



Trócaire

40
1973
2013
YEARS

**Working
for a just
world.**

**ANNUAL REPORT &
FINANCES 2012 - 2013**

**Trustees' Report & Consolidated
Financial Statements
Year Ended 28 February 2013**

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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

EXECUTIVE DIRECTOR:

Justin Kilcullen

BOARD:

Bishop John Kirby (Chair)
 Bishop Colm O'Reilly (Retired Mar 2013)
 Bishop William Crean (Appointed Mar 2013)
 John Carr
 Harry Casey
 Sr. Geraldine Henry
 Justin Kilcullen
 Ita Lehane
 Dr. Anne Looney
 Margot Lyons
 Monica McWilliams (Appointed May 2012)
 Maighread Uí Mháirtín (Retired May 2012)
 Ronan Murphy
 Ronan O'Loughlin
 Fiona Tierney (Appointed May 2012)
 Michael O'Connor (Retired May 2012)

BOARD SUB-COMMITTEES

Audit Committee

Margot Lyons (Chair)
 Chris Queenan
 Declan Kenny

Funding & Finance Committee

Ita Lehane (Chair)
 Maeliosa O'hOgartaigh
 Justin Kilcullen
 Paul Caskey

Organisation & Human Resource Committee

John Carr (Chair)
 Ursula Murphy
 Justin Kilcullen
 Bishop John Kirby
 Fiona Tierney

International Programmes Advisory Committee

Ronan O'Loughlin (Chair)
 Ronan Murphy
 Gillian Wylie
 Carmel Fox
 Su-Ming Khoo
 Sr. Geraldine Henry
 Mairtin O'Fainin
 Conall O'Caoimh

TRUSTEES AND OTHER INFORMATION

EXECUTIVE LEADERSHIP TEAM:

Executive Director	Justin Kilcullen
Deputy Executive Director & Head of Ireland Division	Eamonn Meehan
Head of Organisational and Corporate Affairs Division	Matt Walsh
Head of International Division	Caoimhe de Barra
Head of Fundraising and Marketing	Natalie O'Toole
Regional Director Northern Ireland	Eithne McNulty

PRINCIPAL OFFICE:

Maynooth
Co Kildare

PRINCIPAL BANKERS:

AIB Bank
7/12 Dame Street
Dublin 2

Bank of Ireland
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Dublin 2

AUDITORS:

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

The Trustees present their report and the consolidated financial statements for the year ended 28 February 2013.

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, ongoing training is arranged as and when a need is identified. 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 sub-committees 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 International Programme Advisory Committee is responsible for giving advice on the development of Trócaire's international programme work and to monitor the impact of this work.

(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 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 Executive Leadership Team.

Changes in 2013 at Board (Chairman) level and at executive level (Executive Director)

Bishop John Kirby's term of office as Chairman of Trócaire expires in 2013. It is expected that Bishop Kirby's successor will be announced in the summer of 2013. The responsibility for the appointment of the Chair rests with the Bishops' Conference. Bishop Kirby will have completed four terms totalling twenty years when he retires as Chair. Commenting on Bishop Kirby's personal commitment to the role, Justin Kilcullen said: "Bishop Kirby has been a most supportive Chairman and the organisation has been very successful under his leadership."

Justin Kilcullen announced in April 2013 that he will retire in October 2013 after 20 years of service in the post as Executive Director. Justin Kilcullen first joined Trócaire in 1981 as Africa Programme Officer. Bishop John Kirby expressed his thanks to Justin on behalf of the Trustees, Board and the Irish Bishops' Conference, "for his extraordinary service to the organisation over 32 years." Bishop Kirby said: "During that time, he has overseen periods of great change and positive development within Trócaire. Driven by a personal conviction, he has devoted time, energy and huge commitment to work with people in some of the poorest countries in the world to improve their lives, while campaigning tirelessly in Ireland and internationally on their behalf."

A recruitment and selection process is underway.

RISK MANAGEMENT AND INTERNAL CONTROL

Trócaire has established a comprehensive risk management process, which ensures that the organisation is not exposed to preventable, unacceptable risk. This risk management process is an integral part of Trócaire's organisational governance system. The risk oversight process begins with the Trustees as they are primarily responsible 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.

The Trócaire risk management process explicitly takes account of uncertainty, the nature of that uncertainty and how it can be addressed. Risk management is systematic, structured and timely. The risk management framework within Trócaire involves risk identification, analysis, control, review and reporting. There are three levels of risk register; the regional risk register, the divisional risk register and the strategic risk register. In addition, there is also a risk register in Trocaire (Northern Ireland). Management at each level ensure that risk management is part of their decision-making process and that the risk registers capture the principal risks and uncertainties facing the organisation.

The Executive Leadership Team in Trócaire is responsible for developing and executing the organisation's risk programme and act as the risk committee for the organisation. The Head of Organisational Development and Corporate Affairs is the Chief Risk Officer with responsibility for improving risk management processes within the organisation. The internal Auditor reports to the Chair of the Audit Committee and reviews and reports on the effectiveness of the risk management process and internal control systems of the organisation.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing Trócaire are as follows:

Financial Stability: The principal financial challenges facing Trócaire are in the areas of fundraising and institutional funding, cost control and cash security and management. Trócaire is entirely dependent on the goodwill of the public and on Governments and co-funders. The fundraising environment remains very challenging. A combination of increased competition for public funds and pressure on Government finances means Trócaire needs to identify and develop new sources of income in order to reduce the risk of significant income fluctuations. 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, Trócaire is continually reviewing and assessing its investment strategy to reduce its exposure to fluctuations and risk in financial markets.

Governance and Management: Trócaire has appropriate governance structures and procedures in place to ensure appropriate decision-making and the implementation of decisions. The increasing rate of change in the external environment highlights the continuing need for organisational renewal. In response to this need, Trócaire has completed the restructuring of its operations in the field and in Ireland and has introduced a new management decision-making framework which details how the organisation is managed. Senior management and the Board are aware of the potential for adverse effects resulting from the ineffective implementation and management of the risk related to major organisational change or initiative overload. All organisational change initiatives and projects are reviewed regularly by senior management.

Operational: Trócaire's partnership approach is based on the core values of solidarity, participation and subsidiarity from Catholic social teaching. There are clear procedures in place to ensure that our partners share our vision and values. Trócaire works closely with partners to ensure that they have the systems and resources to achieve their objectives. Trócaire's staff members are the key to its success. Trócaire invests heavily in building strong relationships with staff. Trócaire recently launched new initiatives in performance management and staff and management development. The personal security of staff and safety of beneficiaries is Trócaire's highest priority. Trócaire has developed comprehensive security management policies to ensure that this risk is appropriately managed and has implemented procedures to protect Vulnerable Adults and Children or volunteers in the delivery of its services.

Information Security and Continuity: Trócaire is dependent on several IT and communication systems processing and storing its data. To prevent disruption to operations due to loss or damage to these systems or the unauthorised access to data, Trócaire has developed IT policies and procedures designed to counter this risk.

Compliance and Regulation: Significant damage to Trócaire's reputation could be caused due to non-compliance with laws or regulations or policies. Trócaire has established policies and procedures, and codes of practice to ensure compliance to statute, regulatory or labour law.

Environmental and External Risks: Trócaire monitors the external environment in order to anticipate political, social or economic risks, so that plans can be put in place to minimise any negative impact on organisational activities or the reputation of the organisation.

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 sub-committee 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, 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 BEST PRACTICE IN CORPORATE GOVERNANCE

Trócaire is fully committed to achieving the standards contained within the Irish Development NGOs Code of Corporate Governance as developed by Dóchas. The aim of the code is to determine and formulate standards of best practice in corporate governance applicable to the Development NGO sector with a view to strengthening the impact and quality of Development NGO work and enhancing stakeholder confidence in the sector.

Trócaire adheres to the *Dóchas Code of Conduct* in its use of imagery and messages. This code promotes good practice among overseas development organisations in how they represent the people and communities they serve and the situations in which they work. It requires signatories to only use images and messages that respectfully and truthfully represent the people featured, maintaining their dignity and communicating solidarity.

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 by 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.

SAFEGUARDING PROGRAMME PARTICIPANTS AND CHILD PROTECTION

Trócaire believes that all individuals have the right to life with dignity and to freedom from exploitation and abuse. It is Trócaire's policy to safeguard all individuals who are involved in or affected by our work from risks of exploitation and abuse, and to ensure that the behaviour of all those working with Trócaire meets the appropriate standards.

Trócaire has had a Child Protection Policy in operation in its Irish context since 2006. Following a review by the National Board for Safeguarding Children, it was updated in 2010 and in 2012; the Trócaire policy was again reviewed to ensure that emerging lessons on good practice were adequately addressed. As a result, revisions were made to the Safeguarding Programme Participants Policy (SPPP) and guidance documents were developed for both staff and partner organisations.

The term "Programme Participants" refers to partner staff and members of communities in all areas in which we work. The revised SPPP provides clearer and more detailed guidance on prevention of abuse, identification of abuse, reporting of issues and management and investigation of complaints arising internally or raised by partner staff or community members. The revised policy is accompanied by a detailed guidance note on a Trócaire Complaints Handling Mechanism (CHM). A dedicated Safeguarding Officer position has been created at organisational level to ensure policy is implemented and reviewed as appropriate. At field level, three countries are piloting the new measures under the revised SPPP, in order to ensure that they are effective. These countries are Kenya, Democratic Republic of Congo (DRC) and Pakistan. The lessons from these countries will be incorporated into policy and guidance notes for all countries from 2014 onwards. Specific issues which are being tested at field level are around: operation of the Complaints Handling Mechanism with respect to community and partner organisation members; training of investigators to address allegations of abuse; and mechanisms to support partner organisations to undertake their own safeguarding policy initiatives.

Overall accountability for ensuring that Trócaire is implementing appropriate child protection and safeguarding measures lies with the Executive Board. The Director of the Organisational Development and Corporate Affairs Division is responsible for ensuring that organisational policy is in place in accordance with national and international laws, policy and best practice. Each Country Director is responsible for ensuring that the policy is implemented in overseas contexts and the Director of the International Division will ensure that the policy is continually revised and developed to ensure that international standards are met.

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*, Pope Benedict XVI 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 practise 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”.

Pope Francis, following his election in March 2013, spoke about “How I would like a Church that is poor, and is for the poor”. The Holy Father in the Easter message invited us “to become agents of God’s mercy, channels through which God can water the earth, protect all creation and make justice and peace flourish”.

It is in that spirit of solidarity with the poor 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

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 practise 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), Democratic Republic of the Congo (Central and West Africa), Honduras (Latin America), Cambodia (Asia 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 that 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 re-build 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 (as revised 2012 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

- Context
- Building sustainable livelihoods and securing environmental justice
- Governance and human rights - giving people a voice
- Humanitarian programme – our approach
- Promoting gender equality - unlocking the potential of women
- HIV programmes – reducing vulnerability
- Institutional support for our work
- Home-based activity

Context

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.

There are many challenges. Twenty-two thousand children die each day from poverty-related causes. Climate change, one of the greatest challenges facing humankind, is already having a significant impact on global hunger – in some countries, yields from rain-fed agriculture could be reduced by up to 50% by 2020. Supports for people facing humanitarian crises are required in increasingly complex and volatile environments. Additionally, it is estimated that tax havens cost developing countries one-third of their annual revenues, and development organisations, including many of Trócaire's own partners, now find themselves advocating for the rights of citizens in deteriorating environments as many governments move to restrict or limit advocacy on behalf of poor people.

Trócaire believes that people should have the right and freedom to choose a life of dignity, a life in which they have an opportunity to realise their own potential. Often these choices do not exist when people are poor. Trócaire understands and addresses the root causes of poverty. We believe that the most powerful tool in overcoming poverty is empowering individuals to determine their own lives. Trócaire stands together with men, women and children who face poverty and injustice and helps them to do this.

