

TRÓCAIRE
TRUSTEES' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2011

TRÓCAIRE

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TRUSTEES AND OTHER INFORMATION

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

DIRECTOR: Justin Kilcullen

BOARD: Bishop John Kirby (Chair)
Bishop Colm O'Reilly
Cathy Molloy
Harry Casey
John Carr
Judy Fay (Retired)
Justin Kilcullen
Lucy Fallon Byrne
Maighread Uí Mháirtín
Michael O'Connor
Paul Keating (Retired)
Ronan Murphy
Ronan O'Loughlin
Sr Ursula Sharpe

BOARD SUB COMMITTEES

Audit Committee

Michael O'Connor (Chair)
Margot Lyons
Declan Kenny

Funding & Finance Committee

Ita Lehane (Chair)
Geraldine McCarthy
Justin Kilcullen
Paul Caskey
Judy Fay (Retired)

Organisation & Human Resource Committee

Lucy Fallon Byrne (Chair)
John Carr
Ursula Murphy
Justin Kilcullen
Bishop John Kirby

Programme Review Committee

Ronan O'Loughlin (Chair)
Ronan Murphy
Sr Ursula Sharpe
Paul Keating (Retired)
Gillian Wylie
Carmel Fox
Su-Ming Khoo

TRÓCAIRE
TRUSTEES AND OTHER INFORMATION

STRATEGIC LEADERSHIP TEAM:

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

PRINCIPAL OFFICE:

Maynooth
Co Kildare

PRINCIPAL BANKERS:

AIB Bank
7/12 Dame Street
Dublin 2

Bank of Ireland
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Dublin 2

INVESTMENT ADVISORS:

Davy Stockbrokers
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PRINCIPAL SOLICITORS:

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AUDITORS:

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Chartered Accountants and
Registered Auditors
Marine House
Clanwilliam Court
Dublin 2

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REPORT OF THE TRUSTEES

The Trustees present their report and the consolidated financial statements for the year ended 28 February 2011.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

REGISTRATION AND CONSTITUTION

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

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

TRUSTEES AND BOARD

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

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

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

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

DECISION MAKING

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

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RISK MANAGEMENT AND INTERNAL CONTROL

The Trustees are responsible for and are aware of the major risks to which the charity is exposed, in particular those related to the operations and finances of the organisation, and are satisfied that systems are in place to mitigate exposure to the major risks.

A major development during the financial year 2010/11 has been the implementation of a formal and comprehensive risk management process by the strategic leadership team. The senior management team are committed to active and accountable risk management. The live risk register is presented at bi monthly meetings to ensure all strategic and operational risks have been adequately identified, evaluated, communicated, owned, controlled and mitigated. Following on from the success of this project the organisation proposes to develop operational risk registers in each of the five regions.

In addition the overseas programmes currently operate a risk adjusted expenditure approval system. This assesses risk under a number of headings including financial risk, partner risk, programme/activity risk, contextual risk and management risk. The completion of a risk matrix for each programme provides a risk rating score, which then determines what level of approval is required within the management structure. A risk matrix must also be completed prior to funding approval for individual projects.

Senior members of the finance team regularly review the financial and accounting systems in the overseas offices. In addition, our external auditors carry out a detailed internal control review of overseas offices every three years on a rotating basis. During the year the external auditors visited our regional office in Cambodia.

Trócaire has an Internal Auditor who reports dually to the Chairman of the Audit Committee and the Head of Organisational Development and Corporate Affairs. A review of the Internal Audit function was undertaken in the financial year 2010/11 and a new full time staff member was recruited, this reflects the emphasis and priority given to promoting a strong internal control environment within the organisation. During the year Internal Audit visited our regional offices in the Democratic Republic of Congo (Central & West Africa) and Cambodia (Asia Middle East Office).

TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

The Trustees are responsible for keeping proper accounting records which comply with accounting standards and which disclose, with reasonable accuracy at any time, the financial position of the charity. To ensure that proper books and records are kept, the charity has employed appropriately qualified personnel and has maintained appropriate computerised accounting systems. It is also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Audit Committee, which is a subcommittee of the Board, meets at least three times a year and reviews the carrying out of the above responsibilities for the Trustees.

SUBSIDIARY UNDERTAKING

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

Subsidiary undertakings are those over which Trócaire exercises a dominant influence, 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 22 of the financial statements.

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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 meet the standards as set out in the Code of Practice.

2. OBJECTIVES AND ACTIVITIES

INTRODUCTION

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

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

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

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

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

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

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

VISION

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

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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 practice the following values, both within the organisation and in our programmes and relationships:

- Solidarity
- Persistence
- 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 coordinate 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 funds reach the people for whom they are intended. During the year a new field office opened in Haiti which is to assist with the humanitarian response to the earthquake which struck Haiti on the 12 January 2010.

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

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

STRATEGY

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

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

3. ACHIEVEMENTS AND PERFORMANCE

Prior to the financial crisis, Trócaire had projected an increase in income from €60 million in 2009 to €90 million in 2012, based on commitments from the Irish government's aid programme, Irish Aid, and trends in fundraising from the Irish public and institutional donors.

However, the economic crisis has severely affected Trócaire's income through cuts in government funding and a drop in general income, excluding donations to emergency appeals. In 2010 we received €16 million in funding from the Irish government through its Multi-Annual Programme Scheme (MAPS) instead of the €26 million previously pledged.

We have reduced our spending in all our programme areas in response to the cuts, and achieved our target for overall savings of €21 million in 2010. We also significantly increased our capacity to raise money from institutional donors during this period.

Trócaire completed its phase-out of a number of countries during 2010 in order to make savings and our programme work is now delivered in 27 countries. We continued a pay freeze for staff in Ireland during the year.

In April 2010, we reviewed our 10-year strategic framework, Mobilising for Justice 2006-2016. Phase II was launched in November 2010, and recommits the organisation to our life-changing work, inspired by the work of our partners overseas, who struggle daily to overcome poverty, hunger and injustice.

Because of the greatly reduced funding, Phase II of our strategic framework means our programmes will be implemented on a less ambitious scale, but with a sharper focus on monitoring and measuring progress. We established a new unit for Strategic Impact to drive this work.

It's our partnership approach that really makes us different. When we help people, we work with them, so that they drive the entire process themselves. Solutions are not imposed on the people we help. Instead, they become the authors of their own destiny. During the year we also worked to strengthen our partnership approach so that we can bring about greater change in the communities where we are invited to work.

Trócaire is a member of Caritas Internationalis, the Catholic Church's global confederation of development agencies and the second largest humanitarian network in the world. This means we can respond immediately through our Caritas partners should an emergency occur; as we did in Haiti in response to the earthquake in January 2010.

Building Sustainable Livelihoods and Securing Environmental Justice

The right of people in the developing world to produce enough food to eat and to earn an income is central to our livelihoods work. People's right to food is one of the most basic human rights. With around a billion people already living in hunger the increasing volatility and rise in many food prices is likely to deny an even greater number the right to food.

Across the world there has been persistent failure to address the injustice of poverty. A large part of our work helps poor households in rural areas of Africa, Asia and Latin America to meet their basic needs. Most rely on very small plots of land and in many cases they are denied even the basic right to farm their own land. We support people as they build a reliable way of life. This includes applying improved agricultural practices, helping families to store food, supporting people in securing access to their land and working with people to teach them the skills they can use to earn a living.

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Our work focuses strongly on helping people meet their basic needs. But we also support people's right to land, shelter, water and their right to a fair wage and good working conditions. This rights-based approach informs our advocacy work on food, agriculture and trade. A welcome element in the EU's 2010 policy framework to assist developing countries in addressing food security challenges included reference to the Right to Food and a focus on smallholder farmers, particularly women farmers. The 2010 Trócaire Development Review, titled Strengthening Food Security, highlighted these and related issues.

We also concentrate on helping vulnerable people overseas to adapt to the devastating impacts already being felt as a result of climate change. This is crucial to help people build sustainable livelihoods.

The weather event known as La Niña significantly disrupted world food production, contributing to food price rises and exacerbating the impact of climate-related disasters on the world's poorest people. Autumn 2010 marked the half-way point in our two-year household study on the impact of climate change in Bolivia, Honduras, Kenya and Malawi.

Throughout the year we continued our advocacy at national, European and international levels to influence positive change for those overseas most affected by poverty and climate change. Climate change talks on an international post-2012 agreement continued, but with negligible progress. At home, a draft Climate Change Bill, called for by Trócaire and others in the Stop Climate Chaos Coalition, was published but was not completed before the change of government early in 2011. In December 2010 the government announced 23 million Euro as part of Ireland's contribution to short-term climate finance needs in developing countries, which was a focus of our campaign last year.

During 2010/2011 we spent €8.786m on twenty two livelihoods programmes. Our aims included ensuring that people had improved food security so they would have fewer periods of hunger during the year; people had growing incomes and also had realised their rights to resources such as land. We also worked to help people increase the number of crops grown and showed some strong results from this work.

In Nicaragua, 97% of 502 children between ages 0-3 in one target location who had been malnourished achieved normal weight and size, while 83% of targeted households grew four new crops. We helped 475 households secure access to land titles and 1,752 families sell their produce at markets, while 14 cooperatives now process and sell local farmers' produce, some on the international market.

In Rwanda, we helped improve food processing in four factories. One factory is now operating very successfully, and recorded an increase in net profit from €20,118 to €152,625 between 2007 and 2010. We no longer need to support this factory financially.

In India, 40,094 families secured legal title to land with our help. We are now working to improve the joint ownership rate between men and women in that country.

In Ethiopia, 33,029 families have benefited from improved access to clean, drinkable water which has reduced the time women and children spend collecting water from three hours to half an hour each day. We are seeing positive progress in the many communities in which we work.

Our Lenten campaign this year dealt with poor farmers' struggle for land in Honduras. A lack of land rights is one of the major barriers towards economic progress throughout much of the world. The problem is especially pertinent for women, who perform 66 per cent of the world's agricultural work, produce 50 per cent of the food, yet earn just 10 per cent of the income and own 1 per cent of the property. Although women produce up to 80 per cent of crops in Africa, they are often not allowed to own their land. This often means that they cannot access the loans they need to buy seeds and fertilisers.

Strengthening land rights would remove one of the major causes of poverty, enabling communities in the developing world to increase food production and improve the local economy. We will continue to advocate for land rights for the poor.

Teenager's head for business supports family

Every child has a dream. For 15-year-old Silas, from Gitarama in rural Rwanda, his dream is like that of millions of others, all across the globe. He dreams of being a footballer.

