

**Registration Number 152968**

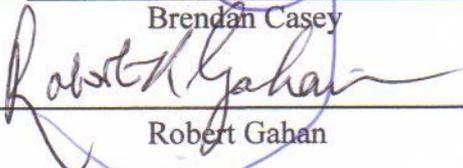
**VITA (RTI) Limited  
Reports and Financial Statements  
for the year ended 31 December 2009**

**We hereby certify that the within Statement of Financial Activities,  
Balance Sheet, Report of the Independent Auditors, Report of the  
Directors, are true copies of the documents to be laid before the Annual  
General Meeting of the Company.**

Chairperson: \_\_\_\_\_

  
Brendan Casey

Director: \_\_\_\_\_

  
Robert Gahan

Date: \_\_\_\_\_

16<sup>th</sup> August 2010

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## **Company Information**

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<b>Chairman</b>	Brendan Casey	
<b>President</b>	Fr. Norman Fitzgerald	
<b>Directors</b>	Robert Gahan	
	Sean Hurley	
	Deirdre Ruane	<i>(Retired – 15 December 2009)</i>
	Larry O’Loughlin	
	Patricia Hallahan	
	Fr Paddy Ryan	<i>(Retired – 15 December 2009)</i>
	Brian Buggy	
	Tom Barry	
	Fr Brian Starcken	<i>(Commenced – 12 March 2009)</i>
<b>Secretary</b>	John Wallace	
<b>Company Number</b>	152968	
<b>Charity Number</b>	9670	
<b>Registered Office</b>	73A Blessington Street Dublin 7	
<b>Auditors</b>	Anne Brady McQuillans DFK Iveagh Court Harcourt Road Dublin 2	
<b>Business Address</b>	73A Blessington Street Dublin 7	
<b>Principal Bankers</b>	Bank of Ireland Kill O' The Grange Co Dublin	Bank of Ireland Drumcondra Dublin 9
	Allied Irish Bank Stillorgan Co Dublin	
<b>Solicitors</b>	Matheson Ormsby Prentice 3 Burlington Road Dublin 4	

## **Directors' Report for the year ended 31 December 2009**

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The directors present their annual report and the audited financial statements for the year ended 31 December 2009.

### **Principal Activity and Review of Developments**

Vita is an Ireland-based non-profit organisation whose mission is to enable poor and marginalised communities in the Horn of Africa to improve their livelihoods in ways which are environmentally sustainable and appropriate to the context, whilst respecting the human rights and dignity of all.

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

### **Results**

The results for the year are set out in page 18 and 19. The net outgoing resources for the year were €269,553 (2008: Outgoing €355,061).

### **Directors**

The current list of Board Members is set out on the company information on page 3.

### **Transactions involving Directors**

There were no contracts or transactions in relation to the business of the company in which the directors had any interest at any time during the year ended 31 December 2009.

### **Books of Account**

To ensure that proper books of accounting records are kept in accordance with Section 202 of the Companies Act, 1990, the directors have engaged appropriately qualified accounting personnel. The books of account are located at 73A Blessington Street, Dublin 7.

## **Directors' Report for the year ended 31 December 2009 (contd.)**

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### **Events after the Balance Sheet Date**

There have been no circumstances or events subsequent to the year end, which require adjustment to, or disclosure in the financial statements.

### **Statement of Directors' Responsibilities for the Financial Statements**

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company for that year.

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

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

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

The directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Company Acts 1963 to 2009.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Directors' Report for the year ended 31 December 2009 (contd.)**

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The directors are responsible for the maintenance and integrity of the website. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Auditors**

The auditors, Anne Brady McQuillans DFK have indicated their willingness to continue in office in accordance with the provisions of Section 40(1) of the Companies (Amendment) Act, 1983.

### **Companies (Amendment) Act, 1983**

The reporting requirements of the Companies (Amendment) Act, 1983 relating to Financial Statements do not apply as VITA (RTI) Limited is a company limited by guarantee and not having a share capital.