We work through a partnership model which means local people working in local organisations such as community-based associations, local groups and church bodies, developing local solutions to their problems. They understand their culture and community in a way that delivers better results for the beneficiaries we serve. Through respectful and supportive relationships with partners, long-lasting and sustainable solutions are provided.

In 2012/13, Trócaire's work benefitted the lives of over 2.7 million people (of whom 56% were women) through our direct programme interventions. Trócaire supported 28 governance and human rights programmes with an investment of €9.5 million. We estimate that this investment reached over 1.7 million people directly and up to 7.5 million indirectly. We supported 19 livelihoods programmes in 2012/13 with expenditure of €7.3 million, reaching an estimated 565,000 people directly. Up to a further two million people are thought to have benefited indirectly from these interventions. Trócaire supported humanitarian programmes in 14 countries with expenditure of €19.2 million. These programmes are estimated to have reached almost 200,000 people directly and over 600,000 indirectly. Trócaire supported eight gender programmes in 2012/13 with an investment of €2.7 million. We estimate that these programmes reached over 75,500 people directly. Trócaire supported eight HIV programmes in 2012/13 with an investment of €2.2 million. We estimate that these programmes reached over 110,000 people directly, of whom over 60% were women.

During the year, some strategic structural changes were made to the organisation with the aim of carrying out our work more effectively. Trócaire's senior leadership team was re-configured and re-named the Executive Leadership Team (ELT). The ELT is made up of the Executive Director, Deputy Director, Director of International Division, Director of Organisational Development and Corporate Affairs Division, the Head of Fundraising and Marketing and the Head of Northern Ireland Region. The ELT is responsible for providing strategic leadership, ensuring that Trócaire delivers on the objectives and key performance requirements as set out in our strategic framework and ensuring that there is integration and coherence in the management of its operations. The ELT reports to the Board, which in turn is accountable to Trócaire's Trustees.

In February 2012, the Board approved the decision to withdraw from 10 of 27 countries over the period 2013 – 2015. The country selection was based on an analysis of the context in each country and of Trócaire's ability to have an impact through development, humanitarian and advocacy work. The rationale for this change from 27 to 17 countries was based both on the current funding context and on quality imperatives. Trócaire has decided to work according to a 'strong country model', with an adequately resourced country team in place with the capacity to deliver on a quality programme agenda.

The 17 countries where Trócaire will continue to focus its work are:

Africa: Somalia, South Sudan, Kenya, Ethiopia, Uganda, Democratic Republic of Congo, Rwanda, Sierra Leone, Malawi, and Zimbabwe.

Asia and Middle East: India, Pakistan, Occupied Palestinian Territories and Myanmar.

Central America: Honduras, Guatemala and Nicaragua.

Trócaire is a member of *Caritas Internationalis*, the Catholic Church's global confederation of 165 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. Trócaire is also a member of CIDSE, the international alliance of Catholic development agencies, which works together for global justice. The CIDSE membership has a presence in over 118 countries and territories worldwide.

Building sustainable livelihoods and securing environmental justice

Hunger and malnutrition in a world of plenty is an unacceptable reality of the 21st century. It is estimated that in the world today, two billion people are malnourished and one billion people experience chronic hunger.

Trócaire works with people who are vulnerable to malnutrition and hunger. Our livelihoods programme supports families and communities to produce and access a healthy and nutritious diet, increasing and diversifying crop yields to combat malnutrition and increase food security. When families have access to a nutritious diet and a reliable income they can look to the future with hope. They can build a safe home, children can go to school, they can afford medical care, their overall health improves and their communities can grow and develop.

Nineteen livelihoods programmes were supported by Trócaire in 2012/2013 with an investment of €7.3 million, reaching an estimated 565,000 people directly. Up to a further two million people are thought to have benefited indirectly from these interventions.

Trócaire's role in addressing climate change is driven by the fact that the poorest countries and communities are paying the price for the unsustainable use of natural resources. Poor countries feel the effects of climate change sooner and more strongly and their ways of coping are less developed. Increasingly unpredictable rainfall patterns are resulting in reduced yields and incomes for farmers in developing countries who depend on agriculture to feed their families and provide incomes.

In 2012, Trócaire, working together with local partner organisations, saw improvements in the production and availability of a nutritious and diversified diet in communities where we work. For example, in Nicaragua, 64% of both male- and female-headed households in the communities where we work produced enough maize for their annual consumption. (The 2013 target was 60% across both household groups). In India, 77% of households in communities where we work are now food secure for six months or more (the actual 2012 target was 50%).

Positive productivity gains in crops and livestock were also recorded across many programmes. For example, where we work in Ethiopia, crop yields have increased by 75% and milk yields by 90% since 2009, against respective targets for the period of 35% and 25%. In the Democratic Republic of Congo, yields of the crop cassava of 12-15 tonnes/ha were achieved, exceeding the planned 2015 target of 5 tonnes/ha.

Encouraging results were also recorded in our projects supporting people to diversify their agricultural production. For example, in Guatemala, 83% of those working in our agriculture projects introduced an additional crop. In Malawi, 89% of male-headed households and 91% of female-headed households in communities where we work are growing a 3rd crop (reaching their 2013 targets of 89% and 91% respectively).

There are positive results in the adoption of a wide variety of what are termed agro-ecological practices. In practical terms, this means row planting, mulching, composting and using organic manure. There was also good progress in adoption of irrigation to reduce dependency on rain-fed agriculture. For example, in Ethiopia, 706.6ha was brought under irrigation since 2002. The original target was 600ha.

Results in the improvement of incomes in the communities where we work provide a more varied picture of progress between countries.

In Ethiopia, the target average annual income of \$215 per household a year was achieved. In the Democratic Republic of Congo, targeted vegetable producers met their target of US\$200 per production cycle. In Rwanda, farmers generated Rwf 519 million, which exceeded the planned 2013 target of 378 Rwf million. In India, households secured an average 37.7 days in employment, which was within their targeted range. In Malawi, as a result of the humanitarian crisis in that country in 2012, 39% of male-headed households and 42% of female-headed households regrettably saw a reduction in livestock on their farms.

The availability of clean water is critical to households' health and nutrition. In Ethiopia, 25,950 households in the communities where we have projects now enjoy access to safe water within a 30-minute distance of their home (accessibility had previously been about two to three hours away). In Nicaragua, we have enabled 18 communities to manage their water systems (exceeding the 2013 target of 15 communities). In Honduras, 2,409 households have access to piped treated water. In Kenya in 2012, the average distance to water for 81,000 households where we have projects was 5.33km (ahead of the 2013 target of 7.5km).

Having access to a land title is very important for many communities in the developing world. In India, 23,009 titles have been conferred to date. This figure represents a rise of 2,581 titles since 2010. In Guatemala, three community land titles have been secured, benefiting 259 men and 256 women.

In 2013, the livelihoods team will continue to scale up sustainable agriculture and environmental protection to make people more resilient in the context of a changing climate.

A hope that hunger will be a thing of the past

In the village of Tisho Kebele in southern Ethiopia, Mechu Dayo woke each morning not knowing whether she would have enough food to feed her children that day.

“Drought has been so severe and I didn’t have enough flour to bake to feed my children,” she said. “I had to prepare a very thin porridge just for them to feel something in their stomach and survive the day.”

Like many people in the region, Mechu (40) had relied on cattle farming, but regular droughts were making it more difficult to raise livestock. A Trócaire project gave 170 families in the area the skills and tools to begin growing vegetables.

Thanks to the project, Mechu believes that hunger will be a thing of the past for her family.

“Previously when I went to the market and saw cabbage, I would want to buy for my kids but I could not afford it,” she says. “Now I am able to grow it and then feed my children. I am also making money out of it. Feeding my children and having left with plenty for the market is a big change for me.”

As well as helping local farmers to grow vegetables, the project also improved water supply and irrigation in the area. New wells and irrigation methods have helped the people to cope with the extended periods of drought that have sadly become a regular feature of life for people in the area.

“I don’t think I will face major problems again,” Mechu says confidently. “I can still grow vegetables even if there is no rain. I will be able to bring water on a donkey from a well. The project has helped me reach this stage out of nothing. I am very happy. If I had money, I would send the supporters a gift, but now I am sending my big round of applause.”



Mechu Dayo can now grow vegetables to feed her children

Governance and human rights - giving people a voice

Every day, ordinary people in some of the poorest parts of the world stand up for the rights of others, sacrificing their own safety for the justices we often take for granted. These are the real heroes in the struggle for justice. They challenge vested interests, stand up to oppressive governments and put their lives on the line. Human rights defenders, trade unionists and journalists continue to come under extreme pressure for speaking out in many countries across the developing world.

The Trócaire governance and human rights programme focuses on changing the structures and processes of governance which have been identified by local groups and community representatives that deepen injustice, poverty and abuses of human rights. Trócaire works to empower poor and marginalised people to participate in governance processes, claim their rights and demand accountability from the State.

Trócaire supported 28 governance and human rights programmes with an investment of €9.5 million in 2012/2013. We estimate that this investment reached over 1.7 million people directly and up to 7.5 million indirectly.

During 2012, the political context in many countries continued to present challenges to Trócaire's programming.

In 2012, we published a policy report entitled *Democracy in Action: Protecting Civil Society Space*. This report reaffirmed the extra-legal threats faced by civil society organisations (many just local groups) in countries such as Cambodia, Ethiopia, Malawi and Honduras. The report highlighted that the "war on terror" is having a detrimental effect, as countries are increasingly pre-occupied with security issues.

As a negative consequence, there have been restrictions with freedom of movement, association, expression and organisation. This has presented significant challenges for Trócaire's partners who work to ensure governments are accountable to the needs of citizens. Partners working to assist marginalised people to participate more fully in public life and protect their human rights remain a target for this kind of restriction. This is detrimental to their work.

In Zimbabwe, many Trócaire partners continued to face harassment and threats throughout 2012. Trócaire has worked with partners to provide litigation support in 27 cases related to the protection of human rights defenders in that country. Trócaire partners have also been actively influencing the Southern African Development Community (SADC)-led mediation process. One partner, Zimbabwe Lawyers for Human Rights, had their contribution acknowledged in the SADC mediators' report on the progress of the inclusive government and protection of human rights in Zimbabwe. Trócaire also worked with partners in Zimbabwe to provide assistance (mainly in access to medical treatment as well as psycho-social and legal support) to human rights defenders.

In Kenya, Trócaire worked with partners to support the establishment of a mobile court to ensure access to justice for people living in sparsely populated areas. In the Occupied Palestinian Territories, some Trócaire-supported partners provide legal assistance to victims of human rights abuses. In 2012, 7,791 people sought and were provided with such support.

Our programmes work with local people to enable them to play an active part in community life and set the local development agenda. Structures can include village and district development committees and specific committees for health, education and other services. In specific communities where we work in Uganda, India and Rwanda, a majority of people surveyed in 2012 were represented in local decision-making, compared to less than half at the start of the project. For example, all focus group participants in Uganda had participated in at least one local decision-making school management committee/parish management group, compared to none at the start of the project two years ago. In 541 villages in India, all villages had successfully carried out a local planning process, with separate processes dedicated to the needs of women. Similar processes in Nicaragua saw development plans initiated in 30 villages.

Trócaire has a particular focus on women's representation in formal and informal decision-making structures. Elections in Odisha (India) and Sierra Leone both saw some improvements in women's representation in targeted areas. In Odisha's 5-yearly panchayat (local) elections, women won 64% of seats, an increase from fewer than 30% in 2007, thanks in part to an increase in the minimum quota for seats, which was a key advocacy aim of the Trócaire-supported programme. In Sierra Leone, analysis showed gender issues to be successfully incorporated in 80% of candidate manifestos, although the final number of women elected to parliamentary seats dropped compared to the last election.