Silas actually has a shot at his dream: he has been ranked as one of the top 30 footballers in the country, and will soon learn if he has won a place at Rwanda's national football academy. But Silas is poor. When asked if he had a football, he replied: "No, I don't have money to waste on things like that. I am paying for food and school."

Silas was very young when he realised he had to help support his mother and sister. At the age of 11, he wanted to stay in school. He also wanted to help his family. He knew his mother, Drocella, couldn't afford to pay his school fees. Drocella has a disability. Her foot is deformed and she can't work her land. She has to pay people to harvest the few crops she has.

Displaying amazing entrepreneurship, Silas visited a local credit union that is funded by Trócaire. The credit union helps people in the community get small loans to start a business or to buy seeds and tools to grow better crops. Silas wanted to buy a banana field that his aunt was selling. He had worked out a financial plan that he knew would allow his mother part ownership of the banana field based on payments she could afford and he succeeded in getting a loan.

Silas borrowed 50,000 Rwandan francs, the equivalent of €64. His plan worked; he made his payments and he generated enough cash to buy a cow and a pig. His mother grows soy beans and bananas. And he and his sister, Donata, have managed to pay their secondary school fees of around €40 each per term. That's a lot of money in a country where the average income is less than 75 cent a day.

It's difficult to remember sometimes that Silas is still a boy of 15. "Before I borrow I always have a plan about how to pay it back. I've never missed a payment," he said. "I plan to sell this cow and I will get good money for it. That will pay part of my fees for the next term and I will buy a smaller cow to raise. When that's grown I will sell it and buy another. I already sold pigs to pay for school," he said proudly.

But life is still tough for the family. Drocella feels the hardship. "I am afraid I will fail," she tells Trócaire. "I'm not optimistic. The land is getting less fertile because it's overused. There are not enough crops and people will steal others crops when they are hungry. I can't produce enough food and don't have enough money."

No wonder that Drocella, who sometimes cannot even afford to buy clean water at the borehole in the village, said, "I need Silas."

Silas wants to go on to college. "If I can afford it I will go on to study business." That's if he's not snapped up for the national football team. Poverty doesn't always get in the way of dreams.

Governance and Human Rights – promoting people's participation in their own development

Trócaire's approach to governance and human rights is based upon a belief that empowerment, participation and accountability are essential to the achievement of justice and human rights for the most excluded.

Through this programme, we focus on changing the structures and processes of governance that perpetuate and deepen injustice, poverty, exclusion and abuses of human rights. We work to empower poor and marginalised people to take part in governance processes, claim their rights and demand accountability from the state. Given the depth of the inequalities facing women, we have a particular focus on empowering women to promote, defend and achieve their rights.

The political context in many countries presented challenges to our programming in the past year. Local community development organisations and international agencies such as Trócaire faced restrictions on our work in many cases; while human rights defenders faced many threats.

Throughout 2010, attacks on civil society activists and impunity for violations of human rights remained key issues. Human rights defenders, trade unionists and journalists continued to come under extreme pressure in countries such as Colombia, Honduras, Guatemala, Sudan, Zimbabwe and Israel/Occupied Palestinian Territories. Many of the countries in which we work are experiencing or emerging from conflict. When possible we incorporated peace-building elements into our work.

We are inspired by our partners in many countries who constantly put their own personal safety at risk in their struggle for freedom from injustice. They speak out, telling stories of violence, discrimination and corruption that exist in their countries, to try to bring about change. Many of our partners, their families and the communities they work with have been threatened, attacked, tortured and even killed as a result of their bravery.

We worked to expose some of those cases, including during our 2011 Lenten campaign on the struggle for land rights in Honduras. In the Aguan Valley many farmers have been killed as a result of their brave stance in fighting for their right to land. We have introduced a policy and set of guidelines on Partners at Risk to help us work with partners to prevent risks to their security and to guide us in our response to any threats to partners that arise.

During 2010/2011 we spent €9.628m on thirty three governance and human rights programmes. We developed a new strategy to drive our work and to ensure we were being effective. Our work resulted in positive developments in many communities.

In Sindh Province in Pakistan, our partners worked tirelessly to secure the registration of ‘haris’, landless bonded labourers. Because of this work, the practice of buying and selling these human slaves, widespread in 2007, has been significantly reduced. Partners’ legal aid work has assisted over 5,000 bonded labourers to gain their freedom in the past four years.

In India, 3,000 women in Kandhamal, Orissa, campaigned to oppose the issuing of 22 alcohol licenses, all of which were subsequently cancelled. Local women claim this is already helping reduce the number of incidents of domestic violence.

In Angola, Radio Ecclesia gives citizens airtime to voice their demands. This has resulted in electricity being returned to Ilha da Madeira in Hoji-Ya-Henda after 30 years; roofing materials and land plots for 100 families affected by flooding in Zango and Vila Chinesa; and the reconnection of the water supply in Prenda, Luanda after an absence of four months.

In Nicaragua, for the second consecutive year, women’s public hearings were held with local government in Posoltega. Around 800 women from eight communities participated and demanded housing and house electrification. Local authorities responded positively and the public hearings are there to stay.

Through training of paralegals in Kenya, over 1,700 detainees have been released from wrongful custody. In a number of countries, partners also worked to increase the participation of women in politics. We are committed to addressing injustice and human rights violations in all our programmes of work.

30-year struggle for justice continues

On July 14, 1982, Don Mateo lost 25 family members during Guatemala's civil war when the national army of Guatemala came to his village and massacred everyone in sight. He was in the fields at the time and survived but his parents, wife and two sons, aged 7 and 9, were not so lucky. For the past 28 years he has been fighting for justice with the help of Trócaire.

Here, Don Mateo tells his story.....

“The morning it happened I was out in the fields with my brother. I was coming back to my house when I heard cracking noises and saw smoke. Initially, I thought someone was burning cardboard. The noises got louder and I realised it was gunfire.

I went to the next village and they told me they had seen the army going up the hill to my village. I knew they had come to kill us all. I went into hiding in the woods.

Soon after we'd seen the army leave, my brother and I came back up to the village. All the houses had been burned. The only thing left was the wash house where the women had hung out the washing that morning. There were bodies everywhere. Down one side of the mountain I saw the body of my uncle. He was lying face down and there were rocks on his body. It looked like he had tried to escape but they caught him.

I went further down the hill to where my own house was, a little outside the village. It hadn't been burned. Another house nearby had been burned and I walked towards it. Inside, it was full of the bodies of the women and children of the village. Some were still kneeling. Others were sitting. One woman had a knife still sticking in her neck. They were all dead.

The smell of the burning bodies was horrific. I fainted and when I came to my friend was alongside me. We went to the house where the men were and saw the same thing. We both felt sick to the core. I almost vomited.

We went to a cave and hid there for ten days. Because my house wasn't burned we were able to take some food from it, like maize and wheat, and we were able to live on that.

Eventually we ran out of food and the other survivors went to another village for help. I fled to Mexico. I stayed in Mexico for three or four months. I didn't know what had happened to my brother so I had to come back.

I lost around 25 family members that day, including my parents, wife and two children. I wasn't thinking about the government's role back then.

The men were buried in mass graves but because the bodies of the women and children were exposed they were taken by vultures and other animals. Around six years later, we were able to exhume the bodies of the 67 men and rebury them individually and with dignity.

Trócaire supported us with the reburial and gave us psychological support. Our aim is justice and that is why, together, we have set up the Association for Justice and Reconciliation. Now we are fighting together to bring the perpetrators to justice.

Justice is the most important thing for me. There cannot be reconciliation if justice isn't attained first. The government came in and burnt our houses and killed our families. Before the massacre there were 23 families here and even now, almost 30 years later, there are only nine. We have been betrayed by our country.

Now 30 years have gone by and we're still waiting. Our hope is draining but our fight is not.”

Guatemala's civil war saw as many as 200,000 women, men and children, mostly indigenous people, killed or forcibly abducted by the state security forces. The vast majority of the perpetrators of these human rights violations have not been brought to justice.

Preparing for and responding to humanitarian crises

During 2010/2011, we spent €7.002m on thirteen programmes responding to humanitarian crises. Responding to the two gravest crises in Haiti and Pakistan, we provided immediate life-sustaining relief - food, water, sanitation, shelter and health services - to over 250,000 people.

2010 was a rare year of two major disasters - the Haiti earthquake and the Pakistan floods. The disasters resulted in a remarkable outpouring of generosity from the public in Ireland and internationally. In this financial year Trócaire received €3.2 million in public donations in response to the Haiti earthquake. Following the Pakistan floods, the public donated €8.2 million, €4.6 million of which came through Church collections. Our humanitarian work is also supported by the Irish government.

We responded instantly in both cases, through our existing partner, Caritas Haiti, and our programme team in Pakistan. In keeping with our justice mandate and rights-based approach, we worked to protect vulnerable women and children who were displaced, widowed or orphaned. In Haiti, we built safe spaces for children in camps for the homeless. In Pakistan, we made sure that women were safe in the aftermath of the devastating floods.

Our approach to emergencies means that we help communities learn how to cope should disaster strike. In Mozambique, we help communities prepare to react should a cyclone cause flooding. In Central America, we help communities plan for their needs during the hurricane season.

In 2007, surveys in Nicaragua, Honduras, El Salvador, and Guatemala revealed 50% of people in disaster-prone communities did not know how to cope if an emergency struck. By 2010, in our targeted communities, 94% of people had been educated on disaster management techniques and 246 community emergency committees were organised, trained and equipped.

In May 2010, tropical storm Agatha hit San Lucas Tolimán in Guatemala. Seven people died in communities adjacent to where a Trócaire preparedness project had been carried out. However, in the actual zones where Trócaire worked, information and timely evacuations meant that no lives were lost. It has been demonstrated that community-based disaster preparedness saves lives.

During the past year, a number of protracted international crises caused grave humanitarian needs. Conflict in many of the poorest countries - Sudan, Somalia, Democratic Republic of Congo (DRC), Chad and Afghanistan - saw increased flows of refugees and internally displaced people. Drought in Kenya and Ethiopia affected the most vulnerable. Water, food and health remain priority needs. We have worked to meet these needs and also to ensure that we are more accountable to those whom we support after an emergency.

In Somalia, we helped 211,871 men, women, boys and girls affected by chronic conflict to access health services. In excess of 2,000 children are screened each month for malnutrition. Over 90% of 6,046 children requiring treatment for acute malnutrition recovered. Three hospitals, five health centres and 50 health posts are staffed, supplied and operational.

