

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2011**

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011**

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Board of Trustees

Mr. Peter Cassells (Chairperson)
Ms. Teresa Harrington
Ms. Margaret Pilkington
Mr. Fintan Lonergan
Mr. James Beale (ActionAid International representative)
Mr. Rodney Rice

Solicitors

Mc Grath & Mc Grane
Suite 323
Mary's Abbey
Dublin 1

Bankers

Bank of Ireland
5 Lower O'Connell Street
Dublin 1

Auditors

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

CEO

Olga Mc Donogh

Registered Office

16-17 Lower O'Connell Street
Dublin 1

Secretary

Olga Mc Donogh

Revenue Commissioners Charity Number

CHY6888

Company's Registered Number

95403



ActionAid Ireland has signed the Dochas Code of Conduct on Images and Messages.

ActionAid Ireland adheres to the Irish Development NGO code of Corporate Governance.

Commitment to Standards in Fundraising Practice

ActionAid Ireland is fully committed to achieving the standards contained within the *Statement of Guiding Principles for Fundraising*.

The *statement* exists to:

- Improve fundraising practice
- Promote high levels of accountability and transparency by organisations fundraising from the public
- Promote clarity and assurance to donors and prospective donors about the organisations they support.

We ActionAid Ireland have considered the Statement and believe we meet the standards it sets out.

We welcome your feedback on our performance.

**ACTIONAID IRELAND
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REPORT OF THE BOARD OF TRUSTEES

Constitution and Objects

ActionAid Ireland is an Irish charity, registered in 1983 as a company limited by guarantee. Its stated objects are “to promote the relief of poverty and distress in any manner which now or hereafter may be deemed to be charitable by law in any part of the world and for such other ancillary charitable purposes as the Trustees may determine.” It is the Irish affiliate of ActionAid International, which was established in December 2003.

Our Vision

A world without poverty and injustice in which every person enjoys their right to a life of dignity.

Our Mission

To work with poor and excluded people to eradicate poverty and injustice.

Our Values

Mutual respect requiring us to recognise the innate worth of all people and the value of diversity.

Equity and justice requiring us to work to ensure equal opportunity to everyone, irrespective of race, age, sex, sexual orientation, HIV status, colour, class, ethnicity, disability, location and religion.

Honesty and transparency being accountable at all levels for the effectiveness of our actions and open in our judgments and communications with others.

Solidarity with the poor, powerless and excluded will be the only bias in our commitment to the fight against poverty.

Courage of conviction requiring us to be creative and radical, bold and innovative – without fear of failure – in pursuit of making the greatest possible impact on the causes of poverty.

Independence from any religious or party-political affiliation.

Humility in our presentation and behaviour, recognising that we are part of a wider alliance against poverty.

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REPORT OF THE BOARD OF TRUSTEES – CONTINUED...

Structure, Governance and Management

Board of Trustees

ActionAid Ireland is governed by a Board of Trustees whose principal responsibilities are the setting and monitoring of the strategic direction of the organisation, monitoring compliance and the establishment of policy. The Trustees are directors for the purpose of company law. The Board of Trustees meets regularly and delegates the day-to-day operation of the organisation to the CEO and staff. New Trustees join the Board at the invitation of the Board for a fixed period and are chosen to ensure that the Board has an appropriate balance of experience relevant to the operations of ActionAid Ireland. The ActionAid Ireland Governance manual sets out the key guiding principles for the overall Governance of the organisation. A list of current Trustees is given on page 1. The Annual General Meeting will be held on March 29th 2012.

Induction and Training of Trustees

On appointment, new Trustees are given an induction programme and a reference manual to familiarise themselves with the work of ActionAid Ireland and their role. Training requirements are reviewed on an annual basis.

Staff and Management

There are a total of six staff members in ActionAid Ireland, five full-time and one part-time. The Senior Management team comprises the CEO, the Finance Manager, the Programme Manager and the Fundraising and Communications Manager. The Supporter Services coordinator is responsible for the administration of all sponsorship records and ensuring timely and efficient communications with our supporters. The office Administrator is responsible for managing the office and for the administration of the tax recovery scheme.

Organisation

The ActionAid Ireland strategy 2007-2011 identifies the main thematic and geographic areas of work for the organisation over the five year period. The principal thematic areas of work which we support are Women's Rights and Education. The priority areas of work as outlined in the strategy are Programme, Advocacy, Fundraising, Financial Management, Organisational Development and Governance.

In September 2011, ActionAid Ireland carried out a review of its strategy. The findings were very positive on the work completed in the five year period and the recommendations focused on how we can further strengthen and improve work in specific areas over the next five year strategy period. In particular the review recommended that we engage more closely with supporters and donors to demonstrate to them what we have achieved as a result of the programme work funded via ActionAid Ireland and the impact that their support is having on the people and communities with whom we work. Improved levels of engagement and accountability to all supporters and donors will be a key focus of our new strategic plan 2012-2017 which is due for approval by the Board in early 2012.

ActionAid Ireland's programme of support to overseas development was focused on six countries in 2011. Kenya and Uganda in Africa and Nepal, Vietnam and Cambodia in Asia received support for programmes funded via child and community sponsorship. The funding received from Irish Aid supported programme work in Kenya, Malawi, Nepal and Vietnam. The programmes in Africa and Asia are managed on a day-to-day basis by the country Directors and staff of each country programme who in turn report to the ActionAid International Africa and Asia Directors respectively.