### **Going Concern**

The company incurred net outgoing resources of €269,553 for the year ended 31st December 2009. The directors believe the company has adequate resources to continue in operational existence for the foreseeable future. On this basis it is deemed appropriate to continue to prepare the accounts on a going concern basis.

### **Principal Risks and Uncertainties**

The directors have assessed the risks and have taken measures to manage these risks in VITA (RTI) Limited as follows:

#### **Fraud Risk**

This risk is mitigated by maintaining segregation of duties for receipt of funds and payment of creditors. The directors have put processes and controls in place to ensure that detailed checking is carried out at all stages to ensure the accuracy and validity of all transactions.

**VITA (RTI) Limited**

*(being a company limited by guarantee and not having a share capital)*

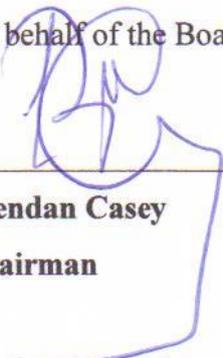
**Directors' Report for the year ended 31 December 2009 (contd.)**

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**Liquidity Risk**

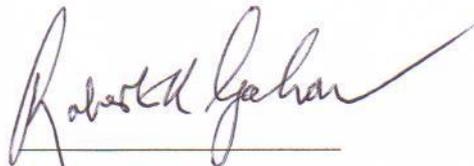
In common with other companies operating in Ireland in this sector, the company is dependent on both voluntary income donations and income from state organisations. The directors are of the opinion that the company is well positioned to manage the costs of running the company.

On behalf of the Board



**Brendan Casey**  
**Chairman**

Date 16<sup>th</sup> August 2010



**Robert Gahan**  
**Director**

## **Chairperson's Report for the year ended 31 December 2009**

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Although 2009 has been a difficult year for us, in common with most charities, Vita concluded the year with our best-ever operational capability in Eritrea and Ethiopia, supported by strong and effective management and corporate governance in our small Dublin base. A welcome tribute to our growing reputation came in November 2009, with the award of €3 million additional funding from the European Union for three new projects in Eritrea and Ethiopia. Sadly, despite our increased fundraising efforts, domestic funding was again disappointing with a reduction in planned income from our generous Irish donors and from Irish Aid. Ongoing economic problems in Ireland made these reductions inevitable and likely to continue for some time to come. We are working to reverse this trend and we continue to seek alternative funding sources. We particularly welcome support from corporate donors who recognise the important humanitarian and social role that Vita is playing in bringing improved food security to two of the poorest countries in the world.

As a small NGO from a small country, our strategy for 2008-2010 is to play to our strengths and concentrate geographically on Eritrea and Ethiopia, while carrying out some early exploratory work in Kenya. Vita is now the largest NGO in Eritrea, where we have built a strong relationship with Government and local communities. During 2009, our initiatives in introducing drip-irrigation, Moringa trees and in supporting the introduction of fuel-efficient cooking stoves, have benefited the lives and the health of thousands of Eritrean women and their families. In Ethiopia, Vita has been a leader in the improvement of family health through Community-led Total Sanitation programmes.

We continue to improve our operating effectiveness at home and in Africa. The Programme Strategy and Monitoring Sub-Committee has been reinforced by the addition of Doctors Eanna Ni Lamhna and Seamus Crosse. Members of the Sub-Committee have visited and reported on our Ethiopian operations. We have completed an operation development programme for our Ethiopian office and appointed a highly regarded Country Director, Asfaw Yirgo. Field visits were also made to Eritrea. These field visits by Directors and sub-committee members have strengthened important links with country management and with other NGOs, including Gorta, which is now funding a project with Vita in Eritrea.

## **Chairperson's Report for the year ended 31 December 2009 (contd.)**

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Terms of Reference for the Programme Committee and the Governance and Finance Committee were finalised and approved, our Code of Corporate Governance is documented and in place, a Performance Management System has been introduced for Head office staff and country management, and our financial accounts comply with SORP.