In 2010, our work resulted in the first ever Caesarean section delivery in Luuq Hospital. Following an evaluation the British governments's overseas aid ministry, DFID, recognised the excellent work being done in our Somalia programme as it is such a fragile state.

Once an emergency occurs, we act immediately to save lives and relieve suffering by providing humanitarian relief. Then we stay with communities to help them to rebuild and start to earn a living again. Only then is our work done. During 2010, for instance, we completed a five-year body of work in Indonesia in response to the Asian tsunami of late 2005.

Our humanitarian team is trained to the highest international standards. All of our humanitarian workers comply with SPHERE guidelines (a rights based approach to humanitarian assistance), Livelihoods in Emergency Standards (LEGS), the Code of Conduct and the Good Enough Guide. The first worldwide Trainers of Trainers in the LEGS initiative were Trócaire staff.

“Lots of days I don’t eat”

Sylvie Charles Pierre (10) looks forward to school each day much more than most children. Her school is her haven and her escape. Since January’s earthquake in Haiti, it’s become even more important to her. Now it’s sometimes the only place she gets something to eat.

The Ecole Anne-Marie Javouhey in Petionville, Port au Prince, run by the Sisters of St Joseph of Cluny, is a great place of learning. It’s also a sanctuary for poor girls from all across the city.

Sylvie’s mom, Nicole Noelle, lost her home in the earthquake. She moved with Sylvie and her two sons, Josef and Jonathon, to a camp for the homeless in Port au Prince. A widow, she is forced to beg on the streets for enough money to feed her children and send them to school.

But her begging isn’t always successful. And that means her kids can’t eat and can’t pay the bus fare to school from the camp in which they live. Nicole also has to pay school fees for her children.

“Lots of days I don’t eat,” says Sylvie matter of factly. “Sometimes mom cooks a little something. “ If her mom doesn’t have the 50 cent to send her daughter to school, an hour long journey on a tap-tap (a local bus), she often goes hungry.

“Sometimes she has to sell what belongings she has to get money,” Sylvie says. “Then she gives me money to go to school.”

If she makes it to school without incident, the nuns make sure she gets a proper meal so she can concentrate on her studies.

Sr Yannick, the school administrator, ruffles Sylvie’s hair, tied up in gleaming white ribbons. “She likes all her subjects,” she says proudly. “She lives a long way away from here and travels by bus on her own when her mother has money to send her. But as many as 40 per cent of children in Haiti don’t go to school.”

The Haitian government funds the schools until 1 p.m. but the children must pay fees and buy their own books and uniforms. Sometimes the Sisters seek private funding and sponsorship to keep their girls in school. Sylvie’s education is safe for the next year.

The school was damaged in the earthquake and Trócaire helped with repairs and also pays for the school-feeding programme.

“During the earthquake lots of people were hurt. I saw a lot of blood and people crying”, Sylvie remembers. “I was afraid. I live in a tent now. There’s no electricity. When my mom wants to iron my uniform she has to put hot coals inside the iron. It was much easier living in a house.”

Trócaire, through its partner Caritas, is now funding many housing programmes in Haiti that will give people like Nicole, Sylvie and their family a new start in life. “I hope Haiti will change,” Sylvie says softly.

Promoting Gender Equality - unlocking the potential of women

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

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

In Ireland, we are a member of the Joint Consortium on Gender-Based Violence, which advocates at national and international level for stronger laws and access to justice for victims of violence. The consortium held a conference in June 2010 to look at the links between poverty, hunger and violence against women.

In February 2010, the United Nations announced the appointment of a Special Representative on Sexual Violence in Conflict. The culture of impunity towards one of the most pervasive forms of sexual violence, the use of rape as a weapon of war, should now be addressed on a more serious level.

Since our Lenten campaign on gender equality in 2007, we have worked to encourage governments, including Ireland, to adopt and implement national action plans on women, peace and security. This work gained traction in 2010 and Trócaire actively engaged in consultations on Ireland's first national action plan alongside other members of civil society. The document has been submitted for final sign-off by government.

During 2010/2011, we supported eight dedicated gender-related programmes in countries such as Cambodia, Pakistan, Uganda, Kenya, Sierra Leone, Nicaragua and Malawi, spending €1.622m. Our strong programme tracking violence against women in Kenya attracted funding of £1 million from Comic Relief over a three year period.

In Uganda, over 70% of women have been affected by domestic violence. Together with the Irish Embassy, we supported the Episcopal Conference in launching the first ever national Catholic Church campaign on domestic violence that was delivered through 25,000 churches in 19 dioceses nationwide.

The result of partners' work is also evident in the Democratic Republic of the Congo. Action taken by local women's groups included a peaceful march against sexual violence in Tshumbe, a strike by women market traders against illegal taxation in Kabinda and advocacy for the rights of children and young girls in Goma.

Partners in a number of countries are reporting greater independence and security for women as a result of credit schemes and training. In Sierra Leone, 2,500 women have become more independent through the creation of 144 savings and loan self-help groups and skills training on crafts.

In Pakistan, over 1,297 women have received vocational training and micro-credit, and women are reporting that family earnings have increased by €27-€45 per month. In one area, a cooperative business run by 60 women was transformed into a skill development centre, and beneficiaries' work was displayed at a national rural women's conference in Islamabad. In conservative North West Frontier Province, 80 women were trained in non-traditional skills such as electricians, plumbers and carpenters.

We have also raised awareness on women's rights by reaching over 3,500 people through radio programmes, workshops, film screenings, leaflets and events. In Chitral, we worked with the local government to create internship opportunities for young girls and established village level units to increase awareness about trafficking, women's rights and their role in Islam. As a result, for the first time in Chitral's history, authorities have held meetings with women to discuss their issues. They are increasingly recognising that early and arranged marriages, bride price and extremely limited mobility are contributing to the disturbingly high suicide rate among young women.

I tell the men about rights and values.

'We needed help here because we are very poor' according to Fidelina Ramos, who lives in Sonsonate, west El Salvador. 'Our parents couldn't teach us about gardening because we always believed we lived on bad soil. It's just rocks and clay. Our parents only grew corn and sorghum. Trócaire's local partner in the area, Balsamo supported Fidelina and other women in the village to set up vegetable gardens to improve their food supply and earn extra income. 'They taught us how to add nutrients to the soil. We started with organic compost that we made ourselves from dry leaves, cucumbers, chicken and cow manure and some limestone. We started to use it almost straight away.

As women it was the first time we had done anything like this. Before, we were housewives. We realised we could produce for our family. Cucumber, squash, green beans, yuca, papayas, cashews, mango, eggplant and more. It's all here. We are seeing the results. And bananas!

The first resistance from men came because we drew up a work schedule between the women and it meant that we couldn't always be at home. My husband was very understanding. He'd say if you start to work outside it will be complicated for you. I told him I would manage.

Before, my husband used to grow corn, beans and sorghum and go to the sugar plantations for work from November to March. He would only come back to visit once a month. He still goes once a year, but much less. Maybe for a month or less in total. He doesn't need to go as much because we make pickles from the produce in the garden and he brings them to shops in the area and sells them for us. We pickle carrots, onions, cauliflower and peppers.

We thank Trócaire for this knowledge, it is how we have improved our lives. Now I am so happy because I have been able to improve the quality of the food that my children eat and my husband isn't gone as much as he used to be. I explain to my children how I have learned all of these new things and how they also need to plan for their lives.

We have learned self-esteem. Not only the men can do this work, we can do it too! We realised that this garden is a real job for us, but there is still resistance from the men. We used to be 25 but 10 women have left because the men said they weren't looking after their children and ignoring their duties. But we have proved and showed them that it can be done.

I tell the men about rights and values. Not only the men have the last say anymore. Women don't have to be under the control of the men. I feel independent because now I help him support the household and to sell the pickles.

I've helped my older children after school. This is how it should be! On average I bring an extra \$20 a month from the garden and the pickles.

I would like to increase the number of women here because the women can improve their lives and those of their families. The women here built the water tank and the community centre ourselves. I know how to build a house from the ground up!"

HIV programme – reducing the vulnerability to and mitigating the impact of HIV

Our HIV programmes ensure that people and communities have access to a range of prevention, care and treatment services and that the rights of people living with and affected by HIV are promoted and protected.

2010 was a year of great progress in the sector. UNAIDS confirmed that the spread of HIV and AIDS globally has halted and begun to reverse. Prevalence amongst young people in 15 of the most severely affected countries has reduced by 25% while treatment was expanded for a further 1.2 million people in 2009 alone. Investment in the global AIDS response is paying off, but without sustained and increased financial support, the gains could easily be eroded.

HIV and AIDS issues are increasingly being viewed from a human rights perspective. Both China and the United States lifted travel restrictions for people living with HIV, something for which we advocated through our membership of the Ecumenical Advocacy Alliance, an international network of churches and church-related organisations committed to campaigning together on common concerns.

The response of faith organisations like Trócaire came to prominence in 2010. In March, a Summit of High Level Religious Leaders on HIV took place and faith-based organisations' work was prominent at the International AIDS Conference in Vienna. The Pope's remarks on HIV in the book *Light of the World* in November signalled openness at the highest level in the Vatican to discuss condom use in particular cases as a first step in moral awareness. Our HIV Programme Leader is chairing the Catholic HIV and AIDS network this year.

To highlight the HIV crisis and the need for equal rights among men and women to a young audience, we created a series of three DVDs in 2009 with the international group No Strings, whose staff were lead puppeteers with Jim Henson, creator of the acclaimed Muppet Show. These DVDs were officially launched at the International AIDS Conference in Vienna in June 2010 but have been in use since 2009.

During 2010/2011, we spent €1.802m on seven dedicated HIV programmes in Asia, Africa and Latin America and two additional programmes focusing on women's vulnerability to HIV. We also continued to educate and inform staff throughout the organisation about HIV. A new HIV programme in Zimbabwe secured substantial funding from Comic Relief.

Our HIV programmes target very poor and vulnerable populations, many of which are affected by chronic food insecurity such as in Ethiopia, Mozambique and Zimbabwe. Food baskets or cash payments were provided to very poor people in the slums of Nairobi, Addis Ababa and Adigrat. People were offered training and in some cases provided with seed capital or a loan to help start to earn an income.

In Uganda, we provide mobile health clinics for those with HIV in rural areas. We provided voluntary testing and counselling to over 40,000 people in four countries last year, while services for people living with HIV included laboratory tests, prevention of mother to child transmission, antiretroviral therapy and treatment of opportunistic infections.

