

Vita (RTI) Limited

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

Registration Number 152968

**Vita (RTI) Limited
Reports and Financial Statements
for the year ended 31 December 2010**

**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:


Larry O'Loughlin

Director:



Date:



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Company Information

Chairman	Larry O'Loughlin (Appointed as Chair on 1 January 2011)
President	Fr. Norman Fitzgerald CSSp
Directors	Brian Buggy Brendan Casey (Retired 31 December 2010) Fr Brian Starken CSSp Geraldine Etchingham (Appointed 15 th January 2011) Patricia Hallahan Robert Gahan (Retired 31 December 2010) Sean Hurley (Retired 30 June 2010) Tom Barry
Secretary	John Wallace
Company Number	152968
Charity Number	CHY 9670
Registered Office	1 st Floor, Equity House Upper Ormond Quay Dublin 7
Auditors	Anne Brady McQuillans DFK Iveagh Court Harcourt Road Dublin 2
Business Address	1 st Floor, Equity House Upper Ormond Quay Dublin 7
Principal Bankers	Bank of Ireland Kill O' The Grange Co Dublin Allied Irish Bank Stillorgan Co Dublin Bank of Ireland Drumcondra Dublin 9
Solicitors	Matheson Ormsby Prentice 70 Sir John Rogerson's Quay Dublin 2

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Directors' Report for the year ended 31 December 2010

The directors present their annual report and the audited financial statements for the year ended 31 December 2010.

Principal Activity and Review of Developments

Vision

Rural African families empowered to sustain their livelihoods.

Mission

To tackle household food insecurity through community led sustainable agriculture projects that are scalable and replicable, with a special focus on women as the key enablers of sustainable development.

Programme Goal

To create a material improvement in nutrition through food availability, access and affordability for 250,000 households over five years and to leverage additional impact through replication

Vita (RTI) Limited is an Ireland-based non-profit organisation whose **vision** is of rural African families empowered to sustain their livelihoods. Vita (RTI) Limited's **mission** is to tackle household food insecurity through community led sustainable agriculture projects which are scalable and replicable, with a special focus on women as the key enablers of sustainable development. Community agriculture programmes initiated by Vita (RTI) Limited expanded in 2010 with EU funding for three agricultural projects in Eritrea and Ethiopia. Innovation through water saving drip irrigation technologies and fuel saving stoves, improved seeds and community led approaches brought significant impact at community level. Local government in Eritrea and Ethiopia scaled up innovations for wider impact, and government as well as donors acknowledged Vita (RTI) Limited programmatic achievements. In 2010 projects in both Eritrea and Ethiopia scored grades of A with high plaudits from a range of government partners. Progress was also registered towards marketing carbon credits from the CO2 savings from the fuel-efficient stoves.

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Directors' Report for the year ended 31 December 2010 (contd.)

During 2010 Vita (RTI) Limited initiated a research collaboration with the Irish Agriculture Research Agency Teagasc as well as agreements to support programme quality with the World Potato Centre (CIP) and the World Agro-Forestry Centre (ICRAF).

Restricted fund income increased from €964,799 to €2,418,324, the majority of which came from our Irish Aid and EU partners, with €175,952 being generated from new donors. These new donors provided some support to co-financing of Vita (RTI) Limited Irish Aid and EU projects but full co-financing of projects remains a significant challenge. Vita (RTI) Limited kept its' non-programme costs stable despite a large increase in programme activity.

In 2010 Vita (RTI) Limited conducted a major organizational restructuring to address concerns regarding financial stability. A cost rationalization and income recovery plan which included staff and salary cuts took place in mid-year and is continuing. This had initial success in reversing the year-on-year trend of rapidly diminishing reserves, resulting in a small net income recorded for 2010. In 2011, efforts to broaden the income base and improve financial stability will continue. The Board believes that the best long-term solution, both for financial viability and for the continued success of Vita programmes, will be through collaboration or merger with a like-minded partner or charitable organization.

