===== | ===== |
| Amounts in the balance sheet | | |
| Liabilities - | 3,132 | 2,994 |
| Assets - | | - |
| | ----- | ----- |
| Net liability | <u>3,132</u> | <u>2,994</u> |
| | ===== | ===== |

Amounts reported in the statement of total recognised gains and losses and statement of financial activities:

| | 2012 | 2011 |
|---------------------------------------------------|------------|------------|
| | €'000 | €'000 |
| Current service cost | 486 | 493 |
| Interest on obligations | 716 | 698 |
| Expected return on plan assets | (621) | (565) |
| | ----- | ----- |
| Total cost recognised | <u>581</u> | <u>626</u> |
| | ===== | ===== |
| Actual return less expected return on plan assets | (93) | 987 |
| | ===== | ===== |

Changes in present value of defined benefit obligation

| | 2012 | 2011 |
|-----------------------------------------------------------------------|---------------|---------------|
| | €'000 | €'000 |
| Opening defined benefit obligation - | 14,017 | 13,667 |
| Service cost - | 486 | 493 |
| Interest cost - | 716 | 698 |
| Contributions by plan participants - | 148 | 136 |
| Actuarial gain arising from experience being different than expected | (530) | (964) |
| Actuarial loss arising from change in liability valuation assumptions | 466 | - |
| Benefits paid - | (3) | (13) |
| | ----- | ----- |
| Closing defined benefit obligation | <u>15,300</u> | <u>14,017</u> |
| | ===== | ===== |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

22. PENSIONS (CONTINUED)

| Changes in the fair value of plan assets | 2012 €'000 | 2011 €'000 |
|------------------------------------------|---------------|---------------|
| Opening fair value of plan assets | 11,023 | 8,895 |
| Expected return | 621 | 565 |
| Actuarial (losses) gains | (714) | 422 |
| Contributions by plan participants | 148 | 136 |
| Contributions by employer | 1,093 | 1,018 |
| Benefits paid | (3) | (13) |
| | ----- | ----- |
| Closing fair value of plan assets | 12,168 | 11,023 |
| | ===== | ===== |

The major categories of the plan assets as a percentage of total plan assets are as follows:

| | 2012 % | 2011 % |
|----------------|-----------|-----------|
| Equities | 63.00 | 71.00 |
| Fixed interest | 32.00 | 23.00 |
| Property | 2.00 | 2.00 |
| Cash | 3.00 | 4.00 |

Principal actuarial assumptions at the balance sheet date:

| | 2012 % | 2011 % |
|----------------------------------------------------------|-----------|-----------|
| Discount rate | 4.75 | 5.00 |
| Expected return on plan assets | 5.25 | 6.12 |
| Future pensionable salary increases | 3.00 | 3.50 |
| Future pension increases for service prior to 1 May 2007 | 5.00 | 5.00 |
| Future pension increases for service after 1 May 2007 | 3.00 | 3.00 |
| Inflation rate | 2.00 | 2.00 |

Amounts for current and previous four periods are as follows:

| | 2012 €'000 | 2011 €'000 | 2010 €'000 | 2009 €'000 | 2008 €'000 |
|----------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Defined benefit obligation | (15,300) | (14,017) | (13,667) | (12,859) | (12,116) |
| Fair value of plan assets | 12,168 | 11,023 | 8,895 | 5,740 | 7,813 |
| | ----- | ----- | ----- | ----- | ----- |
| Deficit in the plan | (3,132) | (2,994) | (4,772) | (7,119) | (4,303) |
| | ===== | ===== | ===== | ===== | ===== |
| Experience adjustment on plan liabilities | 530 | 964 | 564 | 80 | (768) |
| Experience adjustment on plan assets | (714) | 422 | 1,760 | (3,719) | (1,197) |
| Changes in assumptions | (466) | - | (92) | 290 | 697 |
| Extra company contributions | 512 | 392 | - | - | - |
| | ----- | ----- | ----- | ----- | ----- |
| Total actuarial (loss)/gain recognised in STRGL | (138) | 1,778 | 2,232 | (3,349) | (1,268) |
| | ===== | ===== | ===== | ===== | ===== |

Defined Contribution Pension Scheme

The assets of the scheme are held separately from those of the charity in an independently administered fund.

The pension cost charged in respect of the schemes for the year was €1,129,396 (2011: €1,109,649). A provision of €363,000 (2011: €96,000) is included in accruals being outstanding contributions.

TRÓCAIRE

**SUPPLEMENTARY INFORMATION:
ANALYSIS OF GENERAL INCOMING RESOURCES FOR THE YEAR ENDED
29 FEBRUARY 2012
(NOT COVERED BY THE REPORT OF THE AUDITORS)**

| | 2012 €'000 | 2011 €'000 |
|----------------------------------------|---------------|---------------|
| GENERAL DONATIONS AND BEQUESTS | | |
| General donations | 11,477 | 13,503 |
| Bequests | 2,387 | 2,234 |
| | <u>13,864</u> | <u>15,737</u> |
| LENTEN AND GLOBAL GIFT CAMPAIGN | | |
| Lenten Campaign: | | |
| Diocesan Returns | 5,827 | 5,958 |
| Dublin Schools | 516 | 523 |
| Donations - Dublin | 417 | 616 |
| Donations - Outside Dublin | 1,708 | 1,109 |
| Global Gift Campaign | 1,819 | 2,179 |
| | <u>10,287</u> | <u>10,385</u> |
| DEPOSIT AND INVESTMENT INCOME | | |
| Deposit income | 1,228 | 1,147 |
| | <u>1,228</u> | <u>1,147</u> |