Educating people about HIV prevention is key to our work. We use a range of techniques, including drama, sporting events and radio programmes. We reached more than 36,750 people across programme countries (this included over 3,000 people in Cambodia, over 6,000 in Kenya and nearly 20,000 in Mozambique). Just over one third of those trained were young people.

Women are particularly vulnerable to HIV. In Cambodia, awareness sessions were delivered to 3,309 women on their rights. 403 of these attended further training on leadership and assertiveness. A new programme in Malawi supports organisations to reduce women's vulnerability to HIV through support for men-to-men groups and through community dialogue with women and men on power, relationships, culture and communication.

We also support children infected with HIV. Statistics show that children who need treatment are less likely to receive it than adults. We provide school materials and/or fees for over 800 HIV positive children in Cambodia, Mozambique, Kenya and Uganda and home or foster care for 510 children in Cambodia.

“To people in Ireland – tell them there is a lady called Emily and she is a widow. She is living with HIV and she is thanking God for what you have done. You have helped her to help so many.”

Emily Aoko Otieno wraps her brown coat around her tiny frame as she stands to address her class. A sea of tiny heads turns to listen. This is no ordinary teacher. The children are being taught by ‘The Iron Lady of Nanyuki.’

It’s a big title. The term ‘Iron Lady’ is usually reserved for cold, hard-nosed politicians. Not adjectives easily associated with Emily. She earned this accolade by being the backbone of her community in Kenya’s equatorial Nanyuki district, during a devastating epidemic.

St Peter’s Junior School was set up by Emily beside her home to teach orphaned children who missed years of school while their parents were sick or dying of HIV and AIDS. From the outside the school, housed in a single room with no windows, looks basic and shed-like. It’s made of clay bricks with a corrugated roof that drips rain onto the ground creating furrows of sticky mud. But inside something extraordinary is happening.

Children sit snugly on tiny chairs wrapped up in multi-coloured hats and warm coats as they giggle their way through a song about how much they love porridge. Together with Emily they chant in unison: “God is good, because that is his nature,” their school motto.

Emily aims to get each of these 40 children up to speed so they can rejoin mainstream schooling. The income she has made from breeding chickens provided by Trócaire’s Christmas Global Gifts plan is supporting her ambition. Their offspring can be heard clucking in a shed next door to the school; one of five community coops used to breed chicks. The community works together under Emily’s leadership to breed and sell chicks to buy goats, fund the school, pay national school fees and provide whatever local families affected by HIV and AIDS need.

Emily has made it her life’s mission to help people “live positively with HIV” since she was diagnosed eight years ago. Emily suspected that she had HIV having nursed her husband, Peter, before his death. But she says he was in denial. In 2002 she was tested and found that she was HIV positive. After counselling from a Catholic priest she began treatment and put on weight. “I told people that God had helped me to survive. But at the hospital I was seeing people die. I began thinking ‘how can I help these people?’”

Emily decided to set up a support group and received help from Trócaire’s partner, Abantu. For the past four years Trócaire has been helping people in this region to cope with HIV and AIDS.

Emily decided that the only way to protect people was to change attitudes. If people were in denial, then how could they be treated? Now Emily gives open-air speeches about living positively with HIV. She notices people returning to her talks months after first attending looking healthier and “fatter.” Now, she says, people in her group don’t fear stating they are HIV positive.

Her association, called Living in Faith, has grown to over 240 members and with support from Abantu the group is looking after the needs of 1,200 orphaned children, making sure they reclaim their childhood.

Emily is also a loving grandmother to 13 children and has seven children of her own. “When I got my chickens I didn’t have a good diet. Then they started laying eggs and I started breeding the chickens. I’m really, really thankful for what they did for me. My children are happy and healthy.”

As the children of St Peter’s chuckle their way through another song the distant rumble of tourist buses can be heard taking camera-laden passengers to see Kenya’s breathtaking wildlife. Little do they know that the real magic of Kenya is taking place here in Nanyuki, in a tiny school hidden amongst the muck and chicken coops.

TRÓCAIRE

REPORT OF THE TRUSTEES

Institutional support for our work

Along with donations from the public, Trócaire receives significant funding from governments and other institutional donors which 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 of €25.2m from institutional donors in this financial year amounted to 40% of overall income. 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 the Irish Aid Multi-Annual Programme Scheme (MAPS). Under this scheme we were due to receive €116 million over a five-year period from 2007-11. This funding was on target in 2007 and 2008, but because of general government cutbacks due to the financial crisis, we received €16 million from the projected €26 million in 2010. Similar shortfalls for 2009 and 2011 give rise to an overall loss of €30 million on projected income from MAPS over that three-year period.

The MAPS funding scheme is based on a long-term strategic relationship between Irish Aid and Trócaire. Irish Aid funding supports our long-term development work in our five thematic programmes. Trócaire is one of only five agencies receiving MAPS funding. In addition to MAPS, Irish Aid also provided funding of €2.8m for our emergency responses to humanitarian crises in Kenya, Zimbabwe, Pakistan, Somalia and Timor Leste.

The British government, through DFID, contributed €1.7m towards a health programme in Somalia, governance and human rights programmes in Sierra Leone and Malawi, and a livelihoods programme in Mozambique.

The European Commission provided a total of €1.3m for our health work in Somalia, governance and human rights work in Mozambique, Zimbabwe, Rwanda, Angola, and Kenya, and livelihoods funding for Central America.

Funding relationships with governments and international institutions also offer us an opportunity to collaborate with these donors, to open a dialogue with them on development and humanitarian issues, to learn from them and to influence their policies.

A number of Irish, British and international agencies and donors, listed in the financial statements, also supported our development and emergency work. The total amount received from these sources amounted to €3m. These funds were used to support development and humanitarian programmes in Africa, Asia and Latin America.

HOME BASED ACTIVITIES

Mobilising for Justice

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

During 2010 key areas of work included people's right to food, climate change, overseas aid and human rights violations in Israel/Occupied Palestine Territories.

The right to food was highlighted during our annual Lenten campaign, and we continued our advocacy on food security and poverty at the high-level meeting of the United Nations on the Millennium Development Goals in September. In advance of the summit, we reported to the Irish government on how we were helping achieve these key development goals through our overseas work.

TRÓCAIRE

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Throughout the Lenten campaign we focused on the fact that one in six people in the world go hungry every day. Thousands of people signed our petition calling for a better deal for the world's poor. Lenten resources on the theme of hunger were distributed to every primary and post-primary school and parish in Ireland. In September a special Development Education resource, *The Business of Food: who makes the rules?* was released. This was the first time we targeted the post-primary business studies curriculum and its release was supported by in-service training for teachers.

In Ireland, we held a conference on the right to food that was attended by then Minister of State for Overseas Aid Peter Power, representatives from the EU Commission and the EU Parliament. *Strengthening Food Security* was the title of our annual Trócaire Development Review 2010.

In June 2010, an Israeli attack on an aid flotilla heading for Gaza led to an international outcry. Trócaire responded with an immediate call for Israel to lift the siege on Gaza and respect international humanitarian law. Over 15,000 people signed our online petition supporting this call.

Before the end of the year, we continued to lobby the government against further cuts to the overseas aid budget. Through the umbrella organisation for non-governmental development agencies, Dóchas, we worked with others in the sector to secure a renewed commitment on aid spending that will protect the world's poorest people in the future. The government committed to reaching our planned spending target of just seventy cents in every €100 of national income on overseas aid by 2015.

Public support for our work

Last year was a challenging year for raising funds. However, despite the difficult economic circumstances in Ireland, people recognised that the situation is far worse overseas and continued to generously support our work. In particular the response to emergency appeals for Haiti and Pakistan was overwhelming.

During the 2010 Lenten campaign, we introduced the Irish public to families and communities from around the world who are living in severe poverty and regularly go to bed hungry. Six-year-old Domitille Myirabavakure from Rwanda was the face of the campaign and featured on the Trócaire box along with her family. Once again, people responded extremely generously to the Lenten appeal and many thousands of Trócaire boxes were returned by families throughout Ireland.

'Give it up for Trócaire' replaced our annual Fast and encouraged people to give up food or something else they love to raise money for Trócaire. The campaign was endorsed by Irish goal-keeper Shay Given, world-champion athlete Derval O'Rourke and Danny O'Reilly, lead singer in the Coronas. The campaign featured a community in Bolivia where people struggle to feed their families and make a living on their small plots of land in the Andes.

The catastrophic events in Haiti and Pakistan saw over two hundred thousand people killed and many more losing their homes and everything they own. People throughout Ireland responded with incredible generosity to these appeals. This support enabled us to provide immediate relief to those worst affected and to support long-term recovery in both countries. This work includes rebuilding homes, repairing schools and providing meals for children in schools in Haiti. In Pakistan, we are helping to restore communities and infrastructure, providing clean water and sanitation and helping people to make a living.

The inaugural 'Trad for Trócaire' campaign took place in September in partnership with Comhaltas Ceoltóirí Éireann. Many renowned Irish musicians such as John Sheahan, Mairéad Ní Mhaonaigh, Finbar Furey, Kieran Hanrahan, Niamh Dunne and Damien Dempsey supported the debut of this distinctive fundraising campaign which encouraged traditional Irish music lovers to play, host or attend a seisiún in aid of Trócaire. 'Trad for Trócaire' was greeted with huge enthusiasm and over 400 events took place around the country.

Our Christmas gifting campaign, Global Gift, ran for its 11th year in 2010. Almost 30,000 gifts were purchased, with olive trees for Palestine and the solar light for Uganda being the most popular. These gifts will change lives by allowing families to produce enough food, help them to earn an income and equip them with light and other essentials for daily life.

TRÓCAIRE

REPORT OF THE TRUSTEES

We continued calling to homes throughout the country last year, talking about Trócaire's work and asking people to consider giving a regular monthly donation. Our fundraisers were warmly received on the doorstep and thousands of families chose to donate on a monthly basis – allowing us to better plan and deliver our life-saving work in many countries.

Once again last year people offered their time generously for Trócaire – running marathons, holding coffee mornings, hosting fairs and fun days and much more to raise money for our work.

Trócaire's work is only possible because of the loyal and generous commitment shown by all of our supporters. That includes our diocesan representatives throughout the island who work tirelessly to promote our work in parishes alongside the clergy and parish volunteers, and also schools and teachers. Thank you to everyone who contributed to our work during the last year.

Communicating our work

Our supporters are vital to our work and we communicate with them as often as possible through the media in broadcast and print and through online and social media. We do our best to highlight the impact we make in the developing world with the money so generously entrusted to us. We highlight the causes of poverty and the unjust political, social and economic structures that make and keep people poor. Our communications work supports our advocacy and fundraising.