The company is limited by guarantee and not having a share capital. The board of directors conducts quarterly and ad hoc board as well as sub-committee meetings focused on programme, funding, audit, finance and governance oversight as well as support of management. The board has a balance of competencies and wide experience in programme, agriculture, business, legal and financial areas. The board adopted a code of corporate governance as part of a review exercise during 2010. Sub-committees work to agreed terms of reference. Country program risk in the case of Eritrea has also been identified as a critical risk, which needs close follow up and improved balance in country exposure.

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Directors' Report for the year ended 31 December 2010 (contd.)

Results

The results for the year are set out in page 20 and 21. The net incoming resources for the year were €28,122 (2009: Outgoing €269,553).

Directors

The current list of Directors 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 2010.

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 and have maintained appropriate computerized accounting systems. The books of account are located at the Vita (RTI) Limited Head office 1st Floor, Equity House, Upper Ormond Quay, Dublin 7.

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.

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Directors' Report for the year ended 31 December 2010 (contd.)

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.

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Directors' Report for the year ended 31 December 2010 (contd.)

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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditors' report) of which the company auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company auditor is aware of that information

Auditors

The auditors, Anne Brady McQuillans DFK have indicated their willingness to continue in office in accordance with the provisions of Section 160 (2) of the Companies (Amendment) Act, 1963.

Companies (Amendment) Act, 1986

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 earned net incoming resources of €28,122 for the year ended 31st December 2010. 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. The directors believe that the best long-term solution, both for financial stability and continued success of Vita programmes, will be through collaboration or merger with a like-minded partner or charitable organization and the company is actively seeking opportunities for such collaboration or merger.

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Directors' Report for the year ended 31 December 2010 (cont.)

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.

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



Larry O'Loughlin

Chairman



Director

Date 27/1/11

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Chairperson's Report for the year ended 31 December 2010

2010 was a positive year for the programme work of Vita (RTI) Limited and an improving though still challenging year for Vita (RTI) Limited from an organisational standpoint. In Vita (RTI) Limited's programme countries of Eritrea, Ethiopia and Kenya, communities faced the multiple challenges of hunger, food price hikes and degraded environments. Vita (RTI) Limited, in 2010 delivered clear added value to the development programmes of our partner countries and target communities. Working in the most challenging of environments, Vita (RTI) Limited's work alongside local government and partners won testimonials from communities, their local governments and our core donors. The European Union has indicated it regards Vita (RTI) Limited as a leading partner in both Eritrea and Ethiopia, while Irish Aid and in particular the Irish Embassy in Ethiopia has been vocally supportive of our work. Ministers and Administrators across programme countries have given high plaudits for the impact of agriculture programmes. The Durko drip irrigation project in Southern Eritrea funded by Irish Aid stands as a model of innovation, technology transfer and partnership.

Vita (RTI) Limited is a programme driven organisation which dedicates organisational resources with full vigour to deliver impact in tackling hunger in Africa. Increasing engagement by new board members including four visits to programme countries enhanced the board's oversight of programmes. However levels of fundraising and brand awareness posed a very serious challenge to the organisation's viability coming into 2010 requiring serious actions to deliver a sustainable business model. The key Finance Audit and Governance Sub-Committee increased their engagement with management to tackle core organisational weaknesses. Tough decisions were made to cut staff and reduce salaries and overheads, and further restructuring may be needed in 2011. The performance management system challenged all Irish staff to deliver on fundraising targets. Such efforts brought initial reward by year-end, with a trend of reduced costs and enhanced fundraising income such as to stop a four-year trend of diminishing reserves. The appointment of a new, highly experienced Chair of the Finance, Audit and Governance Sub-Committee will help the newly appointed Finance and Operations Director to manage Vita (RTI) Limited's scarce resources in a way that minimises risk and maximises accountability to our donors.

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Chairperson's Report for the year ended 31 December 2010

During 2010, Vita (RTI) Limited conducted a series of management and partner workshops to elucidate a 2011-15 strategy building on programme successes, added value and core competence. By year-end, Vita (RTI) Limited had a final draft strategy for the 2011-15 programme, with draft country strategies also in place for Ethiopia and Eritrea. The latter country where Vita (RTI) Limited has enjoyed such success and partnership continues to carry high risk to Vita (RTI) Limited's continuance as the government pursues a self-development policy, and the board will closely monitor developments in 2011. Vita (RTI) Limited has initiated programme quality collaborations with global agriculture research centres in Kenya and this focus of working with like-minded international as well as Irish organisations will be enhanced in 2011.