Fr Paddy Ryan has returned to Sierra Leone and Fr Brian Starcken was elected to the Board. Fr Starcken is Irish Provincial of the Spiritans and brings to the Board his wide experience of working abroad with disadvantaged communities

In these difficult times, our continuing success is due to the dedicated work of our management and staff in Ireland and in Africa, whom I thank sincerely on behalf of the Board. I also wish to record my appreciation for the invaluable work and advice of my fellow Directors. Last, but not least, a big 'thank you' to our generous donors, big and small, whose funding makes it possible for Vita to continue to deliver the means of self-reliance to disadvantaged communities in the Horn of Africa.

**Mr. Brendan Casey**  
**Chairman**  
**VITA (RTI) Limited**

## **Chief Executive's Report for the year ended 31 December 2009**

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### **Sustainable Livelihoods Programme in the Horn of Africa**

2009 was another very hard year for the long-suffering and wonderfully dignified people of Eritrea and Ethiopia. Nature and events have not been kind, and for rural people the combination of hunger, poverty and loss of livelihoods has made life unbearable for many. Vita has now been in Eritrea for ten years, and in Ethiopia for five years. In that time both countries have made great progress in certain areas, particularly infrastructure development, education and health, and also economic growth in Ethiopia. However, sadly, there are more hungry people than ever, and with climate change affecting crops and volatile world food and fuel prices causing inflation, hunger stalks both lands. Seven million Ethiopians needed food aid, while in the absence of food aid in Eritrea, one in six children suffers very severe malnourishment. Vita's work in 2009 increasingly focused on helping households to fight hunger, with over 90% of programme expenditure in 2009 dedicated to this end.

### **Eritrea**

In the past ten years in Eritrea, Vita has had great success in bringing innovative solutions to women and farmers. Communities, government and donors have all acknowledged the impact on people's lives of Vita projects, such as introduction of edible trees, community drip irrigation and fuel saving stoves. 35% of all households in Eritrea are female-headed, with men mobilized to the military, relating to the unresolved border dispute with Ethiopia. In this context Vita continues to focus on supporting women's livelihoods in the home:

- By the end of 2009 over 12,000 women had been given the means and had constructed fuel saving stoves, improving health, livelihoods and the environment
- Over 15,000 women had planted edible moringa thus improving nutrition
- Eritrea's first community drip irrigation project in Durko benefited 600 food insecure rural farmers and is an important transfer of technology to the country
- Over 500 women also benefited from materials and training in palm leaf handcraft cooperatives

## **VITA (RTI) Limited**

*(being a company limited by guarantee and not having a share capital)*

### **Chief Executive's Report for the year ended 31 December 2009 (Contd.)**

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At the end of 2009, Vita was delighted to be able to appoint Mr Iyassu Gebrerufael as Country Director. Iyassu has been an outstanding and dedicated officer-in-charge for over two years, and through his appointment Vita's core value of empowering national staff is advanced. During 2010, Vita will implement two large new EU funded agriculture projects, continue to support women to install stoves and plant trees, and build a micro-dam to alleviate water shortage.

#### **Ethiopia**

In Ethiopia, Vita has overcome some initial difficulties to establish an effective community led approach to fighting hunger, which provides empowerment to women and communities to lead their own development:

- By the end of 2009 over 3,000 women had built latrines outside their homes, using the community led total sanitation process.
- Training of government partners in community led total sanitation has allowed for scaling-up of thousands more households during 2010.
- Hundreds of natural leaders had been trained to lead their villages and communities out of aid dependency and towards self-reliance

Richard McQuillen, founding managing director of Xilinx and Sun Micro-systems in Ireland, spent almost 18 months in Ethiopia building the organisational capacity of the staff. This vital work to improve aid effectiveness has put human resources at the forefront of Vita's work. In a similar way to Eritrea, Vita was very pleased to appoint Mr Asfaw Yirga as Country Director, a person of great experience and caliber who for many years managed all of the aid agencies in the country as a senior official of the Ethiopian government. During 2010, Vita will focus on carrying out a major new EU funded project to boost agriculture production and stabilize food prices. Vita's first project in Ethiopia, an agriculture and income generation project in Arba Minch and Hammer, will also be handed over to the community.