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REPORT OF THE BOARD OF TRUSTEES – CONTINUED...

ActionAid International

ActionAid Ireland is a founding affiliate of ActionAid International and is represented at the General Assembly by the chairperson of the ActionAid Ireland Board. During 2011, ActionAid Ireland actively participated in the development of the ActionAid International strategy. The new Strategy ‘People’s Action to End Poverty’ (2012-2017) was approved by the General Assembly in July 2011 and ActionAid Ireland is developing its new strategy in the context of the new International strategy.

ActionAid International has a two-tier governance structure composed of:

- An assembly, meeting once a year, consisting of affiliate and associate members that are responsible for the strategic governance of ActionAid International.
- A Board, consisting of independent Trustees elected by the assembly and responsible for the ongoing and effective decision-making and oversight of the international secretariat. The Board meets three to four times a year.

Objectives and Activities

ActionAid Ireland works with the poorest and most disadvantaged people in the world to address the root causes of their poverty and improve the quality of their lives. It seeks to achieve this objective in two main ways:

Firstly, it aims to tackle the causes and effects of poverty by supporting long-term development programmes. Together with ActionAid country programmes and their local partners it works with local communities and organisations in developing countries, helping to ensure access to vital services such as clean water, primary healthcare and education and to encourage local economic development. ActionAid’s approach to development is Rights Based and in this context we encourage local people and organisations to learn about their rights and to lobby to attain these rights.

ActionAid International’s work fighting poverty reaches almost 13 million people in Africa, Asia, Latin America and the Caribbean. In 2011, ActionAid Ireland worked in partnership with ActionAid Kenya, ActionAid Uganda, ActionAid Malawi, ActionAid Nepal, ActionAid Vietnam and ActionAid Cambodia. ActionAid Ireland also fundraised for the emergency in Kenya where many of the communities that we work with were badly affected by the East Africa drought.

Secondly, ActionAid seeks to influence the way in which others – especially governments and inter-governmental organisations such as the Irish Government, European Union, World Bank and International Monetary Fund – contribute to or obstruct the process of poverty eradication. This influencing work is carried out at local and national level, both in the developing countries where ActionAid operates and in developed countries. It is rooted in ActionAid’s experience and understanding of the causes of poverty.

Through its fundraising and information sharing ActionAid Ireland offers its supporters and members of the public direct, practical ways to learn about the causes of poverty and to contribute to its elimination.

Wherever possible ActionAid Ireland works in partnership with other organisations and networks that strive to achieve the same objectives. It is an active member of Dóchas, the umbrella organisation of Irish non-governmental organisations involved in development and relief overseas. In 2011, the consortia of organisations which ActionAid Ireland worked with included the Irish Consortium on Gender based Violence, the Irish Charities Tax Reform Group and Dóchas.

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REPORT OF THE BOARD OF TRUSTEES – CONTINUED...

Plans for 2012

Future plans for ActionAid Ireland include the following:

- A new strategy to be approved by the Board in 2012.
- Development of a Multi County Women's Rights programme in four countries including Kenya, Malawi, Vietnam and Nepal. This will be funded by Irish Aid.
- Diversify fundraising to incorporate Digital Fundraising and a Middle and Major programme.
- In 2012, ActionAid Ireland also plans to develop their first direct engagement with all our supporters and donors in order to improve our accountability to them.

Fundraising and Communications

ActionAid Ireland raises funds primarily through the generosity of approximately 8,000 supporters throughout Ireland, most of whom are community or child sponsors of ActionAid International's work in Kenya, Uganda, Nepal, Vietnam and Cambodia. These supporters contribute regularly, usually monthly or annually. Other donations are received from individuals, companies, foundations, employee giving schemes and from fundraising events. ActionAid Ireland can also reclaim tax on contributions made by PAYE tax-payers who contribute €250 or more in a tax year.

In addition, ActionAid Ireland receives financial support for its work from the Irish Government (through Irish Aid, the development co-operation division of the Department of Foreign Affairs). In 2011, support was received via the Civil Society Fund (CSF) scheme.

Monitoring and Evaluation

The overseas activities supported by ActionAid Ireland are monitored regularly by the CEO and staff of ActionAid Ireland. It is the policy of ActionAid Ireland to encourage all Trustees to visit the programme work in order to understand the organisation and its work more completely and thus provide the most appropriate advice and guidance to the Board and staff. All current Trustees of ActionAid Ireland have visited at least one country to monitor progress. Much of this work is guided by the organisational framework Accountability, Learning and Planning System (ALPS), a well respected participatory approach to monitoring and evaluation developed by ActionAid International.

Risk Management

The Trustees are satisfied that appropriate systems are in place to monitor, manage and mitigate identified exposures to risk. A risk register is maintained by the charity and every quarter the Trustees actively monitor and discuss risks. Their process includes:

- Identifying the major risks facing the charity
- Assessing the likelihood and severity of risks
- Reviewing the existing controls that the charity had in place to mitigate the risks
- Identifying and implementing any further actions to limit risk

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REPORT OF THE BOARD OF TRUSTEES – CONTINUED...