In mobilising citizens to demand a fair and effective distribution of resources, Trócaire aims to identify needs that will result in specific outcomes for women, often related to gender-based violence. In Guatemala, one municipality has implemented rules for 63 communities limiting the sale of alcohol, proven to be a major driver of domestic violence. In Uganda, a bye-law on gender-based violence was implemented in one district, as a result of citizen lobbying. A gender policy was adopted in one municipality in Nicaragua. These regulations contribute to providing the protections necessary for women to participate safely in the home, community and society.

Trócaire supports citizens to come together to demand the rights most essential for a better quality of life. This includes basic, quality education. Since the beginning of a programme in 2008, partners in Malawi have consistently lobbied for the national budget allocation for education to reach 20% of the national budget. In 2012, the allocation increased to 18.7%, up from 12.5% in 2009. While this cannot be directly attributed to Trócaire's programme, a final evaluation makes it clear that Trócaire's partners played a key role.

Locally organised groups have succeeded in gaining improvements in basic education facilities. Six districts in Uganda, for example, and one in Malawi saw the delivery of new classrooms and teachers' houses, significantly improving education facilities for students and attracting teachers. Corruption and abuses in three school districts were pursued in Malawi and Sierra Leone, resulting in the repayment of corruptly levied fees. One district in Uganda reported a reduction in school drop-out numbers from 5% to 2% in 2012. In Lilongwe, Malawi, the District Education Network reported an increase in girls enrolled between grades 1 and 4.

Trócaire was approached by Transparency International to contribute to its *Global Corruption Report in 2012* on the subject of corruption and education.

Working together to achieve a common goal

India may be known for its booming economy, but it is also home to one-third of the world's poor. While many of India's one billion people benefit from jobs and improving wages, the country's poorest people are being left behind.

The Parajas are one such family. India may have been transformed over recent years, but in the northern state of Odisha, families like the Parajas are still surviving on roughly €1 a day.

"I don't have sufficient land," says Hari Paraja (38), father of the family of five. "It is sloped land on the hilltops. It's hard to grow enough to feed my family. I go out of the village to get wage labour to earn extra and bring in the money so I can feed and take care of my family."

The Indian Government has put support schemes in place to help the poorest sections of society, but getting the schemes to the most isolated villages has not been easy. India is a vast country with many levels and layers of government from state to village level. If any link in the chain is broken, due to corruption or inefficiency, vital help does not reach the people who need it.

In the poorest, most isolated rural villages, people have no way of knowing that help exists unless they are taught about their rights and how to demand them.

That is where Trócaire has stepped in.

Working with local organisations, Trócaire has helped to establish 'village development committees', which bring people together to improve lives in the communities.

Hari says that the committees have helped to improve life in the area greatly and have given farmers the skills and knowledge they need to claim their rights and improve their farming.

"Personally, I have gained a lot from the village committee," explains Hari. "Before joining, I didn't know a lot. Today, I know many things that have helped me to support my family.

"I've learned how to farm, how to use better seeds and grow more crops. I've also learned about how I can earn more wages and I benefited from getting work in the village. From that money, I'm able to buy clothes for my children. I not only earn more money now but I'm more informed."

People in the village share a sense of working together to achieve a common goal. There is a new sense of togetherness and a new desire to help the village on behalf of everybody.

"Since we formed our committee, we meet every month and if there are any problems in any household, a few people will go and find out about it. If someone is very sick, if they need any help or hospital support, we will take them to the hospital. In the village, I feel that we are all one family."

The benefits of the committees are clear to be seen. Eleven landless families in the village have secured land titles, which has enabled them to begin farming, while others have benefited from jobs and a new road which has linked the village to the surrounding areas.

The improvements to life in the area have given people such as Hari hope that the future will be better for their children.

"Since we've been going to the village meetings, we understand how important it is to educate our children and we are sending them to school," he says. "So what we earn we save and spend the money on their education.

"The children are happy to be in school. My son tells me that he knows we are sending him to school even though we are in difficulty, so he says he will learn properly in class and if it is his fate he will get a job."



Hari Paraja says his community has benefited from better understanding their rights

Humanitarian programme – our approach

Providing assistance to people at risk of or already affected by a humanitarian crisis is an essential part of Trócaire's work. At the core of what we do is the desire to ensure and protect human dignity. We believe that aid must be given to those who need it most, to address human suffering wherever it is found. This assistance must at all times be independent from political, economic, military or other interests.

Trócaire's global humanitarian programme expenditure reached €19.2 million in 14 countries including Myanmar, Democratic Republic of Congo, Gaza, Lebanon (Syrian Refugees) and Guatemala. These programmes are estimated to have reached almost 200,000 people directly and over 600,000 indirectly.

During this period, war in Syria, drought in the Sahel region of Africa and conflict in Myanmar were the main humanitarian crises responded to by our programme.

Climate change and erratic weather patterns had a negative impact on food security in the Sahel region. This emergency was exacerbated by conflict in northern Mali, which resulted in 100,000 people fleeing their homes. Trócaire worked with Caritas partners to provide emergency supplies to those fleeing conflict.

While the Sahel crisis shows signs of improvement in terms of food and crop availability, Syria presents an entirely new challenge to the aid community. Trócaire is working with the Caritas Migrants Centre in Lebanon responding to the needs of refugees fleeing the crisis in Syria. In addition to emergency items, our partner organisations are providing counselling and trauma recovery services for refugees. On the Turkish border, we have established child-friendly spaces to provide informal education and a safe environment for children who have been forced to flee their homes.

Our humanitarian response work in Kachin in northern Myanmar involves Trócaire and our partners delivering food and shelter facilities to over 20,000 displaced people fleeing the conflict between rebels and government forces. In 2012, Trócaire secured over €4 million from Irish Aid and DFID (the Department for International Development) for this specific work.

Airlift and cargos of medical supplies to the Nuba Mountains of South Kordofan in Sudan have been maintained and Trócaire has also supported, through the Caritas Federation, an emergency response for displaced families in eastern Democratic Republic of Congo.

In Guatemala, our humanitarian programme has funded new homes for people left homeless by a 7.4 magnitude earthquake in the San Marcos province in November.

Our humanitarian and livelihoods teams work in close collaboration in bringing respective areas of experience and expertise to programming, ensuring short-term relief is built into plans for long-term development.

With the support of Irish Aid, Trócaire responded to the food crisis in Malawi. The humanitarian response was complementary to Trócaire's longer-term livelihoods interventions in the country, providing a safety-net for 2,800 families through provision of food and drought-resistant seeds.

In the Gedo region of south central Somalia, Trócaire continued to deliver an integrated health programme focused on maternal healthcare and nutritional support for malnourished children. The programme is supported by Irish Aid, DFID, the European Commission and Caritas sister agencies.

Trócaire and its partners in Kenya and Ethiopia are working extensively to strengthen disaster risk reduction and resilience approaches within communities. While the drought of 2011 was devastating in parts of the region, there is a greater awareness of vulnerability, prevention and early response to signs of severe weather. Harvest management, farm inputs, the health of animals and better irrigation systems are being enhanced by installation of solar pumps, windmills and rehabilitation of water sources.

Trócaire's work in Zimbabwe is emblematic of the critical transition from 'humanitarian need' to 'livelihoods support' for families. With Irish Aid support, Trócaire and its partners have created improved agricultural and income-based livelihoods choices for 3,606 vulnerable households.

In Latin America, we have implemented a programme in conjunction with 24 partner organisations, working with 154 communities in Honduras, Guatemala, Nicaragua and El Salvador to reduce the impact of disasters on the lives and livelihoods of rural families and help to build their resilience.

The programme seeks to link communities with the governmental and municipal civil protection agencies and to build alliances for more effective prevention and responses in areas with a high vulnerability to disasters. As a result of this programme, 151 communities and 80 educational centres have established community emergency committees to mitigate the threat posed by disasters in the region.

Our humanitarian team is trained to the highest international standards. All of our humanitarian workers endeavour to comply with SPHERE guidelines (minimum quality standards with 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).

Safety and support to the most vulnerable

Intesar Fayyad knew that she had to leave her home when her neighbours were slaughtered.

“I was scared for my daughter,” she said. “Young women were being raped. When eleven of our neighbours had their throats cut in a massacre, I knew we had to leave. Four of them were women; three were children, aged 5, 10 and 12 years.”

In the countries that border Syria, there are over one million stories like this. After two years of fighting, 1.1 million people have been forced to flee Syria into neighbouring countries, while millions more remain trapped inside the country.

“If you didn’t die from the bombs, you died from hunger,” says Abdul Baset Al Buquai, another victim of Syria’s brutal descent into bloodshed.



Samir (9) at the Qab Elials camp in Lebanon's Bekka Valley. Fifty families are currently living in the camp

Trócaire is working with Caritas partners in the region to get aid to over 20,000 refugees now living in Turkey and Lebanon. Having fled their homes, Syrians now living in makeshift shelters along the border of their country lack even the most basic items. Trócaire is helping to provide food, bed sheets, pillow cases, towels, hygiene kits, mattresses, heaters and clothes.

In addition to emergency items, our partners are providing counselling and trauma recovery services for people who have been left scarred by what they witnessed in their homeland. On the Turkish border, we have established 'child-friendly spaces' to provide informal education and a safe environment for children, many of whom have been out of the school system for up to two years.

Trócaire Humanitarian Protection Officer, Helen Nic An Rí, travelled to Turkey and Lebanon to help establish the child-friendly spaces and ensure that vulnerable people, having fled Syria, are protected from exploitation and physical danger.

"I spent time with our partner organisations, providing training on how issues of violence, exploitation and abuse affect communities – particularly women and children – during a crisis like this," she said. "Having fled from violence, it is vital that agencies can provide safety and support to vulnerable people."

"Parents often report behavioural problems with children who have been exposed to horrific scenes of violence. In conflict, violence becomes normalised, and so children need support to deal with what they have seen. This support can take the form of psychological care, or it could be that the children just need a space that allows them be children once again. For people fleeing the brutal war in Syria, needs really are that basic."

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 impedes the development of people and communities across the world.

Trócaire supported eight gender programmes with an investment of €2.7 million in 2012/2013. We estimate that these programmes reached over 75,500 people directly.

Throughout the countries in which we work, we advocate for laws that protect women and respect their rights and dignity.

In 2012, violence against women and girls continued to drive and reinforce poverty and inequality. The stigma and silence which has traditionally surrounded this issue was broken dramatically in December with the brutal gang rape and murder of an Indian student on a bus in New Delhi which sparked outrage across India and then internationally.

2012 was also marked by limited progress in ending impunity against sexual violence in conflict areas, with high levels of sexual violence in countries including the Democratic Republic of Congo and more recently in Syria.

Supporting women's participation in public decision-making at community, municipal and national levels is a key strategy to ensure more gender-responsive decision-making structures. In 2012, an increase in the numbers of women in public decision-making was seen across a number of programmes.

In Nicaragua, there has been a 14% increase in women participating in public decision-making in targeted communities in Managua, Esteli and Villa El Carmen districts since the start of our gender project. Of these, 11% have been elected to be part of local councils (Cabinet of Citizen Power (GCP) and family councils (FC)) and 3% presented proposals and demands to local authorities related to gender-based violence prevention, improved services for victims and improved economic and living conditions for women. In addition, 15 women were selected by different political parties to be candidates as town councillors and vice-mayors for the November 2012 municipal elections. One woman was elected vice-mayor and three women were elected as councillors.

Across local communities which we target in Myanmar, women are also reporting improved levels of confidence to participate in decision-making. Women who had previously never spoken out or attended public meetings are now on village development committees (VDCs) representing their needs. In Shan State, VDCs in 10 villages have a minimum of two women, whereas prior to this, there were no women involved in representation at village level. In Man Pan in Shan State, women for the first time entered their town hall in 2012 - a symbol they have recognised as significant.