## **VITA (RTI) Limited**

*(being a company limited by guarantee and not having a share capital)*

### **Chief Executive's Report for the year ended 31 December 2009 (Contd.)**

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#### **Kenya**

During 2009, Vita finally obtained registration as an international NGO, setting the scene for establishment of a field office and commencement of programme operations. Vita will also develop Kenya as a hub for research and learning for the Horn of Africa programme during 2010.

#### **Donor Partners**

- The European Union awarded Vita over €3m in November 2009 for three projects in Eritrea and Ethiopia, aimed at providing tens of thousands of women and families with improved seeds, irrigation and marketing.
- Irish Aid continued, in 2009, to be a generous donor, albeit with reduced funding, and provided vital impetus to improve the effectiveness of Vita's development programme.
- Vita has been supported during this most difficult economic period by the generous support of our long-standing Irish supporters, our shop customers, volunteers, and local fundraisers, many who have helped in countless ways
- Several employee organisations were exceedingly generous to Vita during 2009, in particular the Bank of Ireland Group Employee Third World Fund
- During 2009, Vita established some exciting funding partnerships with well-established Irish organisations.
- From the home village of Vita's founder, Father Kevin Doheny, the Ballyouskill Vita Friends of Father Kevin Doheny not only raised substantial funds but also visited the community that they are supporting in Chencha Ethiopia, and where Father Kevin helped people in the famine back in 1974.

## **VITA (RTI) Limited**

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### **Chief Executive's Report for the year ended 31 December 2009 (Contd.)**

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- The Sisters of Mercy Western Province have also partnered with Vita for a sustainable livelihoods project in Southern Ethiopia.
- In their centenary year, the Irish Country Women's Association (ICA) have carried out fundraising to support women building stoves in Eritrea, and is proposing that its guilds twin with Eritrean villages.
- Helping to make up for budget cuts, and for funding shortfalls from Irish Aid, and in a spirit of solidarity, Gorta has provided Vita with vital funding to construct a micro-dam and provide water for 3,000 residents of Northern Eritrea.

During 2009, Vita's core competence in the areas of research-led agriculture and addressing climate change has been enhanced through the engagement of senior Teagasc executive Dr Seamus Crosse, and the renowned environmental lecturer, author and celebrity Dr Eanna Ni Lamhna on the Programme Sub-Committee. Vita carried out initial strategy development so that by the end of 2010 a clear vision and plan will be in place for the period 2011-2015.

#### **Operations Review**

2009 was another very challenging year for Vita as the organisation remains financially stretched to fund the expanding Horn of Africa sustainable livelihoods programme, as well as to cover support costs of the Irish side of the operation. Incoming resources were up marginally on 2008 at €1.75 million. While block grant funding from Irish Aid was reduced by €225,000 from the original agreement due to government budget cuts, Vita was still obliged to honour community development commitments entered into in the programme countries. As a result, resources expended in 2009 were for the third consecutive year substantially in excess of income at €2.0m. During 2009, non-legacy voluntary income was down significantly on 2008. Vita reduced fundraising costs and overheads in an effort to make ends meet in the recession-hit environment. As a result of the deficit of income below costs in 2009, Vita's unrestricted reserves were further diminished requiring a major effort in 2010 to reverse this trend.

**VITA (RTI) Limited**

*(being a company limited by guarantee and not having a share capital)*

**Chief Executive's Report for the year ended 31 December 2009 (Contd.)**

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During 2010 Vita is undertaking a major increase in programming, with projected total expenditure on charitable activities more than 50% higher than in 2009. While most funding has already been secured from donors, Vita will undergo a major refocus of fundraising efforts in 2010, aimed at generating a substantial increase in voluntary income to co-finance the programmes as well as to cover Irish costs.

**Mr. John Weakliam**

**CEO**

**VITA (RTI) Limited**

# **Independent Auditors' Report to the Members of VITA (RTI) Limited for the year ended 31 December 2009**

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We have audited the financial statements of VITA (RTI) Limited for the year ended 31st December 2009 which comprise the Income and Expenditure Account, the Balance Sheet, Cash flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out on pages 21-23.