Achievements and Performance

Overseas Programme

Review of Developments

In 2011, ActionAid Ireland supported development work in six developing countries. The overseas development work funded by supporters in Ireland via child and community sponsorship focuses on poor communities in five countries two in Africa, Kenya and Uganda and three in Asia, Nepal, Vietnam and Cambodia.

The Irish Aid funded programme provides support to a specific four - country programme in Kenya and Malawi in Africa and Nepal and Vietnam in Asia working on Women's Rights and Education for minority and ethnic minority groups with HIV & AIDS as a cross cutting issue in all programme work.

Sponsorship

The overseas development work funded by supporters in Ireland via child and community sponsorship focuses on poor communities in five countries two in Africa **Kenya** (Kongelai and Marafa) and **Uganda** (Uganda National Association for the Deaf UNAD and Amuru) and three in Asia **Nepal**, (in Bara and Baitadi and supporting women to improve their lives in five areas of Western Nepal) **Vietnam** (Cao Bang, Quan Ba, and Kong Nong) and in **Cambodia** (Battambang). The following provides a brief outline of the work and some examples of progress in 2011.

Achievements in sponsorship

The work funded by sponsorship takes place mostly in rural communities where people are very poor and do not have sufficient access to services. Sponsorship provides a wide range of supports to the community depending on their needs, for example, helping to dig a well to provide vital water to the village or providing seeds and tools to improve food production. There will always be a capacity building component to the work which involves training the community to manage the well or how best to use the seeds and tools. The underlying philosophy is always a Rights Based one which raises people's awareness of their rights and provides them with the necessary skills to negotiate and lobby for their rights.

There is generally a strong Education component in the work that ActionAid supports providing teaching materials such as school books but also providing training for teachers and other supports such as proper sanitation for the schools. Our funding also helps parents to both understand the importance of sending their children to school and encouraging the parents to become involved in helping the school for example by getting involved in the parents committees.

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REPORT OF THE BOARD OF TRUSTEES – CONTINUED...

ActionAid also provides vital advocacy support helping communities to lobby government and local authorities to provide Education and other basic rights to their communities. Examples of the many achievements include:

- In the Bara District of Nepal, ActionAid and their partner organisation set up 28 child clubs with 700 members in the area where we work. Early child marriage is quite a common practice amongst the very poor communities and through both the child clubs and working with parents about the importance of Education. ActionAid has managed to stop some of these marriages and ensured that the children can stay in school. Women have been encouraged to join the Women's Rights Forum (Mahila Adhikar Manch) which supports women with problems such as domestic violence where 20 cases have been identified and to date 10 have been successfully dealt with through the courts. As a result of training provided many women have been able to set up their own small business. 125 landless people have formed a lobby group to win the rights to the land they have been living on and paying taxes on for years.
- Many people in the Battambang area of Cambodia have to migrate for some months in the year in order to earn enough to feed their families. ActionAid through its partner KABB gave small amounts of money to 85 of the poorest women in the area to raise chickens, ducks and to plant vegetables. Now the women are successfully growing their own vegetables and rearing the animals and are able to feed their own families and no longer have to migrate in search of additional income. They are also very pleased that the vegetables are pesticide free. KABB also carried out campaigns in 5 villages on the negative impact of using pesticides with the result that 71 families are producing a variety of vegetables using natural fertilisers.
- In Vietnam ActionAid focused on Education in 2011. At a local level ActionAid provided children with scholarships, uniforms and learning materials as well as building school facilities such as school toilets. ActionAid also carried out large scale Education campaigns reaching over 3 million people nationwide to raise awareness on children's rights to Education. ActionAid Vietnam also supported poor farmers through forming a network of over 100 groups involving about 3,000 small farmers giving them access to market information, training on new farming techniques and piloting high yield crops of maize, rice, peanuts and coffee and also introducing environmentally friendly farming models such as the use of organic fertiliser.
- 2011 was a very difficult year for the communities in Kenya as East Africa suffered the worst drought in 60 years. In Kenya an estimated 3.2 million people experienced the effects of drought such as lack of food, water and pasture for domestic animals. ActionAid Kenya reached over 300,000 people across eleven of the twelve drought hit areas where ActionAid Kenya works, targeting the most vulnerable including women, children, people with disabilities, the elderly and people living with HIV and AIDS. This support included providing food to over 50,000 students in both primary and secondary schools. This encouraged children to go to school as they were assured of getting a meal at lunch time.

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REPORT OF THE BOARD OF TRUSTEES – CONTINUED...

- The work with Deaf children continued in Uganda with our partner organisation Uganda National Association of the Deaf (UNAD). ActionAid trained sign language teachers and sign language interpreters who then work in communities supporting deaf people and training them in sign language. A school dormitory was built for 32 pupils so that they can become boarders thus saving them having to travel very long distances to school. Two water tanks were also installed to avoid students having to walk long distances to fetch water. In Amuru, three boreholes were drilled in three villages providing water for 1,500 people. ActionAid provided rice seeds to every household in a number of communities so that the rice produced provided food for the family and additional amounts for them to sell to provide much needed income to buy other necessities such as vegetables and fish. ActionAid started a project for poultry rearing by children providing 400 children with hens to look after. A hen costs only €3 but can have a big impact on children's lives when they have hatched chicks for their families.