Also in Myanmar, increasing women's participation is a key milestone in a very restrictive environment. One partner led the first ever 'Women's Forum' to promote women's leadership and their participation in Myanmar's burgeoning civil society movements. Over 134 women and 29 men from local organisations and youth associations attended to discuss issues affecting women's participation and to share concerns with policy-makers. These included demands for a 30% quota system to promote women's participation in politics and promoting the representation of women in ongoing peace processes.

In 2012, the gender and governance teams advanced a joint research project on women's participation in decision-making, drawing on experiences from a number of countries. The research will examine the barriers and enabling factors for women's participation in four countries (Nicaragua, where the study has commenced, Democratic Republic of Congo, Sierra Leone and Myanmar).

Trócaire-supported programmes have seen an increase in knowledge of gender-based violence as a human rights violation. In Nicaragua, 36% of women surveyed knew about the law that penalises violence against women, from only 1% at the start of the programme. Seventy-four per cent of women identified the police and the women's commission as the main institution for reporting cases of gender-based violence, also up from 49%.

In Uganda, evidence gathered from the Muslim Centre for Justice and Law and Soroti and Kotido dioceses shows improvements in knowledge in target communities, particularly in relation to understanding of violence and the connection between domestic violence and HIV.

Trócaire worked closely with the structures of the Catholic Church in Uganda to tackle the very high rates of domestic violence. In 2012, the Church leadership displayed high rates of commitment, with 25,000 churches nationwide in Uganda involved in a national domestic violence campaign. In addition, a greater number of the Bishops' Conference actively supported the national campaign and the related projects in their dioceses. They gave their weight to the issue and used opportunities in Church and in public to address domestic violence issues.

In Nicaragua, there was a 33% reduction (since the programme began), in the number of women who believe that men's violent behaviour is justifiable under certain circumstances, while in Sierra Leone, community stakeholders showed a decrease in the general levels of acceptability of sexual and physical violence. This is attributed to increased awareness and intervention, including cases being taken to court and greater monitoring by leaders and our partners.

Engaging men is a strategy employed in all programmes. In Kenya, an additional 1,344 men and boys were directly engaged and involved in awareness and training in 2012. In one partner organisation's area, a *perceptions of masculinity* attitude questionnaire indicated that of those trained, 56% showed positive gender attitudes. In addition, 63% of the men trained are now designated 'change agents' in two target districts.

In relation to access to justice, in Sierra Leone legal aid was provided for 436 women and 84 children. Of this, 404 cases were resolved with 78% of female clients satisfied with the outcome. In Kenya, 677 women and 34 men received legal aid and advice, of which 95 cases proceeded to court, and 55 cases were settled while in Uganda, the Muslim Centre for Justice and Law gave legal support to 39 survivors of domestic violence and assisted 13 survivors in reporting cases to the police. Of these cases, 36 were resolved at Mosque level through the newly established conflict resolution committees.

Our Kenya programme has a large post-rape care (PRC) provision and in 2012, 2,451 survivors (2,283 female, 258 male) used PRC services across 22 public health facilities supported by the programme. This represented a 6% increase in number of survivors accessing PRC since the start of the programme.

The experiences of our programmes at work continue to inform and shape policy both within Trócaire and the Irish consortium on gender-based violence. In 2012, Trócaire staff in Sierra Leone and Pakistan were interviewed for a research initiative which was presented at the annual conference of the consortium in November 2012. The research also informed a submission by the consortium to the UN consultation on inequality.

Safely delivering new life in Guatemala

Small hands grab the breezy pink curtain which hangs over the low entrance door to the house of 57 year-old-Mayan midwife, Vicenta Cac Jimenez. Curious eyes are eager to see what's going on. Vicenta helps bring life into the world and the small children in her village, many of whom she delivered, want to know whether there will be any new arrivals today.

Vicenta has worked for 27 years as a midwife in this remote village of 150 families in the La Bendición community in the Guatemalan highlands. She has delivered in the region of 900 children over all those years giving, as she says, her "time and knowledge for free."

Although a midwife for many years, it was not until Vicenta received a Trócaire Christmas Gifts of Change that she received formal training. This gift, generously funded by the Irish public, is called 'safe motherhood' and it has transformed Vicenta's way of working, saving lives along the way.

Access to resources in Guatemala, a country still struggling after its 36-year civil war, is extremely unequal. This is reflected in the high levels of malnutrition among children and the alarming incidence of deaths of mothers during or after birth. Basic maternity services are virtually non-existent in many parts of Guatemala and midwives often have to work without proper facilities or sanitation.



With Trócaire support, Vicenta Cac Jimenez continues to safely deliver babies in Guatemala

The CERNE clinic, run by Doctor Edwin Rojas, was one of the many beneficiary organisations who were able to support hundreds of midwives with equipment and training as a result of the Trócaire Gifts of Change.

Prior to the training, at least 25 mothers died each year during childbirth in Pochuta. However, in recent years, not a single woman died as a result of childbirth complications.

Vicenta has a great sense of pride about her work and knows that it carries lots of responsibility. She is the only midwife in the area: “When one of my patients is unwell, I get nervous. A good midwife is concerned about all her patients.”

Vicenta surveys the safe motherhood kit on one of the five beds in the room that during the day is a place expectant women can come to for care and attention. “Before Trócaire helped, I worked with my bare hands,” she says.

With this practical gift, Vicenta can now read a baby’s heartbeat before they are born and weigh them with a small scales. She has a wide basin for water, packets of sterilised gloves and a pair of scissors. These scissors mean she can more hygienically cut the umbilical cord. Although it sounds like an exaggeration, a machete has been used in the past.

“I could never have bought this equipment,” she says, “I want to say thanks to the people that help.”

In the evening the house becomes Vicenta’s home again. She herself had 13 children but five sadly died. Four sons and one daughter currently share the house with her and her husband, coffee picker Pedro Luis Garcia.

In the morning, Vicenta will get up and extend her welcome once again to any young mother that comes to her door, eager to help and support her and her unborn child.

All in a day’s work.

HIV programmes – reducing vulnerability

Trócaire’s work on prevention of HIV focuses on promoting an uptake of HIV testing and promoting changes in practice of risky behaviour in targeted communities. Our objective is to reduce vulnerability to HIV and mitigate the impact of HIV and AIDS on poor and marginalised communities. Achieving access to treatment, care and support for poor and marginalised people living with HIV incorporates provision of treatment in marginalised communities in Kenya. In other countries, our partners work in communities to promote uptake of treatment and to provide care and support services.

Two policy research initiatives were completed in 2012 bringing Trócaire programme experiences to the international arena. The first was called *Catholic Church-related organisations working towards the Elimination of New HIV Infections among Children by 2015* and the second was Trócaire’s policy paper entitled, *Mind the Gap: Women’s Vulnerability to the HIV Epidemic*. In July, at the International AIDS Conference in Washington, the Catholic HIV and AIDS Network (CHAN), chaired by Trócaire, delivered an address to the White House Forum for Faith Leaders focusing on the important role of Catholic agencies in the response to the HIV epidemic.

A World AIDS Day conference hosted by Trócaire and Saint Patrick’s College, Maynooth, on the theme of *Faith and Justice Perspectives on the Global AIDS Pandemic* provided an opportunity to explore the rich experiences of theologians and practitioners on HIV.

Trócaire supported eight HIV programmes with an investment of €2.2 million in 2012/2013. We estimate that these programmes reached over 110,000 people directly, of whom over 60% were women.

In 2012, a total of 10,082 (5,545 women and 4,537 men) were tested for HIV in the following countries - Ethiopia 3,464, Kenya 1,264, Malawi 650 and Zimbabwe 4,704. Large-scale community campaigns reached out to mobilise people to get a test. The involvement of community leaders proved a key factor in good attendance. Particular efforts were made to reach out to men, as they are generally more reluctant to come forward for a test. Male 'champions' were trained and encouraged to reach out to other men.

In Kenya, Trócaire's programme is researching strategies that successfully promote counselling and more testing, specifically for couples. Through this research - with 180 couples - protocols and guidelines for counselling, testing and care will be developed and shared with the Ministry of Health in Kenya for countrywide adoption.

Demand for HIV testing could not be met in Ethiopia in 2012 due to a shortage of testing kits. The Government Pharmaceutical and Drug Supply Agency, the sole supplier of kits, experienced severe reductions in stock during the year. Programme partners are working to prevent a recurrence of this problem in 2013.

Trócaire's HIV programmes aim to address a number of factors underlying risky sexual behaviours that include negative gender attitudes and power relations, harmful traditional practices and high levels of alcohol consumption.

A review of our gender and HIV programme in Central America saw a positive shift of 3% in gender attitudes within relationships. While this might seem a small shift, it was on target as gender attitudes and power relations are so deeply rooted and slow to change.

In Malawi, community meetings have been established to bring men and women together to discuss issues related to HIV including access to treatment. These meetings facilitate discussion, build communications between men and women and promote social change. Some significant results have been achieved in modifying cultural practices that can facilitate transmission of HIV. For example, a bye-law banning forced early marriages was introduced in one programme location.

Trócaire's programme in Kenya provided direct anti-retroviral treatment services to 1,646 clients in slum communities of Nairobi and Nakuru, with 236 new clients enrolled in the first six months of the programme. This represented an increase of 15% on the start of the programme.

Our programme in Ethiopia managed to maintain very high levels of adherence to anti-retroviral therapy (98% in urban areas). Adherence levels in Zimbabwe were lower but an improvement was noted; the number of people achieving good adherence increasing from 70% in 2010 to 77% in 2012. This was attributed to the roll-out of treatment literacy education (6,168 people living with HIV received training in Zimbabwe alone), involvement of people in support groups in each country programme and monitoring of adherence by community health workers (CHWs) during home visits.

A total of 3,367 people (243 in Kenya, 849 in Ethiopia, 2,275 in Zimbabwe) living with HIV were supported to generate an income in 2012. Strategies pursued included formation and support of savings and loans groups and support for income generation projects in the form of start-up capital and skills training.

Ultimately, each of Trócaire's HIV programmes aims to achieve improved health and quality of life for people who are involved in the programmes. In Central America, 37% of people living with HIV reported good health, up 10% from an original baseline survey. Improvements in the quality of healthcare were noted as a contributory factor (62% evaluated highly the quality of healthcare compared with 22% originally). Partners attributed these improvements to the introduction of scoring cards and patient feedback.

HIV programmes in all countries are working to address stigma, which continues to constitute a significant barrier to prevention, care, treatment and support.

The network of advocacy teams put in place by the programme in Zimbabwe provided a structure for people living with HIV to lobby on challenges they encounter on a daily basis. As a result of the structure, the programme has achieved a dramatic increase in the involvement of people living with HIV (and particularly women living with HIV) on decision-making committees. Tangible results have been achieved. These include access to diagnostic services, access to educational support for children affected by HIV, improvements in the quality of healthcare, a reduction in user fees, and prompt action when drug stock reductions arose. Programme partners used the input from local advocacy teams to develop a Fund Healthcare Campaign. This involved lobbying the Government to allocate sufficient funding to health in the national budget in order to prevent drug stock-outs, staff shortages and address other barriers to treatment and care for people who are living with HIV. Following the campaign, \$300 million was allocated to health, representing just half of what was requested by the Ministry of Health and Child Welfare (MOHCW) but double the initial planned allocation.

In Malawi, research into women's vulnerability to HIV is built in as a programme objective, with a view to producing learning that can be shared and used to influence national policy and practice in Malawi. The National University of Ireland, Galway, undertook a baseline survey for the programme in 2011. In 2012, a research specialist was engaged and collection of data will begin in 2013. The aim of the research is to understand how different programme approaches influence vulnerability to HIV for women and girls. Research methods will be used to gain appreciation of the interventions and changes in these programmes; the outcomes arising from the interventions which contribute to stigma reduction; women's empowerment and changes in societal norms and cultural practices within communities.

A cycle-to-work scheme with a difference

This is a cycle-to-work scheme with a difference. At the Chinyika Clinic in Zimbabwe's Gutu District, Janet pedals until she is under the shade of a tree. Enthusiastic cheers greet her as she dismounts and props her bike against its trunk.