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

## **Respective Responsibilities of Directors and Auditors**

As described in the Statement of Directors Responsibilities the companies directors' 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 in accordance with Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts 1963 to 2009. We state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:-

- whether the company has kept proper books of account;

**Independent Auditors' Report to the Directors' of VITA (RTI) Limited  
for the year ended 31 December 2009 (contd.)**

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- whether the Directors Report is consistent with the financial statements

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

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

**Basis of Audit 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 judgments made by the directors' in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**VITA (RTI) Limited**

*(being a company limited by guarantee and not having a share capital)*

**Independent Auditors' Report to the Directors' of VITA (RTI) Limited  
for the year ended 31 December 2009 (contd.)**

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**Opinion**

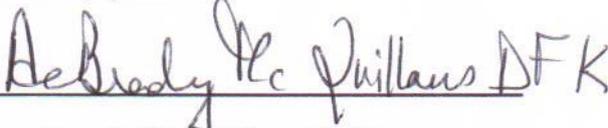
In our opinion the financial statements :

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at the 31st December 2009 and of its net outgoing resources and cash flows for the year then ended;
- and have been properly prepared in accordance with the Companies Acts 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report on pages 4- 7 is consistent with the financial statements.

Section 40(1) of the Companies (Amendment) Act 1983 does not apply as the company is limited by guarantee.



**Anne Brady McQuillans DFK**

**Chartered Accountants & Registered Auditors**

**Iveagh Court**

**Harcourt Road**

**Dublin 2**

**Date:** 16<sup>th</sup> August 2010

## Statement of Financial Activities for the year ended 31 December 2009

	Notes	Restricted Funds €	Unrestricted Funds €	Total 2009 €	Total 2008 €
<b>Incoming Resources</b>					
Incoming resources from charitable activities					
- grants from Governments, institutional co-funders	2	964,799	-	964,799	1,713,715
Incoming resources from generated funds					
- voluntary income	2	-	658,791	658,791	407,632
- income from trading activities	2	-	128,334	128,334	119,480
Other incoming resources	2	-	4,354	4,354	22,440
<b>Total Incoming Resources</b>		964,799	791,479	1,756,278	2,263,267
<b>Resources Expended</b>					
Charitable activities					
Costs of generating funds	3	964,799	563,784	1,528,583	2,012,650
- cost of generating voluntary income	4	-	332,469	332,469	433,959
- cost of generating trading income		-	63,066	63,066	65,702
Governance costs	5	-	101,713	101,713	106,017
<b>Total resources expended</b>		964,799	1,061,032	2,025,831	2,618,328
<b>Net outgoing resources before other recognised gains and losses</b>		-	(269,553)	(269,553)	(355,061)
<b>Reconciliation of funds</b>					
Total funds brought forward		-	358,573	358,573	713,634
<b>Total funds at year-end</b>		-	89,020	89,020	358,573

There were no other recognised gains or losses for the year

The financial statements were approved by the board on 16<sup>th</sup> AUGUST 2010 and signed on its behalf by

**Brendan Casey**  
Chairman

**Robert Gahan**  
Director

## Balance Sheet at 31 December 2009

	Notes	2009 €	2009 €	2008 €	2008 €
<b>Fixed assets</b>					
Tangible fixed assets	10&11		<u>38,034</u>		<u>52,784</u>
<b>Current assets</b>					
Debtors and prepayments	13	73,563		71,995	
Cash at bank and in hand		<u>2,347,923</u>		<u>584,725</u>	
<b>Total current assets</b>		<b>2,421,486</b>		<b>656,720</b>	
<b>Creditors: amounts falling due within one year</b>	14		<u>(2,370,499)</u>		<u>(350,931)</u>
<b>Net current assets</b>			<u>50,987</u>		<u>305,789</u>
<b>Net assets</b>			<b>89,020</b>		<b>358,573</b>
<b>Funded by:</b>					
Restricted funds			-		-
Unrestricted funds	16		<u>89,020</u>		<u>358,573</u>
<b>Total charity funds</b>			<u>89,020</u>		<u>358,573</u>