In 2010 Vita (RTI) Limited established funding partnerships with organisations sharing our values and focus. In the U.K., Vita (RTI) Limited re-established a relationship with International Refugee Trust who were set up in 1989 alongside our organisation by Fr Kevin Doheny. They are funding the cutting edge stoves programme in Eritrea. The Sisters of Mercy Western Province identified with Vita (RTI) Limited's values and proposed a partnership project which they are supporting in Southern Ethiopia. Gorta has a long history in supporting agriculture in Africa and is supporting a micro-dam construction project in Eritrea which has opened the potential for more strategic collaboration. Vita (RTI) Limited programmes continue to get the wonderful support of the group employees of Bank of Ireland, ESB through Electric Aid, Dublin City Council and others. This support has been crucial in delivering aid to needy communities and we are most grateful. Several embassies also support Vita (RTI) Limited programmes and in general 2010 saw Vita (RTI) Limited finally start to build a more diversified fundraising base.

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Chairperson's Report for the year ended 31 December 2010

Larry O'Loughlin
Incoming Chairman
Vita (RTI) Limited

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Chief Executive's Report for the year ended 31 December 2010

Growing Food in Eritrea, Ethiopia and Kenya

2010 was a somewhat better year for the African farmers and also for the farmers of Eritrea and Ethiopia where Vita (RTI) Limited presently works. Food prices somewhat stabilized, less erratic rainfall allowed for improved agriculture production and there were promising macro-economic signs from mining and industry. Sadly the military situation did not improve and remains the greatest stumbling block to development, especially in Eritrea. Communities continued to suffer hunger and deprivation, with the constant risk to livelihood and to life itself. Women head up to 40% of households with all of the drudgery and need which that entails. The primary need, the missing ingredient is quite literally food, and in the case of 80% of rural dwellers, they have the potential to grow food on their own land if given the means to do so.

As African countries strengthen and take ownership of development, development partners are increasingly challenged to be effective and help deliver change. Recently introduced NGO regulation in Eritrea and now in Ethiopia has required Vita (RTI) Limited to be more strategic, effective and accountable, and 2010 was a year when Vita (RTI) Limited took measures to start to adapt to these new development realities. Two of our team, Iyassu Ghebrerufael and Asfaw Yirgu took over the roles of Country Director for Eritrea and Ethiopia respectively, thus empowering the national staff and enhancing local ownership of programmes. Strategies developed for 2011-15 have also reflected the need to enhance development effectiveness, promoting local capacities and ownership, to enable communities grow and market their own food.

After years of success in Eritrea, the Vita (RTI) Limited Ethiopia programme blossomed in 2010 to deliver high-quality agriculture to over 10,000 families, with strong government endorsement and grades of A awarded by EU evaluators sent from Brussels. Potatoes have huge potential to reduce hunger, and 350 farmers were able to produce five times more food from better seed potatoes transported by Vita (RTI) Limited from outside. The World Potato Centre has taken interest in Vita (RTI) Limited's work and their expertise will help Vita (RTI) Limited to bring high yielding potatoes to thousands of farmers hopefully in 2011 and beyond. The Community Led Total Sanitation (CLTS) method introduced to Ethiopia by

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Chief Executive's Report for the year ended 31 December 2010

Vita (RTI) Limited with the celebrated Kamal Kar to get communities to take the lead in development and get off aid dependency really took hold, with almost 100,000 people using self-constructed latrines. UNICEF, Plan International and many others have adopted this practice and hundreds of thousands of Ethiopians are being introduced to this wonderful initiative.