The people gathered at the clinic are there to receive their monthly HIV medication and check-up. As the Community HIV and AIDS Support Agent (CHASA), Janet's role is to support clients while they are at the clinic – offering advice, support and guidance to people living with HIV.

Gutu District is a rural area where villages and communities are spread out over a huge distance. In order to effectively offer support, Janet must travel extensively to meet with people in their homes. This was once a daunting task, one that involved hours spent on foot.



Janet Zinyongo with her bike at the Chinyika Clinic in Zimbabwe's Gutu District

The bicycle, received through Trócaire's Gifts of Change, has changed everything for Janet.

Today, she can cycle from village to village, reducing travelling times to a fraction of what they were. Most importantly, it means that she can now see more clients each day, ensuring they are receiving the support they need.

"People can talk to me," Janet explains. "They feel free to say what is on their minds. I give examples of myself. I say that people should look at me – I have been living positively now for almost ten years, I am happy and I am fit."

Across Zimbabwe, there are many people like Janet who are working to support people living with HIV. The impact they have is restricted by the number of people they can feasibly visit in one day across this vast land.

Through Trócaire's Gifts of Change, people in Ireland have purchased these locally-sourced bicycles for Community HIV and AIDS Support Agents like Janet, allowing them to increase the number of clients seen on a daily basis, making sure that support, guidance and advice is on hand for those who need it most.

A simple gift with an incredible impact.

Institutional support for our work

Our Institutional Funding Unit (IFU) continues to work towards strengthening its own policies and procedures and to grow and diversify Trócaire's institutional funding base over the next few years.

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 allocated to specific projects and programmes overseas and to some of the education, campaigning and policy work that we do in Ireland.

Income from institutional donors in this financial year 2012/2013 amounted to **€34m**. This ensured that we have a strong base of income from a diverse range of sources and are not overly dependent on any one source.

The Irish Government provides generous support to our programmes through its *Programme Funding Scheme* for development programmes and a *Humanitarian Funding Scheme* for emergency projects and programmes. **The total funding received from Irish Aid for the financial year 2012/2013 was €18.5m, with €15.7m of that amount for development programmes.**

From the Department for International Development, (DFID), the total funding received for the financial year 2012/2013 both for development and humanitarian projects came to €5.2m; EU and ECHO funding received was €3.6m.

Home-based activity

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. Trócaire works with people in schools, colleges, parishes and communities throughout the island. We also advocate on behalf of poor people with legislators and politicians at national, UK, EU and international level.

People living in poverty are most vulnerable to the effects of climate change and the organisation actively campaigned on this issue in 2012. In June, Trócaire published new grassroots research in the report, *Shaping Strategies: factors and actors in climate adaptation*. The report coincided with the UN Summit on Sustainable Development in Rio de Janeiro (20-22 June), which was attended by our Executive Director, Justin Kilcullen. The research aimed to support ongoing learning and improvements in our programming response to climate change, as well as providing further evidence to support a just response by policy-makers in Ireland and internationally. The communications team secured media coverage to coincide with

Justin Kilcullen's attendance at the summit and RTÉ was hosted in Kenya, where they aired a number of reports about the impact of climate change and Trócaire's research.

Trócaire was also invited to appear in front of the Oireachtas Committee on the Environment to present the climate research and our recommendations regarding the introduction of a climate change Bill in Ireland.

Our public campaigning towards a strong climate Bill also made progress throughout the year. Members of the Oireachtas Committee on the Environment were targeted with emails and meetings as part of our wider *Up To Us* climate campaign strategy. Trócaire led a volunteer visit to El Salvador in October, which had as a focus the building of a stronger group of *Up to Us* supporters.

Our campaigns team also launched an awareness campaign on the crisis in South Kordofan in Sudan in May. This outreach initiative looked for a clear and strong response from the EU on humanitarian access to the people of the Nuba Mountains. The response by our supporters was very good and emails to politicians were followed by 17 parliamentary questions.

A Trócaire delegation attended the International AIDS Conference 2012 held in Washington from 23 - 27 July. As Chair of the Catholic HIV and AIDS Network (CHAN), staff member Finola Finnan delivered an address to the White House Forum for Faith Leaders focusing on the important role of Catholic agencies in the response to the HIV epidemic.

A new phase of our organisational advocacy campaign on Palestine was launched in September. A new policy report highlighted the issue of EU trade with illegal settlements and our recommendations to Ireland and the European Union. The campaign called on Ireland, the EU and the UK to ban trade from illegal Israeli settlements, and on retailers to stop stocking goods from Israeli settlements. Newstalk and the Sunday Business Post travelled with the communications team to see our work and meet with Israeli and Palestinian partners.

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. **Over the course of the year, our supporters donated €25.3 million.** 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 these resources.

During 2012, our fundraising work included the annual Lenten campaign, as well as the promotion of established fundraising and marketing campaigns.

Lent 2012 focused on the Bar Kawach community in northern Uganda where Trócaire has successfully helped families to rebuild their lives following the civil war. Trócaire hosted a media trip to Uganda for BBC NI and the Mirror newspaper. All local and religious media were also targeted to generate as high a profile as possible for our Lenten campaign.

Trócaire's online section for Lent included some new and improved innovations including the development of education resources for interactive whiteboards in schools. This year, the communications team produced a number of videos specifically to support these resources, which received strong feedback from teachers. The web team also developed individual landing pages to support the new QR code phenomenon whereby people used their smart phones to scan codes placed on Trócaire's Lenten resources to view more information online.

Trad for Trócaire, our community fundraising initiative was re-launched on 4 October in partnership with Comhaltas Ceoltóirí Éireann. The key objective of the campaign is to motivate people, young and old, to organise and attend a traditional music session in their community in aid of Trócaire. Over the summer, Trócaire attended all of the regional and the national fleadh, as well as Electric Picnic, to seek the support of traditional musicians and Comhaltas members. The event was supported by well-known Irish musicians including Phil Coulter and The High Kings. The 2012 campaign saw event pack orders increase by 50% over 2011 and event registrations by approximately 25%.

A communications plan was implemented to support the fundraising team's key *Gifts of Change* campaign. The plan endeavoured to include a justice-focused message that linked back to the gifts in line with our brand identity.

The 50th International Eucharistic Congress took place in Dublin's RDS from the 10-17 June 2012. Trócaire took an exhibition stand for the duration of the event, held workshops in French and in Spanish and had a presence in the designated youth space. The main focus of our engagement was a presentation to almost 1,000 people in the main concert hall. Justin Kilcullen, our Chairman Bishop Kirby, Monsignor Fabio Henao, a Trócaire partner from Colombia, a Trócaire parish volunteer, Aideen D'Arcy and Cardinal Rodriguez Maradiaga (President of *Caritas Internationalis*) spoke. Cardinal Rodriguez also visited Maynooth-based staff.

Throughout the year, a number of newsletters and resources for parishes and faith groups were produced on a variety of topics. During Lent, we also produced our annual liturgical resource which was sent to parishes around the country.

The meeting on 18 June 2012 at Áras an Uachtaráin of Bishop Kirby with Aung San Suu Kyi, at the invitation of President Higgins, was an important recognition of the work Trócaire has undertaken in Myanmar since 1995.

Trócaire's development education team engaged with a number of initiatives, conferences and programmes with the education sector. These included meeting with the Loreto Education Network in relation to supporting them with short courses for students, and discussions with University College, Cork around a relationship in supporting their initial teacher education programme.

Trócaire's education team continued its *Education for a Just World* partnership established with the Centre for Human Rights and Citizenship Education at St Patrick's Teacher Training College, Drumcondra. This collaborative relationship forms an important part of the Centre's work, making significant contributions to research, resource and professional development in the area of global citizenship education in Ireland and beyond.

The partnership is now building on its work to date and in particular was focused in 2012 on completing its resource for first to third class teachers on critical literacy and global citizenship education.

A teacher study visit to Kenya took place in July. Eight teachers from both primary and post-primary level spent 10 days meeting with our partners and visiting Trócaire projects. Two of the teachers will support the writing of Lenten material next year.

Trócaire Together - a pilot programme that aims to make connections between parishes/schools here in Ireland and communities overseas – is being developed in a number of different parishes and schools supported from our Belfast, Maynooth and Cork offices.

4. OUR FINANCES

The results for the year are presented on page 40 in the form of a Statement of Financial Activities in order to comply with the 2005 Statement of Recommended Practice “Accounting by Charities”.

INCOME

Trócaire’s income continues to be impacted by the difficult economic climate in Ireland and abroad but despite this, support for Trócaire’s work continues to meet our expectations.

	28/2/2013	29/2/2012	28/2/2011	28/2/2010
Total Income	€60m	€67m	€63m	€48m

Total Income in the period has decreased by 10%. The income figures in prior periods are greatly enhanced by the phenomenal response by the Irish public to the East Africa Appeal in August 2011, the Pakistan Flood Appeal in August 2010 and the Haiti Earthquake in January 2010. The public income achieved in 2012/13 was in line with expectations.

	28/2/2013	29/2/2012	28/2/2011	28/2/2010
Public Income Unrestricted/Restricted	€25m	€25m	€26m	€28m
Public Income Emergency Response	-	€10m	€11m	€7m
Public Income Total	€25m	€35m	€37m	€35m

Excluding the income raised from emergency responses, our supporters donated €25m in the period. This was an increase of 4% and was raised from the Lenten campaign, Committed Giving campaign, Gifts of Change campaign, bequests, general donations and other fundraising activities.

The organisation secured €34m from institutional donors in support of our work. This represents a 9.7% increase from our 2011/12 levels.

	28/2/2013	29/2/2012	28/2/2011	28/2/2010
Institutional Funding	€34m	€31m	€25m	€12m

Trócaire received €18.5m from Irish Aid in the current financial year. In addition to the Irish Aid Programme Funding scheme, which was €15.7m, we received €2.8 million from Irish Aid towards emergency response. As in previous periods, the Irish Government is Trócaire’s single largest donor.

The second largest donor and showing a significant increase from the previous period is the UK Government with income from DFID of €5.2m.

EXPENDITURE

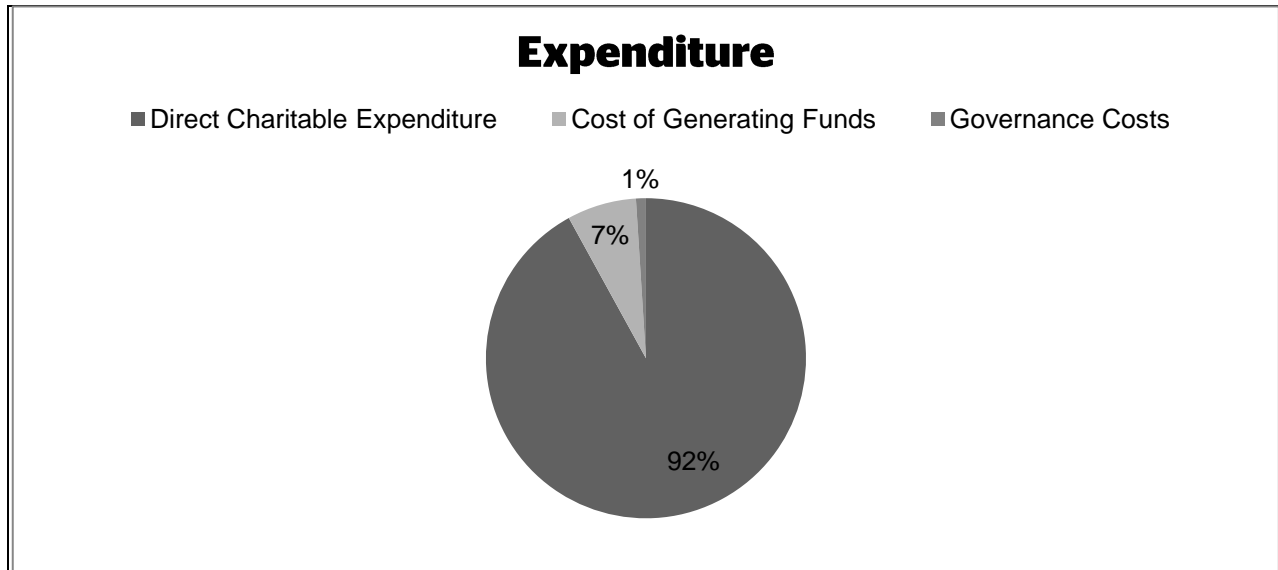
The statement of financial activities shows the analysis of charitable expenditure between charitable activities (overseas development, emergency, recovery and education programmes), cost of generating funds and governance costs. Our total expenditure for the year was €64.7m, representing a 5.4% increase from our 2011/12 levels.