The financial statements were approved by the board on 16<sup>th</sup> AUGUST 2010 and signed on its behalf by

**Brendan Casey**  
Chairman

**Robert Gahan**  
Director

## Cashflow Statement for the year ended

### 31 December 2009

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
<b>Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>			
Operating profit/(loss)	-	(269,553)	(355,061)
Depreciation	-	14,864	9,444
Decrease/(increase) in debtors	-	(1,568)	181,176
(Decrease)/increase in creditors	-	<u>2,019,568</u>	<u>(365,316)</u>
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1,763,311</b>	<b>(529,757)</b>
<b>Cash Flow Statement</b>			
Net cash inflow/(outflow) from operating activities	-	1,763,311	(529,757)
Capital expenditure	<b>11</b>	<u>(113)</u>	<u>(2,093)</u>
Increase/(decrease) in cash for the year	-	<u>1,763,198</u>	<u>(531,850)</u>
<b>Reconciliation of net cash flow to movements in net funds</b>			
Increase/(decrease) in cash in the year	-	1,763,198	(531,850)
Net funds at beginning of year	-	<u>584,725</u>	<u>1,116,574</u>
<b>Net funds at end of year</b>	<b>12</b>	<u>2,347,923</u>	<u>584,725</u>

# **Notes to the Financial Statements for the Year ended 31 December 2009**

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## **1. Accounting Policies**

### **1.1. Accounting convention**

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by The Institute of Chartered Accountants in Ireland, and Statement of Recommended Practice (SORP) Accounting by Charities issued by the Charity Commissioners (England and Wales) in 2005.

### **1.2. Gifts-in-Kind**

Gifts of assets are included in income at a reasonable estimate of their value, at the date received. These assets are treated as either tangible fixed assets or current assets depending on whether the gift is to be disposed of or retained for use by the company. Gifts for fundraising purposes are accounted for when realised.

### **1.3. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows;

Computers	-	15% Straight Line
Fixtures, fittings and equipment	-	12.5% Straight Line

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

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**1.4. Deferred Income and Expenditure**

Grants received for overseas aid projects are matched with expenditure incurred on an accruals basis. Grants received in advance of expenditure being incurred are treated as deferred income. Funds received and expenditure incurred in respect of fundraising events to be held in the future are treated as deferred income and expenditure.

**1.5 Grants**

Revenue grants receivable are credited to the Statement of Financial Activities in the period in which the related expenditure is incurred.

**1.6. Foreign Currencies**

Revenues and costs arising from transactions denominated in foreign currencies are translated into Euro at the rates of exchange ruling on the date on which the transaction occurs. Assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling on the balance sheet date. The resulting exchange gains or losses are dealt with in the statement of financial activities.

**1.7. Leasing**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

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**1.8. Fund Accounting**

The following are the categories of funds maintained:

**Restricted Funds:**

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

**Unrestricted Funds:**

General funds represent amounts which are expendable at the discretion of the Board of Directors, in furtherance of the objectives of the company.

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

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**2. Incoming Resources**

a.

<b>Incoming Resources</b>	<b>2009</b>	<b>2008</b>
<b>Incoming resources from generated funds</b>	<b>€</b>	<b>€</b>
Voluntary Income		
Fundraising	177,371	327,138
Employee Fund Income	180,679	77,161
Legacy Donations	300,741	3,333
	<hr/>	<hr/>
	658,791	407,632
Trading Income (shop sales)	128,334	119,480
Bank interest earned	4,354	22,440
<b>Incoming resources from charitable activities</b>		
<b>Eritrea and Ethiopia:</b>		
European Union	199,386	388,413
Irish Aid	765,413	1,325,302
	<hr/>	<hr/>
	964,799	1,713,715
<b>Total</b>	<u>1,756,278</u>	<u>2,263,267</u>

**b. Incoming resources**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

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- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided). Investment income is recognised on a receivable basis. Income from charitable activities including income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when:

- Admission fees or performance related grants are received in advance of the performances or event to which they relate

**2.3 Volunteers and donated services and facilities**

The value of services provided by volunteers is not incorporated into these financial statements. Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