In Eritrea where the government works for self-reliance but mother nature does not bring enough rain and natural resources, 105 single mothers pioneered a technology transfer. They have flourished with the opening of a model community drip irrigation scheme funded by Irish Aid, and during 2010 the government has worked with Food & Agricultural Organisation (FAO) and International Fund for Agricultural Development (IFAD) to develop similar schemes across the country. By the end of 2010 18,500 women had built stoves in their homes saving their time and health, and reducing carbon emission by 10,000 tons annually. Stringent controls on NGO work has impacted at times on Vita (RTI) Limited's ability to deliver change on the ground and in 2011 Vita (RTI) Limited will have to be flexible to changing circumstances and possible risk to Vita (RTI) Limited's program.

Vita (RTI) Limited has delayed entry into Kenya right through 2010 for a number of reasons, one being programme financial and management resources, another being the need to define our added value and core competence, and thirdly our wish to build a programme with other like-minded NGOs. In late 2010 Vita (RTI) Limited had initial meetings with several Consultative Group on International Agricultural Research (CGIAR) member agriculture research centres and we have agreed to take a research led approach in Kenya working with such agencies and starting in late 2011 or early 2012.

Generating Resources in Ireland

Vita (RTI) Limited's Irish operation is all about empowering our African office and partners to deliver change. Change needs resources – financial, technical and human – and Vita (RTI) Limited has struggled over recent years to deliver resources to build on the strengths of our

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Chief Executive's Report for the year ended 31 December 2010

work in Africa. In 2010 the Vita (RTI) Limited head office in Dublin took some concrete measures to develop sustainable sources of finance. After years of reliance on our two core donors – Irish Aid and EU, and on a once-off corporate donation of €1.5m received in 2006 and now fully expended, Vita (RTI) Limited has started to diversify funding with new strategic funding partnerships in Ireland, U.K. and Africa. During 2010, €304,080 was generated in “other donor” (restricted & unrestricted) funding from a zero base in 2009. Funding from employee groups increased in 2010 reflecting the strength of partnerships and shared values.

Vita (RTI) Limited also seeks to provide technical resources to back up our programmes, and during 2010 Vita (RTI) Limited advanced our relationship with Teagasc, who represent Ireland's premier source of farming applied research and know-how. Vita (RTI) Limited will try to apply such knowledge together with the research resources of World AgroForestry Centre (ICRAF) to ensure that farming projects for communities in key areas like potato and agro-forestry are the very best possible.

Vita (RTI) Limited's Donor Partners

Vita (RTI) Limited acknowledges the key role of Irish Aid as core donor through the 2008-2010 block grant agreement. This funding partnership funds the core staff and programme of Vita (RTI) Limited which has been the platform for the empowerment and impact delivered to and through local partners. From this base Vita (RTI) Limited can build on our reputation with the European Union to develop and fund cutting edge agriculture and energy projects. Vita (RTI) Limited values the improved partnership approach adopted by EU. Vita (RTI) Limited espouses the value of empowerment and partnership, and we were delighted to establish relations with like-minded partners. The Sisters of Mercy Western Province have a tremendous legacy of community empowerment going right back to the famine years. International Refugee Trust based in London was set up to advance the values of Vita (RTI) Limited's own funding father Kevin Doheny.

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Chief Executive's Report for the year ended 31 December 2010

Africa is on the rise, and there is unlimited potential for farmers to radically change their lives for the better. Vita (RTI) Limited stands fore square with farmers to support their empowerment through know-how, technology and partnership. With the support of our partners, Vita (RTI) Limited was again able to make a real difference in 2010.

Mr. John Weakliam

CEO

Vita (RTI) Limited

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**Independent Auditors' Report to the Members of VITA (RTI) Limited
for the year ended 31 December 2010**

We have audited the financial statements of Vita (RTI) Limited for the year ended 31st December 2010 which comprises the Statement of Financial Activities, Balance Sheet, Cash Flow and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of Directors' and Auditors

As described in the Statement of Directors' Responsibilities the company's directors' are responsible for the preparation of the financial statements in accordance with applicable law and generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published 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).

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 opinion we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company and whether the information given in the Directors' Report 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 financial statements are in agreement with the books of account.