Challenges in 2011

Given the very difficult economic climate in Ireland fundraising proved very challenging in 2011. Sponsorship income was down by 8.8% on the previous year. This is understandable given the difficulties many of our supporters are facing and while we are sad to lose some of them, we fully understand why they have had to opt out of planned giving due to their own difficult personal circumstances. In 2011, we successfully transferred almost 3,000 supporters from two development areas in Kenya into a new area in Kongelai without the loss of any supporters. This demonstrates how committed our supporters are and we would like to acknowledge this commitment and assure them that we appreciate this very much.

Programme Development Work funded by Irish Aid

ActionAid Ireland completed the previous Irish Aid funded programme at the end of 2010. In 2011, we received one year funding for a Womens' Rights and Education programme in four countries – Malawi, Kenya, Nepal and Vietnam. Irish Aid introduced a new funding mechanism in 2011 and ActionAid Ireland applied for Programme Funding under this scheme. Some of the main achievements of the programme to-date are as follows:

In Vietnam the education programme applied a multi-pronged approach to improve the quality of pre-school and primary education for ethnic minority children. Irish Aid funds were used to increase citizens' engagement and participation in education through capacity building initiatives including training and learning competitions which required participation of all stakeholders. These events helped the community to increase their understanding of the need for education and for issues related to childrens' rights. Teachers were targeted through interventions focusing on capacity building for improved quality education. Teachers are now more competent and better able to plan and organise classes. In order to ensure continuity and sustainability of quality education provision, school managers have acquired skills in monitoring and management methodologies for the smooth implementation of the new curriculum.

In Kenya the programme focused on building women's leadership and decision-making capacity. This came at a time when there is a national push to increase citizens' roles in political and development decision-making through new devolved and participatory governance systems. Funds were used to provide women with leadership skills and knowledge of the opportunities for women's leadership and participation in decision-making structures under Kenya's new constitution through various training and outreach initiatives. Women are more aware and empowered and a number of them are currently aspiring to participate in upcoming local elections. In order to facilitate empowerment and participation a specific Kenya National Women's Charter for Realising the Rights of Women has been popularised and disseminated at national and local level.

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The women’s rights programme in Malawi ‘Ufulu wa Amai’ (UWAMA) focused on reducing incidences of Violence against Women and Girls (VAW) through a holistic development approach which included women’s empowerment and access to justice and economic empowerment activities. For example, women gained skills in budget tracking which were subsequently put into practice through lobbying the local government to allocate more resources to frontline offices that provide redress services at district level. In addition women in partner organisations received training in financial management, organisational development and leadership skills which will help them to engage with authorities and governments at various levels to lobby and advocate for women’s rights.

In Nepal, the education programme focused on enabling and empowering civil society groups to engage in pro poor education policy and governance discourses for the democratisation of education at all levels. Active participation of citizens was ensured through strengthening parent – teacher associations and inclusion of citizens in school management committees. Model schools have been developed in five districts where a holistic approach to education has been applied including a focus on increased participation and quality resulting in better retention rates. Also, in order to ensure that the most disadvantaged groups can attend school, lobbying and advocacy activities by communities and partner organisations resulted in free education in 43 (out of 60 targeted) schools.

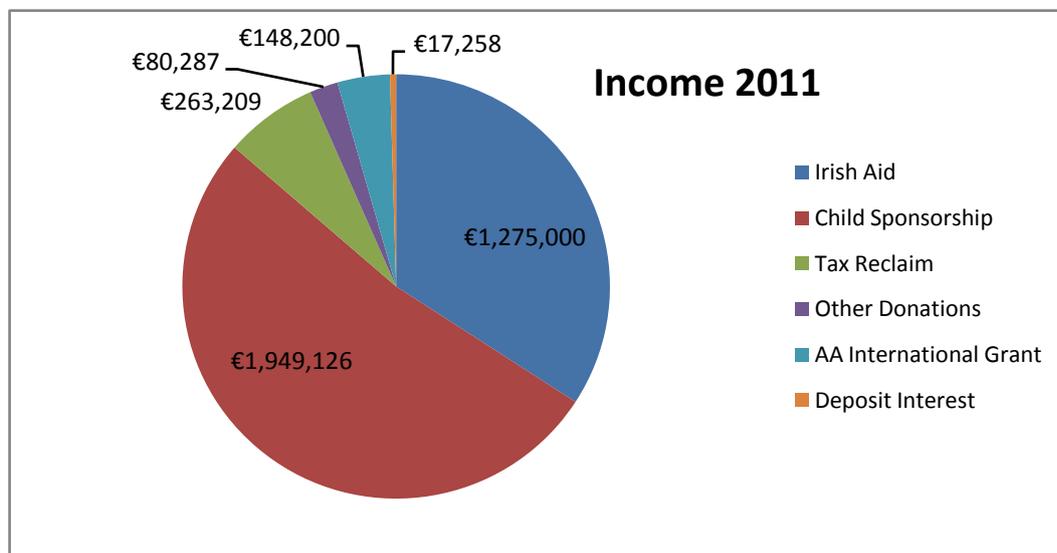
Monitoring and Evaluation

ActionAid Ireland works in partnership with country programmes so that processes for monitoring and evaluation of programme activities are agreed jointly. Much of this work is guided by the organisational framework Accountability, Learning and Planning System (ALPS).