**3. Resources Expended –Expenditure on Charitable Activities**

Expenditure on charitable activities is broken down as follows:

	€
Ethiopian Activities	310,080
Eritrean Activities	857,282
Kenya Pilot Project	9,954
Programme Quality Costs	104,187
Indirect Programme Costs	210,211
Support Costs (Note 7)	<u>36,869</u>
	<b><u>1,528,583</u></b>

**4. Cost of Generating Voluntary Income**

Fundraising/ Marketing	Other Fundraising Costs	Staff Costs	Total Direct	Support (Note7)	2009 Total	2008 Total
€	€	€	€	€	€	€
<b><u>91,335</u></b>	<b><u>38,091</u></b>	<b><u>165,706</u></b>	<b><u>295,132</u></b>	<b><u>37,384</u></b>	<b><u>332,469</u></b>	<b><u>433,959</u></b>

**5. Governance Costs**

	2009	2008
	€	€
Staff Costs	48,342	52,855
Legal & Professional fees	22,970	35,005
Office & Other Costs	<u>30,401</u>	<u>18,157</u>
	<b><u>101,713</u></b>	<b><u>106,017</u></b>

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

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**6. Shop Trading**

Vita runs two charity shops, based in Dundalk town and Kilkenny city. These sell mainly second hand goods donated from the public as well as unwanted donated goods from high street stores. In each shop Vita employs one part time manager, and relies on the generous help of local volunteers to help run the shops.

**7. Support Costs**

Resources expended are shown in the statement of financial activities under the three headings stipulated under SORP 2005, i.e., Charitable Activities, Costs of Generating Funds, and Governance Costs. All other expenditures constitute support costs. In the case of expenditure on charitable activities, programme quality costs and indirect programme costs have already been allocated to charitable expenditure (note 3), leaving only finance and administration costs to be apportioned over the three SORP expenditure headings, as set out below. Where support costs arise to support more than a specific activity they are apportioned between the relevant activities on the basis of the amount of staff time which each activity requires.

	Charitable Activities	Cost of generating voluntary income	Governance costs	2009 Total	2008 Total
Total support costs	<u>36,869</u>	<u>37,337</u>	<u>101,713</u>	<u>175,919</u>	<u>153,409</u>

**8. The deficit for the year is after charging**

	2009	2008
	€	€
Net outgoing resources are stated after charging:		
Depreciation of tangible assets	14,864	9,444
Auditors' remuneration	9,335	8,421
	<u>          </u>	<u>          </u>

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

**9. Employees**

	<b>2009</b>	<b>2008</b>
<b>(a) Numbers</b>	<b>Number</b>	<b>Number</b>
Chief Executive	1	1
Fundraising Staff	3	4
Shop Retail	2	2
Project Staff	2	5
Administration Staff	2	2
	<u>10</u>	<u>14</u>
	=	=
 <b>(b) Employment costs</b>	 <b>2009</b>	 <b>2008</b>
	<b>€</b>	<b>€</b>
Wages & Salaries Fundraising and Shops	177,309	177,795
Wages & Salaries Projects	168,583	245,400
Wages & Salaries Administration	104,750	84,411
PRSI Costs	47,911	48,234
	<u>455,353</u>	<u>555,840</u>
	=	=

**(c) Salary Range**

One employee based in Ireland, earned remuneration in the range between €100,000 to €110,000 in 2009, with no employee earning in excess of this salary range.

Remuneration included salary and benefits in kind, but excluded employer pension contribution

**(d) Remuneration of board members**

There was no remuneration paid to company directors during the above two years.