During 2010, we developed a comprehensive communications plan to support our Lenten campaign on hunger, that focused on the fact that for the first time ever, one in six people in the world were hungry. We increased our feedback to parishes through a series of photo exhibitions in churches and through a special newsletter on our response to the Haiti earthquake.

We increased the volume and value of our coverage in 2010 in a determined effort to reach out to those who support us and let them know the positive difference we are making together.

We generated significant coverage of our work in responding to two major emergencies, in Haiti and in Pakistan, and in reporting through the year on the impact of our relief and recovery programmes. We drew attention to the special protection needs of vulnerable women and children post-emergencies and facilitated a trip to Haiti by media in December 2010, almost one year after the earthquake struck.

A number of journalists and photographers visited our work overseas, in countries such as Israel/Occupied Palestinian Territories, Rwanda and in Kenya. This generated significant coverage in broadcast, print and online media.

Our website www.trocaire.org is a critical communications tool. During 2010, we focused on producing innovative visual content and increasing our profile on social media, growing the number of supporters on Facebook, Twitter and Youtube. We created new online functionality to encourage our supporters to interact with us online and to support our fundraising appeals.

An innovative video competition highlighting the impact of world hunger was developed for third level students. The finalists' videos were posted online and hundreds of people voted to pick a winner.

In May, we launched *The Search for Justice: Trócaire, A History*, written by Brian Maye and published by Veritas. The book, which tells the story of Trócaire's work through captivating personal accounts from Trócaire staff and partners, was launched by the Archbishop of Dublin, Diarmuid Martin.

In September, Director Justin Kilcullen attended a major meeting of the United Nations in New York that focused on how we can reach the Millennium Development Goals (MDGs), a set of globally agreed goals on development, by the deadline of 2015. A national communications plan supported this advocacy on aid, trade and development.

We also continued our communications about the causes and impact of climate change in the developing world.

At the end of 2010, our new online engagement strategy for the coming three years was completed. This will allow us to put our supporters in Ireland at the heart of our communications work.

Financing the Millennium Development Goals is the challenge facing world leaders

Justin Kilcullen, Trócaire
Irish Examiner, September 25, 2010

World leaders gathered at the UN in New York this week where they committed to tackle global poverty and inequality by renewing their efforts to achieve the Millennium Development Goals (MDGs) by 2015.

These eight development goals were agreed by 192 countries in 2000. They promised to halve the proportion of people whose income is less than \$1 a day and set out targets in areas including mother and child health, education, the role and status of women and sustainable development.

Ireland rightly earned praise this week from the international community for its efforts to tackle chronic hunger as it unveiled a new strategic partnership with the USA on early childhood nutrition. Foreign Affairs Minister Micheál Martin showed real leadership as he launched the Irish government's plans together with US Secretary of State, Hillary Clinton and UN Secretary General, Ban Ki Moon. This work will have a positive impact on the first goal on hunger and poverty.

But there are seven other goals, and with just five years to go before the agreed deadline of 2015, governments must urgently focus on what further commitments and resources are needed to deliver on all of them. For the one in six people in the world today who experience chronic hunger and poverty there is much at stake.

An essential aspect of any serious commitments to the MDGs is financing. The Irish government committed this week to reach our spending target of 0.7 per cent of national income on overseas aid by 2015.

This new pledge comes after Ireland twice reneged on its aid commitments first made in 2000. Ireland's aid programme has been cut by 25 per cent over the past two years. We can't keep our word to the world's poorest peoples without ring-fencing the necessary resources.

The first step on the road to deliver on that promise must be to protect the aid budget in December. We cannot solve our financial crisis in Ireland on the backs of the world's poor.

However, we also need new and innovative ways to raise additional money for development. Trócaire supports the introduction of a tax on financial transactions on money markets. Such a tax was supported this week by French President Nicholas Sarkozy and by Spanish Prime Minister, Jose Luis Rodriguez Zapatero. Ireland should support this call in Europe.

It would secure new badly-needed finance to galvanise progress towards the Millennium Development Goals. A tax of just 0.05 per cent applied to large transactions on currency markets could raise more than US\$400 billion annually, or three times the current aid levels.

There is some good news. We have seen considerable progress in some of the MDGs, including increasing the numbers of children in primary school, and a decrease in child mortality. This has shown how dedicated, coordinated responses, backed up with adequate finance and political will, can have a significant impact.

But governments must also recognise and tackle those challenges that affect the delivery of all the goals – the role of women in society, the hugely negative impact of violence against women globally, the increased vulnerability of women and children to hunger poverty and HIV.

Women are the developing world's farmers, yet are often denied the right to own or inherit land. In hard times girls are the first to be withdrawn from school. Yet we know children born to mothers without formal education are more likely to be malnourished or to die before the age of five. Equality between men and women is essential for sustainable development.

TRÓCAIRE

REPORT OF THE TRUSTEES

To keep our promise in five years time we need a radical shift in approach that will require tough decisions of Ireland and other countries. To truly eradicate poverty we need to look at the structures that make and keep people poor. That means examining our global and bilateral deals on trade, dealing with the debt crisis of the poorest countries and facing up to our responsibility on climate change.

In its concluding statement, the UN called for us to deliver our children a world free of poverty and inequality.

If we fail to do so it will be an indictment of the wealthiest countries in the world.

4. FINANCIAL REVIEW

The results for the year are presented on page 33 in the form of a Statement of Financial Activities in order to comply with the 2005 Statement of Recommended Practice “Accounting by Charities.”

INCOME

Total income for Trócaire was €63.1m. Our supporters donated €36.7m in the current year. The public contributed €11.4m to our special appeals for funds to assist those affected by the earthquakes in Haiti and flooding in Pakistan. Other income from our supporters amounted to €25.3m in support of our development, other emergency and educational and advocacy programmes. This was raised from the Lenten Campaign, 24-Hour Fast, Global Gift campaign, bequests and general donations which are used to finance our core work.

The organisation secured €25.2m from institutional donors in support of our development, emergency and rehabilitation work.

Trócaire received €18.8m from Irish Aid in the current financial year. Of this €16m is from the Multi-Annual Programme Scheme (MAPS). MAPS II, which commenced on 1 January 2007 and will continue for five years, ending in 2011.

In addition to this MAPS II funding, we received €2.8 million from Irish Aid towards emergency response in Burma, Sudan, Indonesia, Kenya, Ethiopia, Somalia and Zimbabwe.

EXPENDITURE

The statement of financial activities shows the analysis of charitable expenditure between charitable activities (overseas development, emergency, recovery and education programmes), cost of generating funds and governance costs. Direct charitable expenditure on 84 programmes amounted to €45.5m (2010 – €47.3m), which represents 87.7% (2010 – 86.6%) of total expenditure.

Spending on fundraising and publicity expenditure represented 11.5% (2010 – 12.6%) of total expenditure. Spending on governance costs represented 0.8% (2010– 0.8%) of total expenditure.

FINANCIAL POSITION AND RESERVES POLICY

Trócaire’s available resources at the end of year were €36m (2010 - €22.6m). Of the available resources, €25.4 m is held for restricted purposes, as the funds were donated for specific areas and programmes.

TRÓCAIRE

REPORT OF THE TRUSTEES

In managing its unrestricted reserves of €10.6m, 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 2011 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 €8.4m (2010 - €7.1m). This will be used to fund programmes overseas to further the objectives of the organisation.

The general reserve fund at the start of the year amounted to €1.15m. As part of responding to the economic crisis Trócaire implemented a voluntary redundancy scheme in Ireland and closed offices overseas in 2009. The Board gave approval for the severance costs arising to be charged to the general reserve and to be replenished over the next three years. In 2010 the general reserve was replenished by €0.15m. At the end of the financial year the reserve stood at €1.3m.

INVESTMENT POLICY AND PERFORMANCE

The objective of Trócaire's Investment Policy is to maintain high liquidity while ensuring maximum security, meeting ethical standards and achieving the highest possible return. The interest earned is applied to our work.

The primary mechanism for meeting this objective is to invest in fixed interest deposits accounts with a high security rating, spreading the total invested and limiting the amount invested with any individual financial institution. These financial institutions are authorised by the Board. 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.

Trócaire's Investment Policy is reviewed by the Finance and Funding Committee and approved by the Trustees annually.

POLITICAL CONTRIBUTIONS

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

AUDITORS

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

5. PLANS FOR FUTURE PERIODS

Within the challenging external context of the financial crisis and a declining income from both government and the public, Trócaire remains committed to the delivery of an effective, cost-efficient programme of work in partnership with local organisations that support many of the world's poorest people.

To achieve this we will work to maximise our public and institutional income, continue to seek new ways of raising funds and build stronger relationships with all our supporters to secure our future.

We have revised and updated Mobilising for Justice, our strategic framework 2006-2016, concentrating on those key programmes of work that we can deliver in the next three years. We have agreed our main bodies of work and how we will deliver them, and aligned our financial planning with those objectives.

We reviewed and renewed our Safeguarding Children Policy in 2010, and will continue its roll-out throughout the organisation during 2011. A second policy to safeguard programme participants will address the protection of children and vulnerable adults through programmes operated by local partners overseas.

This year we will also work to achieve Humanitarian Accountability Partnership membership and ultimately accreditation to ensure we are accountable to those whom we support through our humanitarian programmes and our response to major emergencies.

Trócaire's approach to partnership differentiates us from many other international development organisations. In March this year we reviewed our partnership model so we can strengthen it. A new body of work has emerged from the review that will be implemented over the next year.

The final piece of work to integrate the three components of our Management Information Systems will be complete this year, allowing us to better monitor and evaluate our work, streamline internal processes and offer better customer care to our supporters.

Building sustainable livelihoods and securing environmental justice

This year we will shape our work to deliver on our agreed three-year plan.

We will continue to improve our ability to demonstrate the impact of our work helping poor families and communities to produce food, access markets and resources such as land, and to earn a decent living.

We will build on the baseline studies we carried out in our livelihoods programmes so we can measure impact over the life of the programmes.

Women suffer disproportionately from the burden of poverty. Through our livelihoods work we will highlight the impact that poverty and injustice have on women and girls and ensure our programmes are responding to their needs.

We will work to share our information and learning with access to markets with those countries that are beginning to work in this area.

In 2011 we will complete our research overseas on the impact of climate change at household level in four countries. We will deepen the links between country climate justice programmes and develop a revised advocacy programme on climate change. We will integrate our advocacy with the country programmes on food, agriculture and trade policy, paying particular attention to access to land and responding to the global food crisis.