	28/2/2013	29/2/2012	28/2/2011	28/2/2010
Direct Charitable Expenditure	92%	91%	88%	87%
Cost of Generating Funds	7%	8%	11%	12%
Governance Costs	1%	1%	1%	1%

Direct charitable expenditure on programmes amounted to €59.4m, which represents 91.8% of total expenditure and an increase of 5.9% over the prior period. As can be seen in the above chart, Trócaire has increased its Direct Charitable expenditure by 5% since 2010.

Spending on fundraising and publicity expenditure represented 7.5% of total expenditure.

Spending on governance costs represented 0.7% of total expenditure.



The total expenditure set out above includes management and administration costs of €3.7m which represents a 3.6% increase from 2011/12 levels. These costs are apportioned 80% to programme support activities, 10% to communications and education activities and 10% to the cost of generating funds.

FINANCIAL POSITION AND RESERVES POLICY

It is Trócaire's policy to maintain a prudent level of reserves to enable the Charity to manage financial risk and deliver on our commitments and our mandate.

Trócaire's available resources at the end of year were €37m (2012 - €41m). Of the available resources, €20.5m is held for restricted purposes, as the funds were donated for specific areas and activities.

Unrestricted funds of €16.8m (2012 €14m) are held in designated funds. The increase in unrestricted reserves will be used to fund the development programme budget deficit for the periods March 2013 to February 2015.

In managing its unrestricted reserves of €16.8m, 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 28 February 2013 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 €14.5m (2012 - €11.7m). This will be used to fund programmes overseas to further the objectives of the organisation.

The general reserve fund at the end of the year amounted to €1.45m, €1.2m of which is invested in fixed assets and is not available for other uses.

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 country risk.

The interest earned is applied to our work.

The primary mechanism for meeting the objectives is to invest in fixed interest deposit 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.

	28/2/2013	29/2/2012	28/2/2011	28/2/2010
Average Rate of Return	1.8%	2.4%	2.5%	2.1%

The investment return in the current year was in line with expectations, having factored in the rates currently offered by the banking sector.

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

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

5. PLANS FOR FUTURE

In September 2012, Trócaire published *Promoting a Just World: Ireland's EU Council Presidency*, a manifesto outlining what Ireland should do during its Presidency of the EU Council during the first six months of 2013. The Presidency is an opportunity for Ireland to champion development issues within the European Union.

Trócaire's 40th birthday conference took place in Dublin on 21 March 2013. The one-day event was entitled *New Global Policy, Same Local Reality? Ensuring the Voice of the Poor in the Post-2015 Framework*.

2013 will see the launch of the IF campaign, which will bring together all the development agencies across the UK and Ireland to mobilise the public around the issue of hunger and its causes. The IF campaign launched on 23 January 2013 in Belfast; events were also held around the UK Budget and a public event will coincide with the meeting of the G8 leaders in Fermanagh in June 2013.

Trócaire will connect with six dioceses in July 2013 to bring a group of young people to World Youth Day in Rio de Janeiro. The group will take part in the celebration and visit Irish missionary projects in Brazil as part of the experience. The aim is that these young people will then act as ambassadors for Trócaire in their parishes and help strengthen links with diocesan youth structures.

Phase two of the development of the education section of Trócaire's website will aim to ensure it is more user-friendly and accessible for teachers. The development education team will develop an accredited online summer course with St Patrick's Teacher Training College, Drumcondra and will establish a religious education advisory group to support the direction of our development education and religious education at Post-Primary level. A new senior cycle Post-Primary religious education resource on HIV and AIDS, from a Catholic social teaching perspective, will be completed.

Future plans for our programmes in 2013

Results-based management is key to the organisation and requires us to develop effective means of assessing the change we are bringing about in people's lives. Our capacity building will continue in this area in 2013. In 2012, we launched a digital data collection pilot in Malawi to demonstrate how we can use technology to better plan our interventions and measure our progress. Innovative approaches will continue to be tested with our partner organisations, including this use of digital data in livelihoods and ways of assessing attitudes and behaviour in gender and HIV programmes in countries such as Kenya, Uganda, Malawi, Honduras, Nicaragua and Zimbabwe.

In addition, baseline surveys in up to eight of our governance and human rights programmes will be conducted over the coming months. These processes will provide valuable information for the management of our programmes in addition to providing a benchmark against which progress can be measured.

A learning and development programme will be implemented by our strategic impact unit and the programme teams across all 17 countries where we work in 2013. This initiative aims to improve the skills of staff, in the area of programme design, implementation, monitoring and evaluation.

Livelihoods and sustainable development

In 2012, Trócaire published the research *Shaping Strategies: Factors and Actors in Climate Change Adaptation* and the policy discussion paper *Food Security, Poverty Reduction and Climate Change*. Key follow-on work in 2013 will aim to support and promote a greater focus on the environment in our programmes over the coming years. To this end, a Sustainable Agriculture Adviser has been hired to lead this body of work and to support an integrated water management initiative which will be piloted in Malawi. Our environmental justice and sustainable livelihoods policy and advocacy strategy in 2013 will reflect the synergies between the issues of food security, poverty and climate change.

The Irish Government's Heads of Bill on domestic climate change does not contain targets on emission reduction. In response to this, we will step up our engagement with Oireachtas members and the general public on the issue through our own work and through the *Stop Climate Chaos* coalition and the Irish Climate Justice Group.

Access to land and clean water for people that we work with in the developing world is a core priority. Trócaire has applied to become a member of International Land Coalition and will develop a resource right policy to guide our work in this area. We will be pro-actively engaging and developing a body of policy, advocacy and campaign work on biofuels in 2013.

Gender and HIV work

Gender remains as a key organisational priority both at an institutional level and within programmes. An organisation-wide gender audit is planned in 2013 to assess progress in implementing gender-sensitive policy and programming since the first organisational audit was completed in 2008. Regional audits will be finalised in Central Africa and plans will be developed to respond to gaps in knowledge and practice related to gender in country offices.

At a policy level, Trócaire will continue to promote gender equality internationally. In March 2013, Trócaire was represented at the Commission on the Status of Women as part of the Irish delegation. We showcased the Catholic Church's response to the issue of gender-based violence in Uganda and partners' work on legal aid in Sierra Leone at two separate side events. Policy engagement on women in decision-making will be explored during an exposure visit by Board members Monica McWilliams and Sr Geraldine Henry to the Democratic Republic of Congo and Uganda in June 2013.

A development education resource on HIV will be finalised and tested in secondary schools in autumn. The resource will be targeted at Transition Year students.

In 2013, Trócaire will continue to advance research on HIV and Gender working alongside Reach Trust in Malawi and the Global Women's Studies Centre in Galway to assess strategies to reduce women's vulnerability to HIV. Qualitative data collection commenced in March 2013 and will provide data on attitudes and behaviours related to cultural and sexual practices, high-risk behaviour, masculinity and gender norms. Ongoing collection of data will continue in communities over 2013.

Governance and human rights

A three-year multi-country research project also commenced in 2012 across gender and governance programmes, with the aim of deepening Trócaire's and its partners' understanding of factors that support women's participation in decision-making, particularly at community level. In 2013, partners in Nicaragua and the Democratic Republic of Congo will be supported to agree potential questions and to learn, trial and adapt participatory ways of gathering data on women's experiences of participation. A third country will be identified by the end of 2013.

Further research is due to be completed in 2013 on decentralisation to local government in a number of countries and the opportunities this presents for public engagement. Decentralisation brings government closer to communities and has significant potential to increase transparency and accountability. Findings will be integrated into programmes in several countries.

Humanitarian programme

In 2013, Trócaire will provide ongoing support to three major humanitarian interventions in conflict-affected areas where our Church and civil society partners have access to vulnerable communities and where many other humanitarian actors do not - Kachin State in Myanmar, South Kordofan in Sudan and Gedo Region of Somalia. Trócaire will also continue to deliver on its humanitarian mandate to meet the needs of crisis-affected populations across its 17 programme countries and beyond.

REPORT OF THE TRUSTEES

The humanitarian programme will work with the strategic impact unit to adapt the results-based management approach for humanitarian programming in a way that facilitates the delivery of principled and timely programmes. This will be fundamental to ensuring: the quality of our programming, the requisite levels of accountability to communities, partners, supporters and donors and to enabling Trócaire to continue to access significant levels of funding from our major donor, Irish Aid.

A strategic planning exercise will be completed which is designed to bring greater strategic focus to the programme to meet its three-year deliverables and annual milestones.

The Humanitarian Protection Policy and Strategy will be completed, field tested and piloted. Similarly our contingency planning guidelines will be completed mid-year and rolled out across the organisation, prioritising those programme countries that face the most serious threats and hazards.

Trócaire has adopted a *Stakeholder Accountability Framework* in 2013 which was developed initially in the humanitarian programme. This is an explicit and public statement of Trócaire's accountability commitments to all our stakeholders and has application across the organisation, in our work at home and overseas. It is an integral part of the organisation's drive for increased quality and accountability, in particular in relation to international programme work and partnerships.

SIGNED ON BEHALF OF THE TRUSTEES:

Cardinal Sean Brady)	
Archbishop Dermot Clifford)	Trustees

Date: 28/06/2013

INDEPENDENT REPORT OF THE AUDITORS TO THE TRUSTEES OF TRÓCAIRE

We have audited the financial statements of Trócaire on pages 40 to 60, 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 7, 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.

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 28 February 2013 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 35 is consistent with the financial statements.

Signed: Sharon Gallen

For and on behalf of:

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

Date: 28/06/2013

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 reviews the restricted income funds on an annual basis. Where restricted funds remain unspent three years following receipt and the Board considers 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 adjustments. All Gifts of Change and major donor campaign income is allocated to the 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% to the Development and Emergency Programme Fund, 20% to the Communications and Education Fund (including 10% to Fundraising and Publicity).

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 has 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.

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28 FEBRUARY 2013**

		Unrestricted funds	Restricted funds	Total 2013	Total 2012
	Note	€'000	€'000	€'000	€'000
<u>Incoming resources</u>					
Incoming resources from generating funds:					
Lenten Campaign		5,749	2,917	8,666	8,468
Voluntary income, excluding Lenten campaign		12,085	4,560	16,645	26,326
Investment income		752	179	931	1,228
Incoming resources from charitable activities:					
Government and institutional funding		-	34,031	34,031	30,943
Total incoming resources	1	18,586	41,687	60,273	66,965
<u>Resources expended</u>					
Costs of generating funds:					
Fundraising and publicity	3	(4,161)	(695)	(4,856)	(4,887)
Direct charitable expenditure	4	(12,236)	(47,173)	(59,409)	(56,088)
Governance costs	5	(412)	(23)	(435)	(416)
Total resources expended		(16,809)	(47,891)	(64,700)	(61,391)
Net incoming resources for year		1,777	(6,204)	(4,427)	5,574
Transfer between funds during the year	15/16	531	(531)	-	-
Net movement in funds		2,308	(6,735)	(4,427)	5,574
Fund balances at beginning of year		13,956	27,467	41,423	35,991
Currency translation loss		-	(213)	(213)	(4)
Actuarial gain (loss)	22	561	-	561	(138)
Fund balances at end of year	15/16	16,825	20,519	37,344	41,423

All income and expenditure arises from continuing operations.