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

**10. Tangible Fixed Assets**

<b>Computers, Office Fixtures, Fittings &amp; Equipment</b>	<b>Total €</b>
<b>Cost</b>	
At 1 January 2009	154,006
Additions	113
At 31 December 2009	<u>154,119</u>
<b>Depreciation</b>	
At 1 January 2009	101,222
Charge for the year	14,864
At 31 December 2009	<u>116,085</u>
<b>Net book value:</b>	
At 31 December 2009	<u>38,034</u>
At 31 December 2008	<u>52,784</u>

**11. Capital Expenditure**

	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Payments to acquire tangible assets	<u>(113)</u>	<u>(2,093)</u>

**12. Analysis of Changes in Net Funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Cash at bank and in hand	<u>584,725</u>	<u>1,763,198</u>	<u>2,347,923</u>

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

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**13. Debtors and Prepayments**

	<b>2009</b>	<b>2008</b>
	€	€
Tax Refundable on Donations	7,500	12,534
Accrued Income	51,927	45,000
Prepayments	14,136	14,461
	<u>73,563</u>	<u>71,995</u>

**14. Creditors falling due within 1 year**

	<b>2009</b>	<b>2008</b>
	€	€
Trade creditors	4,769	880
PAYE/PRSI	10,977	13,087
Accruals	18,602	11,822
Pension	37,377	16,362
Deferred Income - Committed Funds	2,299,130	308,780
	<u>2,370,499</u>	<u>350,931</u>

- During 2009 Vita made a provision of €21,015 and in 2008 made an initial provision of €16,362 in respect of employer liabilities for the new pension scheme for Irish based staff, which will be formalised in 2010.
- Deferred Income - committed funds relates to amounts received for which expenditure has yet to be incurred in respect of the following:

**Notes to the Financial Statements for the Year ended  
31 December 2009 (contd.)**

<b>Deferred Income</b>	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
European Union	2,166,904	111,157
Irish Aid	129,813	195,210
Fundraising – Ethiopia Challenge 2008	2,413	2,413
	<u>2,299,130</u>	<u>308,780</u>

## 15. Capital Commitments

### Capital Commitments:

There were no commitments in existence at the balance sheet date in respect of capital expenditure.

### Lease Commitments:

The company has a number of premises leases under which €61,200 per annum is payable, subject to periodic reviews.

## 16. Funds

<b>Reconciliation of funds</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
	Restricted Funds	Unrestricted funds	Total 2009	Total 2008
Funds at start of year	0	358,573	358,573	713,634
Net movement in funds during the year	<u>0</u>	<u>(269,553)</u>	<u>(269,553)</u>	<u>(355,061)</u>
Total funds at end of year	<u>0</u>	<u>89,020</u>	<u>89,020</u>	<u>358,573</u>

**Financial Statements for the Year ended  
31 December 2009 (contd.)**

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**Analysis of Unrestricted funds**

	€
Opening Balance 2009	358,573
2009 Unrestricted Income	791,479
Allocated to programmes	(563,784)
Absorbed by cost of generating funds and governance costs	<u>(497,248)</u>
Closing Balance 2009	<u>89,020</u>

**17. Legal Status of the Company**

The company is limited by guarantee and has no share capital.

The guarantee per member is €1.27.

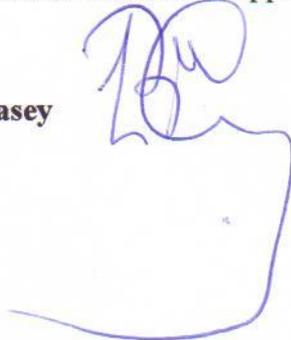
**18. Going Concern**

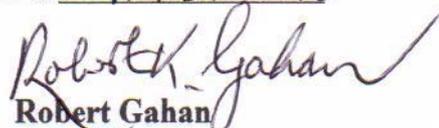
The company incurred net outgoing resources of €269,553 for the year ended 31st December 2009. The directors believe the company has adequate resources to continue in operational existence for the foreseeable future. On this basis it is deemed appropriate to continue to prepare the accounts on a going concern basis.

**20. Approval of financial statements**

The financial statements were approved by the board on 16<sup>th</sup> AUGUST 2010

**Brendan Casey**  
Chairman



  
**Robert Gahan**  
Director

VITA (RTI) Limited  
*(being a company limited by guarantee and not having a share capital)*

## **Supplementary Information**

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*The following pages are for the directors only*

VITA (RTI) Limited  
*(being a company limited by guarantee and not having a share capital)*

VITA (RTI) Limited  
*(being a company limited by guarantee and not having a share capital)*