Governance and human rights – promoting people’s participation in their own development

In 2011 we will introduce new programmes of work on governance and human rights in Burma, Timor Leste and Cambodia. We will continue our advocacy work on human rights in those countries where we work. We will improve our ability to demonstrate the positive impact of our work and share our successes. We will deepen our understanding of best practice in programming around access to justice and accountable and participatory governance.

Through our work we will focus on the particular needs of women and girls to make sure that their rights are respected and that they are not marginalised and excluded because of their gender. We will work with our colleagues in the gender programme to undertake joint organisational research and learning on women’s participation in processes and programmes that affect them.

We will also carry out research, analysis and advocacy into the pressures on civil society freedom at a global level and in a number of programme countries. This means we will examine the degree to which governments use laws or other means to restrict non-governmental organisations and individuals from speaking out on issues of poverty, injustice and abuse of human rights.

Preparing for and responding to humanitarian crises

Trócaire is working towards membership and accreditation by the Humanitarian Accountability Partnership (HAP) in 2011 and is conducting self-assessments in Kenya, Pakistan and Ireland that will be the basis for an organisational implementation plan.

The security and safety of our staff is paramount. We will undertake a review of our existing security policy and implement our updated policy within the organisation. We will link with the Irish government through Irish Aid’s Emergency and Recovery section and Dóchas, the umbrella group for NGOs in Ireland, on a review of security policy and practice among the government’s humanitarian partners.

Together with our sister agency in the UK, Cafod, we will co-lead a Caritas Europa Humanitarian Principles working group. The group aims to conduct advocacy at both EU institutional level and national level within various member organisations around the politicisation of aid and the need to protect humanitarian principles. This will be linked to the research done on civil society freedom under the Governance and Human Rights Programme.

We will show the impact of the work we have done in response to major emergencies and other humanitarian crises by using rigorous methods of monitoring. We will communicate this impact to our supporters, both online and through traditional media.

Promoting Gender Equality - Unlocking the potential of women

Our work to empower women and unlock their potential is crucial in delivering on sustainable development for men and women. During 2011 we will support the growth of a number of new programmes in countries such as Burma, Malawi and Pakistan. We will complete our baseline studies in Sierra Leone, Cambodia, Kenya and Nicaragua so we can measure our impact and feedback to our supporters.

We will support our colleagues across the organisation to make sure that women’s needs are at the heart of all our work.

A new research programme will begin, in collaboration with the governance and human rights team, into women’s political and community participation.

At the international level, we will continue our focus on advocacy through the United Nations to protect women and children in situations of conflict. We will advocate with the new Irish government for policies that support this.

TRÓCAIRE

INDEPENDENT REPORT OF THE AUDITORS TO THE TRUSTEES OF TRÓCAIRE

We have audited the financial statements of Trócaire on pages 31 to 53, 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 5 the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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

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

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

BASIS OF OPINION

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

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

TRÓCAIRE

INDEPENDENT REPORT OF THE AUDITORS TO THE TRUSTEES OF TRÓCAIRE

OPINION

In our opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of Trócaire's affairs as at 28 February 2011 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 28 is consistent with the financial statements.

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

Date: 9 July 2011

TRÓCAIRE

STATEMENT OF ACCOUNTING POLICIES

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

BASIS OF ACCOUNTING

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

INCOME

Income from the public represents donations received during the year.

The charity can reclaim tax on certain donations and this tax income is credited to the statement of financial activities in the year in which it is receivable.

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

Institutional funding received from Irish Aid, the European Union and other sundry sources are credited directly to the appropriate fund. Income earned on funds held on deposit is treated as unrestricted income in its respective jurisdiction.

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 in their country of origin at the time of receipt.

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 global gift and major donor campaign income is allocated to development programme fund. The remaining unrestricted funds are allocated as follows:

- 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).

TRÓCAIRE

STATEMENT OF ACCOUNTING POLICIES - CONTINUED

FOREIGN CURRENCIES

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

PENSIONS

Trócaire operates both defined benefit and defined contribution schemes, and pension benefits are funded over the employees' period of service by way of contributions from the organisation and employees. Contributions are charged to the Statement of Financial Activities or relevant programme fund 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 review the estimates of useful lives and residual values regularly. Based on prices prevailing at the time of acquisition and based on their estimates, the Board have determined that any charge for depreciation on freehold properties would be immaterial in the current year.

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

GOVERNMENT GRANTS

Capital grants are treated as deferred income.

SHORT TERM INVESTMENTS

Current asset investments are stated at market value.

PROJECT ALLOCATIONS

Project allocations are charged to the Statement of Financial Activities in the year in which they are approved. Project funds approved but not disbursed at the balance sheet date are carried forward as project creditors in the balance sheet. Income received for restricted purposes, the allocation of which had not been approved at the balance sheet date, is carried forward in a restricted fund.

TRÓCAIRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 28 FEBRUARY 2011

		Unrestricted funds	Restricted funds	Total 2011	Total 2010
	Note	€'000	€'000	€'000	€'000
<u>Incoming resources</u>					
General donations and bequests		10,646	4,456	15,102	14,200
Activities for generating funds:					
Lenten Campaign		8,206	-	8,206	10,840
Global Gift Campaign		1,391	788	2,179	2,712
24 Hour Fast Campaign		635	-	635	763
Deposit and investment income		828	319	1,147	900
Activities to further the charity's objects:					
Specified income (restricted)		23	10,547	10,570	6,078
Institutional funding		-	25,222	25,222	12,301
Total incoming resources	1	21,729	41,332	63,061	47,794
<u>Resources expended</u>					
Costs of generating funds:					
Fundraising and publicity	3	(5,410)	(541)	(5,951)	(6,879)
Direct charitable expenditure	4	(16,867)	(28,682)	(45,549)	(47,319)
Governance costs	5	(419)	(20)	(439)	(445)
Total resources expended		(22,696)	(29,243)	(51,939)	(54,643)
Net incoming (outgoing) resources for year		(967)	12,089	11,122	(6,849)
Transfer between funds during the year	15/16	246	(246)	-	-
Movements on investments	10	16	-	16	28
Net movement in funds		(705)	11,843	11,138	(6,821)
Fund balances at beginning of year		9,101	13,486	22,587	27,294
Currency translation gain (loss)		383	105	488	(118)
Actuarial gain	22	1,778	-	1,778	2,232
Fund balances at end of year	15/16	10,557	25,434	35,991	22,587

All income and expenditure arises from continuing operations.

The financial statements were approved and authorised for issue by the Trustees on 16 June 2011 and signed on its behalf by:

Bishop John Kirby)
Trustees
Bishop Noel Treanor)

TRÓCAIRE

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 28 FEBRUARY 2011

	2011 €'000	2010 €'000
Net movement in funds	11,138	(6,821)
Actuarial gain on defined benefit pension scheme	1,778	2,232
TOTAL MOVEMENT IN FUNDS FOR THE PERIOD	12,916	(4,589)

RECONCILIATION OF MOVEMENT IN FUNDS FOR THE YEAR ENDED 28 FEBRUARY 2011

	2011 €'000	2010 €'000
Net movement in funds	11,138	(6,821)
Actuarial gain for the year	1,778	2,232
Currency translation gain (loss)	488	(118)
Opening funds	22,587	27,294
CLOSING FUNDS	35,991	22,587

TRÓCAIRE

CONSOLIDATED BALANCE SHEET AS AT 28 FEBRUARY 2011

	Note	2011 €'000	2010 €'000
FIXED ASSETS			
Tangible fixed assets	7	1,671	1,940
Less: Government grants	8	(73)	(69)
		<u>1,598</u>	<u>1,871</u>
CURRENT ASSETS			
Debtors	9	2,549	4,051
Cash at bank and on short term deposit		46,315	43,756
Short term investments	10	78	62
		<u>48,942</u>	<u>47,869</u>
CREDITORS (Amounts falling due within one year)			
Approved programme allocations	11	(7,553)	(18,241)
Creditors and accruals	12	(3,317)	(3,583)
		<u>(10,870)</u>	<u>(21,824)</u>
NET CURRENT ASSETS		<u>38,072</u>	<u>26,045</u>
CREDITORS (Amounts falling due after one year)	12	(685)	(557)
RETIREMENT BENEFIT SCHEME DEFICIT	22	(2,994)	(4,772)
TOTAL NET ASSETS	14	<u>35,991</u>	<u>22,587</u>
INCOME FUNDS			
Restricted funds	15	25,434	13,486
Unrestricted funds	16	10,557	9,101
TOTAL FUNDS		<u>35,991</u>	<u>22,587</u>

The financial statements were approved and authorised for issue by the Trustees on 16 June 2011 and signed on its behalf by:

Bishop John Kirby)
Trustees
Bishop Noel Treanor)

TRÓCAIRE

TRUST BALANCE SHEET AS AT 28 FEBRUARY 2011

	Note	2011 €'000	2010 €'000
FIXED ASSETS			
Tangible fixed assets	7	1,166	1,442
CURRENT ASSETS			
Debtors	9	3,905	4,018
Cash at bank and on short term deposit		32,079	32,036
Short term investments	10	78	62
		36,062	36,116
CREDITORS (Amounts falling due within one year)			
Approved programme allocations	11	(7,553)	(16,711)
Creditors and accruals	12	(3,290)	(3,557)
		(10,843)	(20,268)
NET CURRENT ASSETS			
		25,219	15,848
CREDITORS (Amounts falling due after one year)			
	12	(685)	(557)
RETIREMENT BENEFIT SCHEME DEFICIT			
	22	(2,994)	(4,772)
TOTAL NET ASSETS			
		22,706	11,961
INCOME FUNDS			
Restricted funds		14,161	4,414
Unrestricted funds		8,545	7,547
TOTAL FUNDS			
		22,706	11,961

The financial statements were approved and authorised for issue by the Trustees on 16 June 2011 and signed on its behalf by:

Bishop John Kirby)
Trustees
Bishop Noel Treanor)

TRÓCAIRE**CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2011**

	Note	2011 €'000	2010 €'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	17	1,679	(14,691)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	18	1,151	935
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	18	(271)	(1,195)
INCREASE/ (DECREASE) IN CASH	19	2,559	(14,951)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/ (decrease) in cash in the year	19	2,559	(14,951)
Movements on investments	19	16	28
CHANGE IN NET FUNDS DURING THE YEAR		2,575	(14,923)
NET CASH FUNDS AT START OF YEAR	19	43,818	58,741
NET CASH FUNDS AT END OF YEAR	19	46,393	43,818