Financial Review

Income

ActionAid Ireland receives its income from the following sources – Community and Child Sponsorship, Irish Aid, Revenue tax reclaim, Appeals, ActionAid International grant and Bank interest. In 2011, the total Income for AA Ireland was €3,733,080 compared with €3,414,974 for 2010. The additional income in 2011 was mainly due to an increased grant from Irish Aid and to Fundraising Investment grants received from ActionAid International. This represented a very positive performance considering the difficult economic climate.



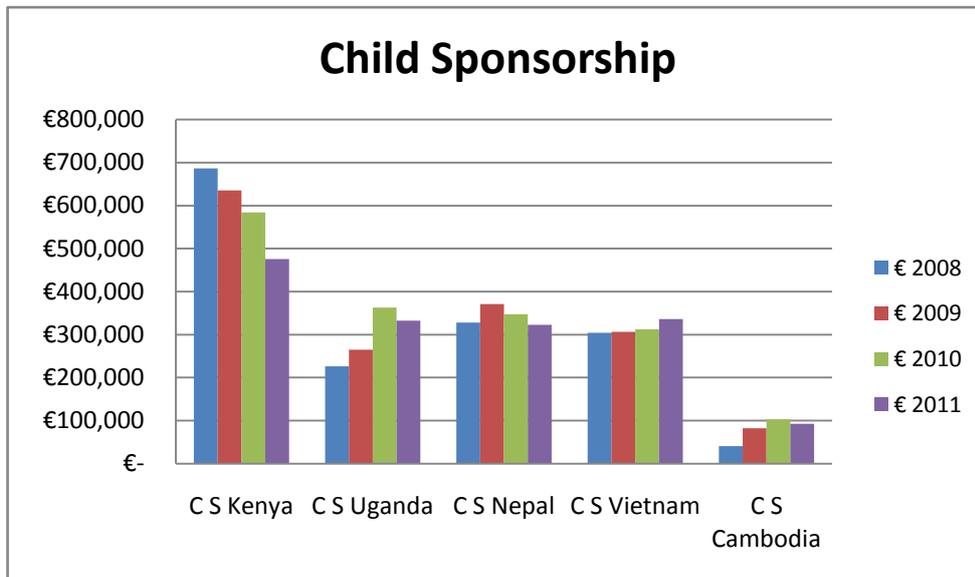
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REPORT OF THE BOARD OF TRUSTEES – CONTINUED...

Irish Aid

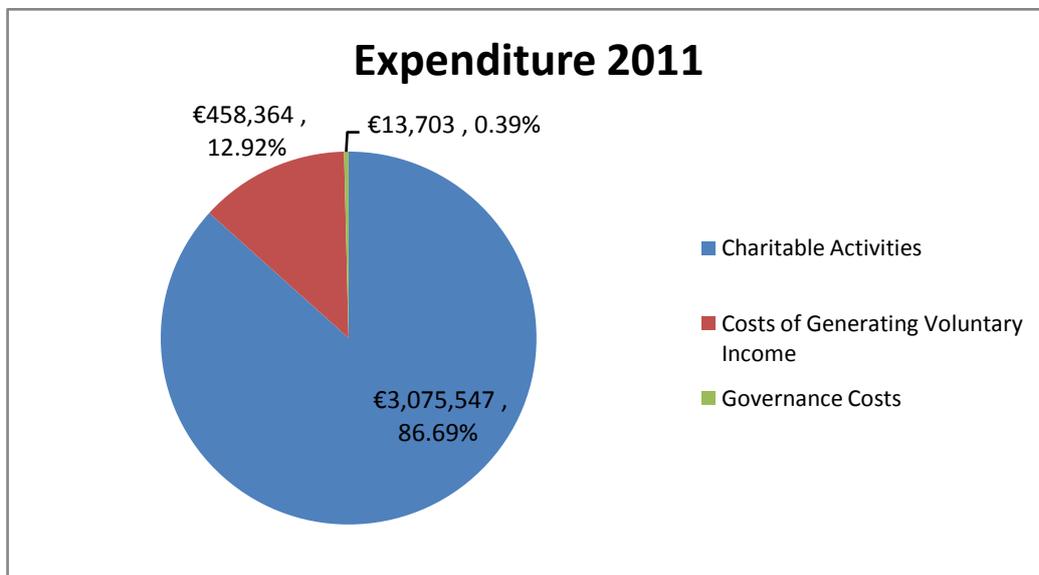
A grant of €1,275,000 was received from Irish Aid over the 12 month period in 2011 compared to the previous two years when a 16 month bridge-funding block grant of €1,700,000, covering the period from 1st September 2009 until 31st December 2010, was paid in two tranches of €850,000 in 2009 and 2010 respectively.

Child Sponsorship decreased from €2,137,820 in 2010 to €1,949,126 in 2011. Although it was disappointing to experience an 8.8% decrease on the previous year, it was a very good achievement considering the deterioration in the economy and the level of investment in donor recruitment.



Expenditure

In 2011, approximately €3.1m was spent on our overseas programmes. The cost of generating voluntary income increased from €408,994 in 2010 to €458,364 in 2011. These figures represent 16% of Voluntary income in 2010 and 20% in 2011. The cost of Fundraising was boosted by a grant from ActionAid International to invest in Child Sponsorship recruitment.