The financial statements were approved and authorised for issue by the Trustees on 28/06/2013 and signed on its behalf by:

Cardinal Sean Brady)	Trustees
Archbishop Dermot Clifford)	

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 28 FEBRUARY 2013**

	2013 €'000	2012 €'000
Net movement in funds	(4,427)	5,574
Actuarial gain (loss) on defined benefit pension scheme	561	(138)
	-----	-----
TOTAL MOVEMENT IN FUNDS FOR THE PERIOD	(3,866)	5,436
	=====	=====

**RECONCILIATION OF MOVEMENT IN FUNDS
FOR THE YEAR ENDED 28 FEBRUARY 2013**

	2013 €'000	2012 €'000
Net movement in funds	(4,427)	5,574
Actuarial gain (loss) for the year	561	(138)
Currency translation loss	(213)	(4)
Opening funds	41,423	35,991
	-----	-----
CLOSING FUNDS	37,344	41,423
	=====	=====

CONSOLIDATED BALANCE SHEET AS AT 28 FEBRUARY 2013

	Note	2013 €'000	2012 €'000
FIXED ASSETS			
Tangible fixed assets	7	1,025	1,218
Less: Government grants	8	(72)	(73)
		----- 953	----- 1,145
CURRENT ASSETS			
Debtors	9	3,102	2,648
Cash at bank and on short-term deposit		45,630	51,222
Short-term investments	10	1	1
		----- 48,733	----- 53,871
CREDITORS (Amounts falling due within one year)			
Approved programme allocations	11	(5,734)	(6,904)
Creditors and accruals	12	(3,741)	(3,055)
		----- (9,475)	----- (9,959)
NET CURRENT ASSETS		----- 39,258	----- 43,912
CREDITORS (Amounts falling due after one year)	12	(296)	(502)
RETIREMENT BENEFIT SCHEME DEFICIT	22	(2,571)	(3,132)
TOTAL NET ASSETS	14	----- 37,344 =====	----- 41,423 =====
INCOME FUNDS			
Restricted funds	15	20,519	27,467
Unrestricted funds	16	16,825	13,956
TOTAL FUNDS		----- 37,344 =====	----- 41,423 =====

The financial statements were approved and authorised for issue by the Trustees on 28/06/2013 and signed on its behalf by:

Cardinal Sean Brady)

Archbishop Dermot Clifford)

Trustees

TRUST BALANCE SHEET AS AT 28 FEBRUARY 2013

	Note	2013 €'000	2012 €'000
FIXED ASSETS			
Tangible fixed assets	7	538	712
		-----	-----
CURRENT ASSETS			
Debtors	9	6,799	4,570
Cash at bank and on short-term deposit		32,572	39,703
Short-term investments	10	1	1
		-----	-----
		39,372	44,274
		-----	-----
CREDITORS (Amounts falling due within one year)			
Approved programme allocations	11	(5,734)	(6,904)
Creditors and accruals	12	(3,708)	(3,028)
		-----	-----
		(9,442)	(9,932)
		-----	-----
NET CURRENT ASSETS		29,930	34,342
		-----	-----
CREDITORS (Amounts falling due after one year)	12	(296)	(502)
RETIREMENT BENEFIT SCHEME DEFICIT	22	(2,571)	(3,132)
		-----	-----
TOTAL NET ASSETS		27,601	31,420
		=====	=====
INCOME FUNDS			
Restricted funds		12,787	19,475
Unrestricted funds		14,814	11,945
		-----	-----
TOTAL FUNDS		27,601	31,420
		=====	=====

The financial statements were approved and authorised for issue by the Trustees on 28/06/2013 and signed on its behalf by:

Cardinal Sean Brady)	Trustees
Archbishop Dermot Clifford)	

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2013

	Note	2013 €'000	2012 €'000
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES	17	(6,426)	3,679
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	18	931	1,228
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	18	(97)	-
(DECREASE) INCREASE IN CASH	19	(5,592)	4,907
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
(DECREASE) INCREASE IN CASH IN THE YEAR	19	(5,592)	4,907
MOVEMENTS ON INVESTMENTS	19	-	(77)
CHANGE IN NET FUNDS DURING THE YEAR		(5,592)	4,830
NET CASH FUNDS AT START OF YEAR	19	51,223	46,393
NET CASH FUNDS AT END OF YEAR	19	45,631	51,223

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2013**

1. TOTAL INCOMING RESOURCES	Unrestricted funds	Restricted funds	Total 2013	Total 2012
1.1 INCOME FROM THE PUBLIC	€'000	€'000	€'000	€'000
General donations and bequests	10,986	3,684	14,670	13,864
Lenten Campaign	5,749	2,917	8,666	8,468
Gifts of Change Campaign	1,099	609	1,708	1,819
Specified income	-	267	267	10,643
	=====	=====	=====	=====
Total income from the public	17,834	7,477	25,311	34,794
	=====	=====	=====	=====
1.2 INSTITUTIONAL FUNDING				
Irish Aid	-	18,464	18,464	18,532
EU and ECHO	-	3,620	3,620	2,812
DFID	-	5,244	5,244	1,658
	-----	-----	-----	-----
	-	27,328	27,328	23,002
	-----	-----	-----	-----
Contributions from agencies and groups:				
Bank of Ireland Employees Fund	-	45	45	75
Big Lottery Fund	-	95	95	5
Broederlijk	-	-	-	168
CAFOD	-	534	534	964
Caritas Austria	-	280	280	289
Caritas Australia	-	1,359	1,359	773
Caritas New Zealand	-	107	107	151
Caritas Czech	-	-	-	138
Caritas Italy	-	150	150	100
Caritas Japan	-	-	-	7
Caritas Slovenia	-	-	-	32
Caritas Slovakia	-	-	-	20
Caritas Spain	-	300	300	-
Caritas Switzerland	-	64	64	418
Comic Relief	-	1,501	1,501	527
Concern	-	200	200	-
Cordaí	-	-	-	239
Catholic Relief Services	-	38	38	66
Dan Church Aid	-	-	-	8
Daughters of Charity	-	1	1	-
Development and Peace	-	66	66	729
Electric Aid	-	87	87	87
Fisher Foundation	-	2	2	3
Food & Agriculture Organisation	-	48	48	12
Gorta	-	-	-	444
Human Dignity Foundation	-	75	75	81
International Organisation for Migration	-	17	17	58
Isle of Man Overseas Aid Committee	-	33	33	-
Mecanismo de Apoio a Sociedade Civil	-	-	-	161
MISEREOR	-	272	272	502
New Zealand Aid	-	-	-	132
NIPSA	-	12	12	17
Norwegian Church Aid	-	15	15	76
Open Society Initiative for Southern Africa	-	-	-	12
Oxfam Australia	-	-	-	70
Partner MDG	-	35	35	37
SCIAF	-	203	203	685
Secours Catholique	-	729	729	475
Society of Saint Vincent de Paul	-	74	74	100
UN	-	7	7	-
Unicef	-	354	354	280
	-----	-----	-----	-----
	-	6,703	6,703	7,941
	-----	-----	-----	-----
Total Institutional Funding	-	34,031	34,031	30,943
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

1. TOTAL INCOMING RESOURCES (CONTINUED)

	Unrestricted funds €'000	Restricted funds €'000	Total 2013 €'000	Total 2012 €'000
1.3 OTHER INCOME				
Deposit and investment income	752	179	931	1,228
TOTAL INCOMING RESOURCES	18,586	41,687	60,273	66,965

2. SCHEDULE OF ALLOCATION OF FUNDS

	Unrestricted funds €'000	Restricted funds €'000	Total 2013 €'000	Total 2012 €'000
Total income	18,586	41,687	60,273	66,965
Governance costs	(412)	(23)	(435)	(416)
DISPOSABLE INCOME	18,174	41,664	59,838	66,549
Allocated as follows:				
Items for specific funds and programmes	-	461	461	10,695
Institutional Funding	-	34,031	34,031	30,943
Other: Northern Ireland	-	7,172	7,172	4,797
Development Programme Fund	13,108	-	13,108	14,454
Communications and Education Fund	3,377	-	3,377	3,773
Emergency Programme Fund	1,689	-	1,689	1,887
INCOME FOR DISTRIBUTION	18,174	41,664	59,838	66,549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

3. FUNDRAISING AND PUBLICITY COSTS

	2013 €'000	2012 €'000
Advertising and publicity	1,318	1,497
Committed Giving campaign	389	374
24-Hour Fast	84	327
Lenten campaign	1,594	1,201
Salaries and other staff costs	1,104	1,133
Management and Administration (Note 5.2)	367	355
	-----	-----
	4,856	4,887
	=====	=====

4. DIRECT CHARITABLE EXPENDITURE

Direct charitable expenditure represents 91.8 per cent (2012: 91.4 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:

	2013 €'000	2012 €'000
Overseas programme	40,929	39,317
Communications and education programmes	3,100	3,025
Programme support costs	15,380	13,746
	-----	-----
	59,409	56,088
	=====	=====

4.1 Overseas Programme Expenditure

	2013 €'000	2012 €'000
Development	25,735	22,582
Emergency and Rehabilitation	15,194	16,735
	-----	-----
	40,929	39,317
	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

4. DIRECT CHARITABLE EXPENDITURE - CONTINUED

4.2 Communications and education programmes

	2013 €'000	2012 €'000
Salaries and other staff costs	1,732	1,558
Travel	153	129
Training	17	10
Campaigns	21	29
Web-related costs	50	79
Strategic partnerships	401	458
Media consultants	49	26
Resource production and distribution	205	251
Other costs	130	156
Management and administration (note 5.2)	342	329
	-----	-----
	3,100	3,025
	=====	=====

4.3 Programme Support Costs

	2013 €'000	2012 €'000
Salaries and other staff costs	2,972	2,557
Training	65	63
Telephone, postage, stationery and printing	47	40
Domestic travel	239	227
Professional fees	148	218
Office and computer maintenance	13	7
Miscellaneous	23	9
Exchange loss	67	47
Strategic partnerships	5	-
Campaigns	3	3
National and international co-operation	209	203
Publication and education resources	-	2
Programme quality and monitoring	169	184
Management and administration (Note 5.2)	2,965	2,862
Field office capital purchases	55	-
Other costs	462	97
<u>Regional Offices:</u>		
Horn and East Africa	2,096	1,358
Southern Africa	1,619	1,777
Latin America	1,321	1,351
Central and West Africa	1,550	1,367
Asia	1,352	1,374
	-----	-----
	15,380	13,746
	=====	=====

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	2013	2012
		€'000	€'000
	Salaries and other staff costs	367	350
	Auditors' remuneration – audit services	61	57
	Auditors' remuneration – non-audit services	7	9
		-----	-----
		435	416
		=====	=====

5.2	Management and Administration	2013	2012
		€'000	€'000
	Salaries and other staff costs	2,051	1,707
	Travel	50	124
	Insurance	43	38
	Office rent	392	393
	Office maintenance and repairs	116	120
	Light and heat	7	6
	Postage and stationery	71	75
	IT costs	187	248
	Bank charges	118	152
	Professional fees	285	116
	Miscellaneous	18	17
	Depreciation	286	523
	Training	46	17
	Loss on disposals of fixed assets	4	10
		-----	-----
		3,674	3,546
		=====	=====

Analysed as follows:	2013	2012
	€'000	€'000
Programme Support Costs (Note 4.3)	2,965	2,862
Fundraising and Publicity Costs (Note 3)	367	355
Communication and Education Programmes (Note 4.2)	342	329
	-----	-----
	3,674	3,546
	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. STAFF COSTS

The average number of employees in Ireland and overseas during the financial year was 423 (2012: 414).