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

1.	TOTAL INCOMING RESOURCES	Unrestricted funds	Restricted funds	Total 2011	Total 2010
1.1	INCOME FROM THE PUBLIC	€'000	€'000	€'000	€'000
	General donations and bequests	10,646	4,456	15,102	14,200
	Lenten Campaign	8,206	-	8,206	10,840
	Global Gift Campaign	1,391	788	2,179	2,712
	24 Hour Fast Campaign	635	-	635	763
	Specified income	23	10,547	10,570	6,078
	Total income from the public	20,901	15,791	36,692	34,593
1.2	INSTITUTIONAL FUNDING				
	Irish Aid		18,760	18,760	5,527
	EU	-	1,336	1,336	2,748
	DFID	-	1,698	1,698	1,289
			21,794	21,794	9,564
	<i>Contributions from agencies and groups:</i>				
	ADSUM Foundation	-	16	16	-
	Bank of Ireland Employees Fund	-	80	80	80
	Broederlijk	-	190	190	100
	CAFOD	-	243	243	168
	Caritas Australia	-	313	313	21
	Caritas Belgium	-	280	280	-
	Caritas New Zealand	-	219	219	281
	Caritas Czech	-	20	20	-
	Christian Aid	-	-	-	28
	Comic Relief	-	393	393	147
	Cordaid	-	128	128	252
	Development and Peace	-	103	103	31
	Electric Aid	-	89	89	-
	Fisher Foundation	-	2	2	3
	Gorta	-	-	-	1,560
	International Organisation for Migration	-	86	86	-
	KORU Foundation	-	-	-	2
	Mike Kumar	-	-	-	3
	MISEREOR	-	100	100	-
	NIPSA	-	26	26	14
	Norwegian Church Aid	-	235	235	-
	OCHA	-	34	34	-
	Oxfam Australia	-	68	68	-
	SCIAF	-	299	299	-
	Secours Catholique	-	-	-	15
	Unicef	-	504	504	29
	Vodafone	-	-	-	3
			3,428	3,428	2,737
	Total Institutional Funding	-	25,222	25,222	12,301*
1.3	OTHER INCOME				
	Deposit and investment income	828	319	1,147	900
	TOTAL INCOMING RESOURCES	21,729	41,332	63,061	47,794

*€16m was received from Irish Aid (MAPS funding) in the year ended 28 February 2011. In the year ended 28 February 2010 €4.8m of MAPS funding was received with the balance of €11.2m received in the prior year. In accordance with the accounting policy of Trócaire, these funds are being recognised in the financial statements in the year in which they are received.

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SCHEDULE OF TRANSFER OF FUNDS

	Unrestricted funds €'000	Restricted funds €'000	Total 2011 €'000	Total 2010 €'000
Total income	21,729	41,332	63,061	47,794
Movements on investments	16	-	16	28
Governance costs	(419)	(20)	(439)	(445)
DISPOSABLE INCOME	21,326	41,312	62,638	47,377

	Unrestricted funds €'000	Restricted funds €'000	Total 2011 €'000	Total 2010 €'000
Allocated as follows:				
Items for specific funds and programmes	-	11,635	11,635	6,078
Institutional Funding	-	25,222	25,222	12,301
Other: Northern Ireland	-	4,455	4,455	4,283
Development Programme Fund	14,929	-	14,929	17,969
Communications and Education Fund	4,265	-	4,265	4,497
Emergency Programme Fund	2,132	-	2,132	2,249
INCOME FOR DISTRIBUTION	21,326	41,312	62,638	47,377

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

	2011 €'000	2010 €'000
General donations and bequests	2,545	2,456
Lenten Campaign	754	867
24 Hour Fast	71	69
Global Gift Campaign	787	711
Deposit interest	318	202
	4,475	4,305
Governance Costs	(20)	(22)
Disposable income	4,455	4,283

3. FUNDRAISING AND PUBLICITY COSTS

	2011 €'000	2010 €'000
Advertising and publicity	1,402	1,443
Committed Giving campaign	1,290	2,489
24 Hour Fast	324	339
Lenten campaign	1,469	1,459
Salaries and other staff costs	1,113	862
Management and Administration (Note 5.2)	353	287
	-----	-----
	<u>5,951</u>	<u>6,879</u>

4. DIRECT CHARITABLE EXPENDITURE

Direct charitable expenditure represents 87.7 per cent (2010: 86.6 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:

	2011 €'000	2010 €'000
Overseas programme	28,840	31,442
Communications and education programmes	2,771	3,410
Programme support costs	13,938	12,467
	-----	-----
	<u>45,549</u>	<u>47,319</u>

4.1 Overseas Programme Expenditure

	2011 €'000	2010 €'000
Development	22,613	24,236
Emergency and Rehabilitation	6,227	7,206
	-----	-----
	<u>28,840</u>	<u>31,442</u>

In light of the downturn in the current economic climate and its impact on future incoming resources, the organisation undertook a complete review of its programmes and projects to ensure that all available funds were allocated to those areas most in need. This resulted in the organisation cancelling €9.585m of programmes approved in the prior year.

4. DIRECT CHARITABLE EXPENDITURE - CONTINUED

4.2 Communications and education programmes

	2011 €'000	2010 €'000
Salaries and other staff costs	1,536	1,573
Travel	153	76
Training	8	45
Campaigns	19	109
Web related costs	41	65
Strategic partnerships	295	527
Media consultants	29	-
Resource production and distribution	224	264
Other costs	137	170
Management and administration (note 5.2)	329	581
	----- 2,771 =====	----- 3,410 =====

4. DIRECT CHARITABLE EXPENDITURE - CONTINUED

4.3 Programme Support Costs

	2011 €'000	2010 €'000
Salaries and other staff costs	2,878	2,639
Training	17	3
Telephone	12	21
Postage, stationery and printing	67	27
Domestic travel	165	48
Professional fees	160	42
Conference and foreign travel	-	24
Office and computer maintenance	22	37
Light and heat	5	5
Depreciation	23	-
Exchange loss	34	2
Campaigns	22	15
National and international co-operation	209	143
Intern Programme	-	29
Publication and education resources	2	1
Programme Quality and monitoring	109	95
Specialist overseas consultants	-	13
Management and Administration (Note 5.2)	2,674	2,528
Other costs	344	-
<u>Regional Offices:</u>		
Horn and East Africa	1,532	1,424
Southern Africa	1,532	1,448
Latin America	1,249	744
Central and West Africa	1,515	1,691
Asia	1,367	1,488
	-----	-----
	13,938	12,467
	=====	=====

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

5. MANAGING AND ADMINISTERING THE CHARITY

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

5.1 Governance costs

	2011 €'000	2010 €'000
Salaries and other staff costs	377	382
Auditors' remuneration	62	63
	-----	-----
	439	445
	=====	=====

5.2 Management and Administration

	2011 €'000	2010 €'000
Salaries and other staff costs	1,751	1,935
Travel	35	32
Organisational strategic plan	-	10
Telephone	-	28
Insurance	38	51
Office rent	398	447
Office maintenance and repairs	81	13
Light and heat	-	2
Postage and stationary	56	39
IT costs	156	159
HR costs	-	24
Bank charges	115	97
Professional fees	127	36
Management information systems	-	22
Miscellaneous	15	6
Depreciation	537	495
Campaigns	5	-
Training	25	-
Loss on disposals of fixed assets	17	-
	-----	-----
	3,356	3,396
	=====	=====

Analysed as follows:

	2011 €'000	2010 €'000
Programme Support Costs (Note 4.3)	2,674	2,528
Fundraising and Publicity Costs (Note 3)	353	287
Communication and Education Programmes (Note 4.2)	329	581
	-----	-----
	3,356	3,396
	=====	=====

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. STAFF COSTS

The average number of employees during the financial year working in Ireland was 157 (2010: 171). The aggregate amounts paid to or on behalf of staff are as follows:

	2011 €'000	2010 €'000
Wages and salaries	5,841	6,420
Social welfare costs	598	654
Pension costs	1,045	1,001
	-----	-----
	7,484	8,075
	=====	=====

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 (2010: € nil).

The number of employees whose remuneration was greater than €90,000 to whom retirement benefits were accruing under a defined benefit scheme is 3 (2010:4) as follows:

Salary Range	2011	2010
€90,000 to €100,000	1	1
€100,001 to €110,000	-	1
€110,001 to €120,000	1	1
€120,001 to €130,000	-	-
€140,001 to €150,000	1	1
€150,001 to €160,000	-	-
	---	---
	3	4
	==	==

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

Overseas support staff are included within programme support costs.

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

7. FIXED ASSETS

	Fixtures, fittings and equipment €'000	Computer installation €'000	Motor vehicles €'000	Freehold property €'000	Leasehold property €'000	Total €'000
COST:						
Balance 1 March 2010	828	1,940	102	688	6	3,564
Additions	29	249	-	-	-	278
Disposals	-	(29)	(25)	-	-	(54)
Exchange difference	9	3	-	21	-	33
Balance 28 February 2011	866	2,163	77	709	6	3,821
DEPRECIATION:						
Balance 1 March 2010	535	1,033	52	-	3	1,623
Charge for year	53	496	6	-	-	555
Disposals	-	(29)	(7)	-	-	(36)
Exchange difference	6	2	-	-	-	8
Balance 28 February 2011	594	1,502	51	-	3	2,150
NET BOOK VALUE						
At 29 February 2010	293	907	50	688	3	1,940
At 28 February 2011	272	661	26	709	3	1,671

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 2011 is made up as follows:

	Company €'000	Subsidiaries €'000	Total €'000
Leasehold property	3	-	3
Freehold property	263	447	710
Motor vehicles	25	-	25
Computer installation	660	-	660
Fixtures, fittings and equipment	215	58	273
	1,166	505	1,671

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. GOVERNMENT GRANTS

	Group		Company	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Opening balance	69	70	-	-
Exchange difference	4	(1)	-	-
	-----	-----	-----	-----
Closing balance	73	69	-	-
	=====	=====	=====	=====

9. DEBTORS

	Group		Company	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Amounts falling due within one year				
Amounts due from subsidiary undertaking:				
Trocaire (Northern Ireland)	-	-	1,101	169
Tax refundable	1,239	1,705	1,097	1,190
Deposit income accrued	71	68	71	68
Advertising prepaid	567	1,126	567	1,126
Other debtors and prepayments	672	1,152	591	987
	-----	-----	-----	-----
	2,549	4,051	3,427	3,540
Amounts falling due after one year				
Amounts due from subsidiary undertaking:				
Trocaire (Northern Ireland)	-	-	478	478
	-----	-----	-----	-----
	2,549	4,051	3,905	4,018
	=====	=====	=====	=====

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

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

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. SHORT TERM INVESTMENTS

	2011 €'000	2010 €'000
Market value at 1 March 2010	62	34
Revaluation	16	28
	-----	-----
Market value at 28 February 2011	78	62
	=====	=====
Historical cost	62	62
	=====	=====

Investments on hand at 28 February 2011 relate to €521 prize bonds and €77,340 held in an investment portfolio with Davy stockbrokers.