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REPORT OF THE BOARD OF TRUSTEES – CONTINUED...

Reserves Policy

ActionAid Ireland has a policy of retaining sufficient reserves to safeguard the continuity of its operations, thereby committing the maximum possible resources to support work overseas. We have pursued a deliberate policy since 2009 of boosting the level of Reserves to achieve this. Total Reserves at the end of December 2011 amounted to €373,818 of which Unrestricted Reserves accounted for €298,178.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board in Ireland and promulgated by the Institute of Chartered Accountants in Ireland.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

The Trustees are responsible for keeping proper books of account, which comply with accounting standards and which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are not required to retire by rotation.

Important events since the year end

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

Books of Account

The Board of Trustees is responsible for maintaining proper books and records. The books and records are maintained at Unity Building, 16-17 Lower O'Connell Street, Dublin 1.

Auditors

Horwath Bastow Charleton were appointed auditors by the Trustees to fill the casual vacancy and, being eligible, they have expressed their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the Board of Trustees:

Trustee: Teresa Harrington

Trustee: Peter Cassells

Date: 29 March 2012

INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF ACTIONAID IRELAND

We have audited the financial statements of ActionAid Ireland for the year ended 31 December 2011 on pages 14 to 24, which have been prepared under the historical cost convention, and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 11, in the Statement of Trustees Responsibilities, 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 company, 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 financial statements are in agreement with the books of account.

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

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 company's circumstances, consistently applied and adequately disclosed.

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

**INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF ACTIONAID IRELAND -
CONTINUED**

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 ActionAid Ireland's affairs as at 31 December 2011 and of its incoming resources, application of resources and cash flows for the year ended on that date and have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

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 ActionAid Ireland. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Report of the Trustees on pages 2 to 11 is consistent with the financial statements.

Signed: Sharon Gallen
Senior Statutory Auditor

For and behalf of:

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

Date: 3 April 2012

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2011**

<u>Incoming resources</u>	Notes	Unrestricted	Restricted	2011 Total	2010 Total
		€	€	€	€
Incoming resources from generated funds					
- Voluntary income					
- Irish Aid	2a	76,500	1,198,500	1,275,000	850,000
- Community and child sponsorship	2b	384,305	1,564,821	1,949,126	2,137,820
- Tax relief	2c	263,209	-	263,209	269,403
- Other donations	2d	54,415	25,872	80,287	144,371
- Investment income					
- Deposit interest		17,258	-	17,258	13,380
Grant Received from ActionAid International		148,200	-	148,200	-
Total income resources		<u>943,887</u>	<u>2,789,193</u>	<u>3,733,080</u>	<u>3,414,974</u>
Resources expended					
Costs of generating funds					
- Costs of generating voluntary income	3	458,364	-	458,364	408,994
Charitable activities					
- Overseas programme expenditure	4	23,492	2,757,134	2,780,626	2,573,511
- Overseas support costs	5	284,842	-	284,842	262,558
- Influencing, education and research	6	10,079	-	10,079	5,950
Governance costs	7	13,703	-	13,703	17,445
Total resources expended in the year		<u>790,480</u>	<u>2,757,134</u>	<u>3,547,614</u>	<u>3,268,458</u>
Net incoming resources		153,407	32,059	185,466	146,516
Fund balances brought forward at 1 st Jan 2011		144,771	43,581	188,352	41,836
Fund balances carried forward at 31 st Dec 2011		<u>298,178</u>	<u>75,640</u>	<u>373,818</u>	<u>188,352</u>

All of the activities of the company are classed as continuing.
The company has no recognised gains or losses other than the results for the period as set out above.

These financial statements were approved and authorised for issue by the Trustees on 29 March 2012 and are signed on their behalf by:

Trustee: Peter Cassells

Trustee: Teresa Harrington

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT 31 DECEMBER 2011**

		2011	2010
	Notes	€	€
TANGIBLE FIXED ASSETS	11	58,318	72,772
CURRENT ASSETS			
Debtors	12	12,743	2,849
Cash at bank and on deposit		<u>790,296</u>	<u>565,013</u>
		803,039	567,862
CREDITORS (amounts falling due within one year)	13	<u>(487,539)</u>	<u>(452,282)</u>
NET CURRENT ASSETS		<u>315,500</u>	<u>115,580</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>373,818</u>	<u>188,352</u>
NET ASSETS REPRESENTED BY:-			
Restricted Funds	16	75,640	43,581
Unrestricted Funds	16	<u>298,178</u>	<u>144,771</u>
Total charity funds		<u>373,818</u>	<u>188,352</u>

These financial statements were approved and authorised for issue by the Trustees on 29 March 2012 and are signed on their behalf by:

Trustee: Peter Cassells

Trustee: Teresa Harrington

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR YEAR ENDED 31 DECEMBER 2011**

**Reconciliation of net incoming resources to net cash inflow
from operating activities**

		2011	2010
	Notes	€	€
Net incoming resources		185,466	146,516
Depreciation	11	14,454	9,218
(Increase)/decrease in debtors		(9,894)	1,553
Increase /(decrease) in creditors		35,257	(25,675)
Interest receivable		<u>(17,258)</u>	<u>(13,380)</u>
Net cash inflow from operating activities		<u>208,025</u>	<u>118,232</u>