The full staff profile is as follows:

	2013	2012
Trustees and Board	19	20
Management and support staff in Ireland	147	137
Programme staff in countries of operation	257	257
	-----	-----
	423	414
	=====	=====

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

	2013 €'000	2012 €'000
Wages and salaries	10,382	9,359
Social welfare costs	798	736
Pension costs	1,227	1,129
	-----	-----
	12,407	11,224
	=====	=====

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 (2012: € nil).

The number of employees whose remuneration was greater than €90,000 to whom retirement benefits were accruing under a defined benefit scheme is 4 (2012:2) as follows:

Salary Range	2013	2012
€90,000 to €105,000	2	-
€105,001 to €120,000	1	1
€135,001 to €150,000	1	1
	---	---
	4	2
	==	==

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

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 2012	866	2,204	59	712	6	3,847
Additions	3	84	26	-	-	113
Disposals	-	(3)	(29)	-	-	(32)
Exchange difference	(4)	(1)	-	(9)	-	(14)
	-----	-----	-----	-----	-----	-----
Balance 28 February 2013	865	2,284	56	703	6	3,914
	-----	-----	-----	-----	-----	-----
DEPRECIATION:						
Balance 1 March 2012	622	1,977	26	-	4	2,629
Charge for year	35	240	10	-	1	286
Disposals	-	(2)	(20)	-	-	(22)
Exchange difference	(3)	(1)	-	-	-	(4)
	-----	-----	-----	-----	-----	-----
Balance 28 February 2013	654	2,214	16	-	5	2,889
	-----	-----	-----	-----	-----	-----
NET BOOK VALUE						
At 29 February 2012	244	227	33	712	2	1,218
	=====	=====	=====	=====	=====	=====
At 28 February 2013	211	70	40	703	1	1,025
	=====	=====	=====	=====	=====	=====

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 28 February 2013 is made up as follows:

	Trust €'000	Subsidiaries €'000	Total €'000
Leasehold property	1	-	1
Freehold property	263	440	703
Motor vehicles	40	-	40
Computer installation	67	3	70
Fixtures, fittings and equipment	167	44	211
	-----	-----	-----
	538	487	1,025
	=====	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. GOVERNMENT GRANTS

	Group		Trust	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Opening balance	73	73	-	-
Exchange difference	(1)	-	-	-
	-----	-----	-----	-----
Closing balance	72	73	-	-
	=====	=====	=====	=====

9. DEBTORS

	Group		Trust	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Amounts falling due within one year				
Amounts due from subsidiary undertaking:				
Trocaire (Northern Ireland)	-	-	3,383	1,641
Tax refundable	863	1,179	740	1,037
Deposit income accrued	152	122	152	122
Advertising pre-paid	862	740	862	740
Other debtors and pre-payments	1,225	607	1,184	552
	-----	-----	-----	-----
	3,102	2,648	6,321	4,092
Amounts falling due after one year				
Amounts due from subsidiary undertaking:				
Trocaire (Northern Ireland)	-	-	478	478
	-----	-----	-----	-----
	3,102	2,648	6,799	4,570
	=====	=====	=====	=====

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. SHORT-TERM INVESTMENTS

	2013 €'000	2012 €'000
Market value at 1 March 2011	1	78
Realised gain on Disposal	-	3
Proceeds on Disposal	-	(80)
	-----	-----
Market value at 28 February 2013	1	1
	=====	=====
Historical cost	1	1
	=====	=====

Investments on hand at 28 February 2013 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	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Amounts falling due within one year:				
Trade creditors and accruals	3,313	2,662	3,280	2,635
Payroll taxes	224	194	224	194
Bank loan (note 13)	204	199	204	199
	-----	-----	-----	-----
	3,741	3,055	3,708	3,028
	=====	=====	=====	=====
Amounts falling due after one year:				
Bank loan (note 13)	296	502	296	502
	-----	-----	-----	-----
	4,037	3,557	4,004	3,530
	=====	=====	=====	=====

13. BANK LOAN

The bank loan is unsecured and repayable as follows:

	2013 €'000	2012 €'000
Bank loan within one year	204	199
Bank loan from one to two years	208	205
Bank loan from two to five years	88	297
	-----	-----
	500	701
	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds €'000	Restricted funds €'000	Total 2013 €'000	Total 2012 €'000
Tangible fixed assets	953	-	953	1,145
Net assets, after Retirement Benefit Scheme Deficit	15,872	20,519	36,391	40,278
	-----	-----	-----	-----
	16,825	20,519	37,344	41,423
	=====	=====	=====	=====

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

15. RESTRICTED FUNDS

	Balance at beginning of year	Incoming resources	Exchange differences and transfers between funds	Resources expended	Balance at end of year
	€'000	€'000	€'000	€'000	€'000
Development Programme	473	30,581	603	(30,850)	807
Communications and Education	57	-	-	(57)	-
Emergency	636	3,642	(112)	(3,360)	806
Other: Northern Ireland	5,308	7,172	(1,203)	(7,489)	3,788
Specific funds:					
Africa – East Africa	8,458	97	(6)	(3,619)	4,930
Africa – South Sudan	1,806	42	(11)	(329)	1,508
Sahel Region	-	92	-	(84)	8
Pakistan	5,940	1	(9)	(721)	5,211
Haiti	4,776	15	(6)	(1,346)	3,439
Other	13	22	-	(13)	22
	<u>27,467</u>	<u>41,664</u>	<u>(744)</u>	<u>(47,868)</u>	<u>20,519</u>

During the year, €531k was transferred from restricted to unrestricted funds, representing administration support received from institutional donors which can be used to fund the management and administration activities of the organisation and is expended through the Development Programme designated fund.

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 €3.4m on the Haiti fund and €5.2m on the Pakistan fund and €4.9m 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	11,656	13,108	(4,228)	(6,011)	14,525
Communications and Education	500	3,377	4,504	(7,881)	500
Emergency	350	1,689	255	(1,944)	350
	12,506	18,174	531	(15,836)	15,375
General Fund	1,450	-	-	-	1,450
	13,956	18,174	531	(15,836)	16,825

(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

	2013 €'000	2012 €'000
Net (outgoing) incoming resources for year	(4,427)	5,574
Depreciation	286	523
Interest and investment income receivable	(931)	(1,228)
Increase in debtors	(455)	(99)
Decrease in creditors	(690)	(1,094)
Loss on disposal of fixed assets	4	10
Profit on disposal of short-term investments	-	(3)
Exchange (loss)	(213)	(4)
Net cash (outflow) inflow from operating activities	(6,426)	3,679

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

	2013 €'000	2012 €'000
Deposit and investment income interest received	931	1,228
	=====	=====

18.2 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013 €'000	2012 €'000
Payment to acquire tangible fixed assets	(113)	(80)
Proceeds from disposal of fixed assets	16	-
Proceeds from sale of short-term investments	-	80
	-----	-----
	(97)	-
	=====	=====

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 March 2012 €'000	Cash flows €'000	28 February 2013 €'000
Cash at bank and on short-term deposit	51,222	(5,592)	45,630
Current asset investments	1	-	1
	-----	-----	-----
	51,223	(5,592)	45,631
	=====	=====	=====

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£11.7m and expended Stg£11.7m in direct charitable expenditure, Stg£19k on governance costs and Stg£65k on fundraising and publicity costs during the year under review. It had funds of Stg£8.4m at 28 February 2013.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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 (2010) and has been updated by the actuary to 28 February 2013 so as to comply with the requirements of FRS 17 in order to assess the liabilities of the scheme at 28 February 2013.

Amounts recognised in the balance sheet:	2013 €'000	2012 €'000
Present value of funded obligations	14,490	15,300
Fair value of plan assets	(11,919)	(12,168)
	-----	-----
Deficit	2,571	3,132
Related deferred tax asset	-	-
	-----	-----
Net liability	2,571	3,132
	=====	=====
Amounts in the balance sheet		
Liabilities	2,571	3,132
Assets	-	-
	-----	-----
Net liability	2,571	3,132
	=====	=====

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

	2013 €'000	2012 €'000
Current service cost	490	486
Interest on obligations	741	716
Expected return on plan assets	(645)	(621)
	-----	-----
Total cost recognised	586	581
	=====	=====
Actual return less expected return on plan assets	1,021	(93)
	=====	=====

Changes in present value of defined benefit obligation

	2013 €'000	2012 €'000
Opening defined benefit obligation	15,300	14,017
Service cost	490	486
Interest cost	741	716
Contributions by plan participants	144	148
Actuarial gain arising from experience being different than expected	(1,674)	(530)
Actuarial loss arising from change in liability valuation assumptions	1,966	466
Benefits paid	(2,477)	(3)
	-----	-----
Closing defined benefit obligation	14,490	15,300
	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

22. PENSIONS (CONTINUED)

Changes in the fair value of plan assets

	2013 €'000	2012 €'000
Opening fair value of plan assets	12,168	11,023
Expected return	645	621
Actuarial gains/(losses)	376	(714)
Contributions by plan participants	144	148
Contributions by employer	1,063	1,093
Benefits paid	(2,477)	(3)
	-----	-----
Closing fair value of plan assets	11,919	12,168
	=====	=====

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

	2013 %	2012 %
Equities	51.70	63.00
Fixed interest	41.00	32.00
Property	0.70	2.00
Cash	6.60	3.00

Principal actuarial assumptions at the balance sheet date:

	2013 %	2012 %
Discount rate	4.75	4.75
Expected return on plan assets	4.20	5.25
Future pensionable salary increases	3.00	3.00
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:

	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Defined benefit obligation	(14,490)	(15,300)	(14,017)	(13,667)	(12,859)
Fair value of plan assets	11,919	12,168	11,023	8,895	5,740
	-----	-----	-----	-----	-----
Deficit in the plan	(2,571)	(3,132)	(2,994)	(4,772)	(7,119)
	=====	=====	=====	=====	=====
Experience adjustment on plan liabilities	1,674	530	964	564	80
Experience adjustment on plan assets	376	(714)	422	1,760	(3,719)
Extra Company Contributions	477	512	392	-	-
Changes in assumptions	(1,966)	(466)	-	(92)	290
	-----	-----	-----	-----	-----
Total actuarial (loss)/gain recognised in STRGL	561	(138)	1,778	2,232	(3,349)
	=====	=====	=====	=====	=====

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 €1,227,377 (2012: €1,129,396). A provision of €635,171 (2012: €363,165) is included in accruals, being outstanding contributions.

**SUPPLEMENTARY INFORMATION:
ANALYSIS OF GENERAL INCOMING RESOURCES
FOR THE YEAR ENDED 28 FEBRUARY 2013
(NOT COVERED BY THE REPORT OF THE AUDITORS)**

	2013 €'000	2012 €'000
GENERAL DONATIONS AND BEQUESTS		
General donations	10,502	11,477
Bequests	4,168	2,387
	-----	-----
	14,670	13,864
	=====	=====
LENTEN AND GIFTS OF CHANGE CAMPAIGN		
Lenten Campaign:		
Diocesan Returns	5,772	5,827
Dublin Schools	454	516
Donations - Dublin	313	417
Donations - Outside Dublin	2,127	1,708
Gifts of Change Campaign	1,708	1,819
	-----	-----
	10,374	10,287
	=====	=====
DEPOSIT AND INVESTMENT INCOME		
Deposit income	931	1,228
	-----	-----
	931	1,228
	=====	=====

PHOTO CREDITS

Cover:

Ambika (9), Odisha, India

Jeannie O'Brien

P15:

Mechu Dayo tending her crops in Ethiopia

Tamiru Legesse

P18:

Hari Paraja, Odisha, India

Jeannie O'Brien

P20:

Samir (9) at the Qab Elials camp in Lebanon's Bekka Valley

Eoghan Rice

P23:

Baby delivered by Vicenta Cac Jimenez in Guatemala

Jeannie O'Brien

P26:

Janet Zinyongo at the Chinyika Clinic, Zimbabwe

Deirdre Ní Cheallaigh