11. APPROVED PROJECT ALLOCATIONS

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

12. CREDITORS AND ACCRUALS

	Group		Company	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Amounts falling due within one year:				
Trade creditors and accruals	2,907	3,325	2,879	3,299
Payroll taxes	205	172	205	172
Bank loan (note 13)	205	86	206	86
	-----	-----	-----	-----
	3,317	3,583	3,290	3,557
	=====	=====	=====	=====
Amounts falling due after one year:				
Bank loan (note 13)	685	557	685	557
	-----	-----	-----	-----
	4,002	4,140	3,975	4,114
	=====	=====	=====	=====

13. BANK LOAN

The bank loan is unsecured and repayable as follows:

	2011 €'000	2010 €'000
Bank loan within one year	205	86
Bank loan from one to two years	205	128
Bank loan from two to five years	480	386
Bank loan after five years	-	43
	-----	-----
	890	643
	=====	=====

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds €'000	Restricted funds €'000	Total 2011 €'000	Total 2010 €'000
Tangible fixed assets	1,598	-	1,598	1,871
Net assets, after Retirement Benefit Scheme Deficit	8,959	25,434	34,393	20,716
	<u>10,557</u>	<u>25,434</u>	<u>35,991</u>	<u>22,587</u>

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

15. RESTRICTED FUNDS

	Balance at beginning of year €'000	Programme cancellations €'000	Incoming resources €'000	Exchange differences and transfers between funds €'000	Resources expended €'000	Balance at end of year €'000
Development programme	219	4,536	21,940	(202)	(26,072)	421
Communications and education	75	-	8	25	(57)	51
Emergency	255	654	3,379	(57)	(3,406)	825
Other: Northern Ireland	6,169	1,586	4,455	(39)	(4,644)	7,527
Specific funds:						
Africa	2,560	840	49	66	(846)	2,669
Central America	2	-	7	-	(4)	5
Pakistan	11	1	8,216	-	(1,386)	6,842
Bangladesh	19	-	-	(19)	-	-
Iraq and Iran	1	-	-	(1)	-	-
Middle East	40	-	16	2	(22)	36
SEA Disasters	61	-	1	22	(37)	47
Peru	1	1	-	1	(1)	2
Haiti	4,034	988	3,235	60	(1,700)	6,617
Burma	39	822	6	1	(476)	392
	13,486	9,428	41,312	(141)	(38,651)	25,434

In light of the downturn in the current economic climate and its impact on future incoming resources, the organisation undertook a complete review of its programmes and projects to ensure that all available funds were allocated to those areas most in need. This resulted in the organisation cancelling €9.585m of programmes approved in the prior year.

During the year €168,442 was transferred from restricted to unrestricted funds. Of this €193,442 was received from Institutional Donors to cover the admin costs of the organisation and has been transferred and expended through the unrestricted development programme fund. €25,000 relates to funding from Irish Aid for the leading edge project received in 2009 and recorded in the unrestricted development programme fund and has been transferred and expended through the restricted funds.

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 Darfur, 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 €6.6m on the Haiti fund and €6.8m on the Pakistan 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 and Pakistani partners.

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

16. UNRESTRICTED FUNDS

	Balance at beginning of year €'000	Programme cancellations €'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	7,101	157	14,929	(2,967)	(10,813)	8,407
Communications and Education	500	-	4,265	4,146	(8,411)	500
Emergency	350	-	2,132	(700)	(1,432)	350
	7,951	157	21,326	479	(20,656)	9,257
General Fund	1,150	-	-	150	-	1,300
	9,101	157	21,326	629	(20,656)	10,557

- (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 and the loan to its subsidiary undertaking, Trocaire (Northern Ireland), to acquire its property.

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

	2011 €'000	2010 €'000
Net incoming/ (outgoing) resources for year	11,122	(6,849)
Depreciation	555	495
Interest and investment income receivable	(1,147)	(900)
Decrease (increase) in debtors	1,504	(571)
Decrease in creditors	(10,826)	(6,635)
Loss on disposal of fixed assets	11	-
Exchange loss	460	(116)
Decrease in pension deficit (exclusive of actuarial gain/loss)	-	(115)
Net cash inflow/ (outflow) from operating activities	1,679	(14,691)

TRÓCAIRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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

18.1 RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2011 €'000	2010 €'000
Deposit and investment income interest received	1,151	935

18.2 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2011 €'000	2010 €'000
Payment to acquire tangible fixed assets	(278)	(1,195)
Proceeds from disposal of fixed assets	7	-
	<u>(271)</u>	<u>(1,195)</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 March 2010 €'000	Cash flows €'000	Other non cash changes €'000	28 February 2011 €'000
Cash at bank and on short term deposit	43,756	2,559	-	46,315
Current asset investments	62	-	16	78
	<u>43,818</u>	<u>2,559</u>	<u>16</u>	<u>46,393</u>

20. SUBSIDIARY UNDERTAKING

Trocaire (Northern Ireland) is a registered charity in Northern Ireland (charity number XR 10431). It was established for the relief of poverty and the advancement of education. Trocaire (Northern Ireland) received donations amounting to Stg£7,377,913 and expended Stg£5.4m in direct charitable expenditure, Stg£17k on governance costs and Stg£87k on fundraising and publicity costs during the year under review. It had funds of Stg £11.3m at 28 February 2011.

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

21. COMMITMENTS

RENTAL

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

22. PENSIONS

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

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

FRS 17 DISCLOSURES

The valuation is based on the most recent actuarial valuation (May 2007) and has been updated by the actuary to 28 February 2011 so as to comply with the requirements of FRS 17 in order to assess the liabilities of the scheme at 28 February 2011.

Amounts recognised in the balance sheet:	2011	2010
	€'000	€'000
Present value of funded obligations	14,017	13,667
Fair value of plan assets	(11,023)	(8,895)
	-----	-----
Deficit	2,994	4,772
Related deferred tax asset	-	-
	-----	-----
Net liability	<u>2,994</u>	<u>4,772</u>
	=====	=====
Amounts in the balance sheet		
Liabilities	2,994	4,772
Assets	-	-
	-----	-----
Net liability	<u>2,994</u>	<u>4,772</u>
	=====	=====

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

	2011	2010
	€'000	€'000
Current service cost	493	423
Interest on obligations	698	720
Expected return on plan assets	(565)	(403)
	-----	-----
Total cost recognised	<u>626</u>	<u>740</u>
	=====	=====
Actual return less expected return on plan assets	<u>987</u>	<u>2,163</u>
	=====	=====

Changes in present value of defined benefit obligation

	2011	2010
	€'000	€'000
Opening defined benefit obligation	13,667	12,859
Service cost	493	423
Interest cost	698	720
Contributions by plan participants	136	137
Actuarial gain arising from experience being different than expected	(964)	(564)
Actuarial gain arising from change in liability valuation assumptions	-	92
Benefits paid	(13)	-
	-----	-----
Closing defined benefit obligation	<u>14,017</u>	<u>13,667</u>
	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

22. PENSIONS (CONTINUED)

Changes in the fair value of plan assets	2011 €'000	2010 €'000
Opening fair value of plan assets	8,895	5,740
Expected return	565	403
Actuarial gains	422	1,760
Contributions by plan participants	136	137
Contributions by employer	1,018	855
Benefits paid	(13)	-
	-----	-----
Closing fair value of plan assets	11,023	8,895
	=====	=====

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

	2011 %	2010 %
Equities	71.00	73.00
Fixed interest	23.00	18.00
Property	2.00	3.00
Cash	4.00	6.00

Principal actuarial assumptions at the balance sheet date:

	2011 %	2010 %
Discount rate	5.00	5.00
Expected return on plan assets	6.12	6.18
Future pensionable salary increases	3.50	3.50
Future pension increases for service prior to 1 May 2007	5.00	5.00
Future pension increases for service after 1 May 2007	3.00	3.00
Inflation rate	2.00	2.00

Amounts for current and previous four periods are as follows:

	2011 €'000	2010 €'000	2009 €'000	2008 €'000	2007 €'000
Defined benefit obligation	(14,017)	(13,667)	(12,859)	(12,116)	(11,024)
Fair value of plan assets	11,023	8,895	5,740	7,813	7,442
	-----	-----	-----	-----	-----
Deficit in the plan	(2,994)	(4,772)	(7,119)	(4,303)	(3,582)
	=====	=====	=====	=====	=====
Experience adjustment on plan liabilities	964	564	80	(768)	(951)
Experience adjustment on plan assets	422	1,760	(3,719)	(1,197)	56
Changes in assumptions	-	(92)	290	697	242
Extra company contributions	392	-	-	-	-
	-----	-----	-----	-----	-----
Total actuarial (loss)/gain recognised in STRGL	1,778	2,232	(3,349)	(1,268)	(653)
	=====	=====	=====	=====	=====

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 €1,030,975 (2010: €989,712). A provision of €96,192 (2010: €12,039) is included in accruals being outstanding contributions.

TRÓCAIRE

**SUPPLEMENTARY INFORMATION:
ANALYSIS OF GENERAL INCOMING RESOURCES FOR THE YEAR ENDED
28 FEBRUARY 2011
(NOT COVERED BY THE REPORT OF THE AUDITORS)**

	2011 €'000	2010 €'000
GENERAL DONATIONS AND BEQUESTS		
General donations	12,868	11,456
Bequests	2,234	2,744
	<u>15,102</u>	<u>14,200</u>
LENTEN CAMPAIGN, GLOBAL GIFT AND 24 HOUR FAST CAMPAIGN		
Diocesan Returns	5,958	7,073
Dublin Schools	523	675
Lenten Campaign Donations - Dublin	616	1,108
Lenten Campaign Donations - Outside Dublin	1,109	1,983
24 Hour Fast	635	763
Global Gift Campaign	2,179	2,713
	<u>11,020</u>	<u>14,315</u>
DEPOSIT AND INVESTMENT INCOME		
Deposit income	1,147	900
	<u>1,147</u>	<u>900</u>