Cash flow statement

Net cash inflow from operating activities		208,025	118,232
Purchase of tangible fixed assets		-	(28,329)
Interest received		<u>17,258</u>	<u>13,380</u>
Net cash inflow		<u>225,283</u>	<u>103,283</u>

Reconciliation of net cash flow to
movement in cash at bank

Cash at bank 1 January	17	565,013	461,730
Cash at bank 31 December	17	<u>790,296</u>	<u>565,013</u>
Increase in cash	17	<u>225,283</u>	<u>103,283</u>

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011**

ACCOUNTING POLICIES

1 (a) Principles of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles under the historic cost convention and comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland. The financial statements have also been prepared to comply with “Accounting and Reporting by Charities” (Charities SORP), the revised statement of recommended practice issued by the Accounting Standards Board in 2000 and the Accounting Standards Board “Statement on Update Bulletin 1 of the Charities SORP” issued in December 2005.

1 (b) Sponsorship

The principal component of ActionAid Ireland’s income is regular, usually monthly, donations from individuals, families and others in Ireland. Most of these supporters are linked to one or more children or communities in ActionAid Ireland’s programmes and receive regular information about that child / community and about ActionAid Ireland’s development work in the area in which the child / community resides and an annual report.

In 2011, 80% of an ActionAid Ireland’s supporter’s donations were credited to restricted funds relating primarily to work in the project area where the sponsored child/community lives. 20% was taken to unrestricted funds and associated overheads and was used for the Charity’s general charitable purposes.

1 (c) Incoming Resources

Incoming resources have been included in the financial statements only when realised or when the ultimate cash realisation of which can be assessed with reasonable certainty.

1 (d) Resources expended

All expenditure is accounted for on an accruals basis.

Costs of generating funds represents expenditure incurred in Ireland on raising funds from committed supporters and other members of the public.

Governance costs are the costs associated with the governance arrangements of the charity. The costs included in this category relate to the organisational administration and compliance with constitutional and statutory requirements.

Support costs include expenditure on general management, payroll administration, budgeting and accounting, information technology, property management, human resources and financing.

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

1 (e) Restricted Funds

Restricted funds consist of grants and donations received which can only be used for the purpose for which they are specified by the donors. These purposes are the aim of the charity.

1 (f) Unrestricted Funds

Unrestricted funds consist of grants and donations which the charity can spend based on its own discretion to enable it to achieve its overall aim and objectives.

1 (g) Tangible Fixed Assets

Tangible fixed assets are stated at cost.

Depreciation is provided at rates calculated to write off the cost of each asset, less estimated residual value, on a straight line basis over its expected useful life at the following annual rates.

Office Equipment	10% Straight line
Data Base	25% Straight line

1 (h) Taxation

No charge to taxation arises as the company is exempt under Section 207 and 208 of the Taxes Consolidation Act 1997.

1 (i) Pension

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1 (j) Tax relief income

Tax relief income is recognised on a cash receipts basis and is treated as unrestricted income.

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

		Unrestricted	Restricted	2011 Total	2010 Total
		€	€	€	€
2a	VOLUNTARY INCOME				
	- Irish Aid				
	Block Grant (Civil Society Funding)				
	ActionAid Kenya	-	200,000	200,000	150,000
	ActionAid Malawi	-	200,000	200,000	127,500
	ActionAid Nepal	-	352,900	352,900	199,750
	ActionAid Vietnam	-	352,900	352,900	253,000
	Project Administration	-	92,700	92,700	71,637
	ActionAid Ireland	76,500	-	76,500	48,113
		-----	-----	-----	-----
		<u>76,500</u>	<u>1,198,500</u>	<u>1,275,000</u>	<u>850,000</u>
		Unrestricted	Restricted	2011 Total	2010 Total
		€	€	€	€
2b	VOLUNTARY INCOME				
	- Community and child sponsorship				
	Community and child sponsorship	<u>384,305</u>	<u>1,564,821</u>	<u>1,949,126</u>	<u>2,137,820</u>
		Unrestricted	Restricted	2011 Total	2010 Total
		€	€	€	€
2c	VOLUNTARY INCOME				
	- Tax relief				
	Tax relief on designated charities (Section 848A TCA 1997)	<u>263,209</u>	<u>-</u>	<u>263,209</u>	<u>269,403</u>

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

2d VOLUNTARY INCOME	Unrestricted	Restricted	2011 Total	2010 Total
Other donations	€	€	€	€
Other donors	39,415	25,872	65,287	120,371
Children Direct	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>24,000</u>
	<u>54,415</u>	<u>25,872</u>	<u>80,287</u>	<u>144,371</u>
			2011 Total	2010 Total
	Unrestricted	Restricted		
3 COSTS OF GENERATING FUNDS	€	€	€	€
- Costs of generating voluntary income				
Advertising and promotion	330,377	-	330,377	283,025
Salaries	<u>127,987</u>	<u>-</u>	<u>127,987</u>	<u>125,969</u>
	<u>458,364</u>	<u>-</u>	<u>458,364</u>	<u>408,994</u>
			2011 Total	2010 Total
	Unrestricted	Restricted		
	€	€	€	€
4 CHARITABLE ACTIVITIES				
- Overseas programme expenditure				
Community and child sponsorship				
ActionAid Kenya	-	477,099	477,099	584,294
ActionAid Uganda	-	333,418	333,418	362,790
ActionAid Nepal	-	322,446	322,446	347,067
ActionAid Vietnam	-	333,709	333,709	312,567
ActionAid Cambodia	-	92,651	92,651	103,415
Irish Aid				
ActionAid Kenya	-	200,000	200,000	150,000
ActionAid Malawi	-	200,000	200,000	127,500
ActionAid Nepal	-	352,900	352,900	199,750
ActionAid Vietnam	-	352,900	352,900	253,000
Other donations				
Uganda	-	21,825	21,825	23,913
Vietnam	-	-	-	740
Kenya	-	3,000	3,000	-
Kamaiya Appeal	-	20,018	20,018	17,415
Emergency Appeals	-	16,263	16,263	9,060
Irish Aid				
Salaries	23,492	27,930	51,422	62,713
Overseas travel	-	2,975	2,975	15,451
Irish Aid expenditure	-	-	-	3,836
	<u>23,492</u>	<u>2,757,134</u>	<u>2,780,626</u>	<u>2,573,511</u>

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

		Unrestricted	Restricted	2011 Total	2010 Total
5	CHARITABLE ACTIVITIES	€	€	€	€
	- Overseas Support costs				
	Travel	6,883	-	6,883	6,659
	Office costs	103,011	-	103,011	78,246
	Salaries	<u>174,948</u>	-	<u>174,948</u>	<u>177,653</u>
		<u>284,842</u>	-	<u>284,842</u>	<u>262,558</u>
6	CHARITABLE ACTIVITIES	€	€	€	€
	- Influencing, education and research				
	Membership / Other Costs	10,079	-	10,079	5,950
		<u>10,079</u>	-	<u>10,079</u>	<u>5,950</u>
7	GOVERNANCE COSTS	€	€	€	€
	Office costs	84	-	84	193
	Travel	4,516	-	4,516	6,924
	Professional fees	<u>9,103</u>	-	<u>9,103</u>	<u>10,328</u>
		<u>13,703</u>	-	<u>13,703</u>	<u>17,445</u>
8	RESULTS (stated after charging)			€	€
	Auditors' remuneration			8,610	10,285
	Depreciation			<u>14,454</u>	<u>9,218</u>

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

9 PARTICULARS OF EMPLOYEES

	2011	2010
The average number of employees throughout the year was:		
Management	1	1
Finance manager	1	1
Programme manager	-	-
Fundraising/Communications	2	2
Administration and project support	<u>1</u>	<u>1</u>
	<u>5</u>	<u>5</u>
Total remuneration of employees (full time and part time) was:		
	€	€
Wages and salaries	264,181	295,520
Social welfare costs	24,772	19,969
Pension costs	<u>65,404</u>	<u>50,846</u>
	<u>354,357</u>	<u>366,335</u>

No employee had remuneration greater than €90,000.

10 TRUSTEES' REMUNERATION

No remuneration is paid to Trustees for their services as Board Members. Directly incurred expenses are reimbursed, if claimed.

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

11 TANGIBLE FIXED ASSETS

	Office Equipment	Data Base	Total
	€	€	€
Cost			
At 1 January 2011	42,682	40,744	83,426
Additions	-	-	-
Disposals	-	-	-
	-----	-----	-----
At 31 December 2011	42,682	40,744	83,426
 Depreciation			
At 1 January 2011	5,561	5,093	10,654
Provision for year	4,268	10,186	14,454
Disposals	-	-	-
	-----	-----	-----
At 31 December 2011	9,829	15,279	25,108
Net Book Value 31/12/2011	32,853	25,465	58,318
	=====	=====	=====
Net Book Value 31/12/2010	37,121	35,651	72,772
	=====	=====	=====

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

12 DEBTORS

	2011	2010
	€	€
Other debtors	<u>12,743</u>	<u>2,849</u>
	<u>12,743</u>	<u>2,849</u>

All debtors are receivable within one year.

13 CREDITORS

	2011	2010
Amounts falling due within one year		
	€	€
Accruals	40,488	22,789
Amounts payable to overseas programmes	400,927	418,188
PAYE/PRSI	6,644	4,671
Trade creditors	<u>39,480</u>	<u>6,634</u>
	<u>487,539</u>	<u>452,282</u>

**ACTIONAID IRELAND
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

14 PENSION SCHEME

The company operates a defined contribution scheme for permanent employees. Employer contributions for the year amounted to €65,404 (2010: €50,846).

15 CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

16 MOVEMENT IN FUNDS

	1 January 2011 €	Movement €	31 December 2011 €
Restricted fund	43,581	32,059	75,640
Unrestricted fund	144,771	153,407	298,178
	<u>188,352</u>	<u>185,466</u>	<u>373,818</u>

17 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2011 €	Cashflow	31 December 2011 €
Cash at bank	565,013	225,283	790,296
	<u>=====</u>	<u>=====</u>	<u>=====</u>

18 RELATED PARTY TRANSACTIONS

There were no related party transactions in the year that require to be disclosed under FRS 8.

19 CONTROLLING PARTY

The company is controlled by the board of trustees however the trustees do not derive economic benefit from the company.

20 APPROVAL OF ACCOUNTS

The Board of Trustees approved the accounts on 29 March 2012.