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

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**Independent Auditors' Report to the Members of VITA (RTI) Limited
for the year ended 31 December 2010**

We read the directors' report and consider implications for our report if we become aware of any apparent misstatements 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 judgements 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.

We have undertaken the audit in accordance with the requirements of the APB Ethical Standards including the APB Ethical Standard, Provisions Available for Small Entities.

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 2010 and of its net incoming resources and cashflows for the year then ended: and
- have been properly prepared in accordance with the requirements of 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.

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**Independent Auditors' Report to the Members of VITA (RTI) Limited
for the year ended 31 December 2010**

In our opinion, the information given in the directors' report 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: 23/9/11

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Statement of Financial Activities for the year ended 31 December 2010

	<u>Notes</u>	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total 2010</u>	<u>Total 2009</u>
		€	€	€	€
Incoming Resources					
Incoming resources from restricted activities		-			
- grants from Governments, institutional co-funds	2	2,418,324		2,418,324	964,799
Incoming resources from generated funds					
- voluntary income	2	-	560,561	560,561	658,791
- income from trading activities	2	-	115,135	115,135	128,334
Other incoming resources	2	-	13,806	13,806	4,354
Total Incoming Resources		2,418,324	689,502	3,107,826	1,756,278
Resources Expended					
Charitable activities	3	2,418,324	167,591	2,585,915	1,528,583
Costs of generating funds					
- cost of generating voluntary income	4	-	337,556	337,556	332,469
- cost of generating trading income		-	65,741	65,741	63,066
Governance costs	5	-	90,492	90,492	101,713
Total Resources Expended		2,418,324	661,380	3,079,704	2,025,831
Net Movement in funds for the year		-	28,122	28,122	(269,553)
Reconciliation of funds					
Total funds brought forward		-	89,020	89,020	358,573
Total funds at year end		-	117,142	117,142	89,020

The notes on pages 23-34 form part of the financial statements.

The financial statements were approved by the Board on 27/9/11 and signed on its behalf by


Larry O'Loughlin
 Chairman


Brian Markham
 Director

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Balance Sheet as at 31 December 2010

	Notes	2010 €	2010 €	2009 €	2009 €
Fixed Assets					
Tangible fixed assets	9		<u>24,679</u>		<u>38,034</u>
Current Assets					
Debtors and prepayments	12	33,771		73,563	
Cash at bank and in hand		<u>908,317</u>		<u>2,347,923</u>	
Total Current Assets		942,088		2,421,486	
Creditors: Amounts falling due within one year	13		<u>(849,625)</u>		<u>(2,370,499)</u>
Net Current Assets			<u>92,463</u>		<u>50,987</u>
Net Assets			117,142		89,020
Funded by:					
Restricted funds			-		-
Unrestricted funds	14		<u>117,142</u>		<u>89,020</u>
Total Charity Funds			<u>117,142</u>		<u>89,020</u>

The notes on pages 23-34 form part of the financial statements

The financial statements were approved by the Board on 27/9/11 and signed on its behalf by


Larry O'Loughlin
Chairman


Brian Maucke
Director

Vita (RTI) Limited*(being a company limited by guarantee and not having a share capital)***Cashflow Statement for the year ended 31 December 2010**

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
Reconciliation of changes in Resources to Net Cash Inflow/ (Outflow) from Operating activities			
Incoming/ (Outgoing) resources		28,122	(269,553)
Depreciation		15,077	14,864
Decrease/(increase) in debtors		39,791	(1,568)
(Decrease)/increase in creditors		(1,520,874)	2,019,568
Net Cash Inflow/(Outflow) from Operating Activities		(1,437,884)	1,763,311
Cash Flow Statement			
Net cash inflow/(outflow) from operating activities		(1,437,884)	1,763,311
Capital expenditure	10	(1,722)	(113)
Increase/(decrease) in cash for the year		(1,439,606)	1,763,198
Reconciliation of Net Cash Flow to movements in Net Funds			
Increase/(decrease) in cash in the year		(1,439,606)	1,763,198
Net funds at beginning of year		2,347,923	584,725
Net Funds at end of year	11	908,317	2,347,923

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Notes to the Financial Statements for the year ended 31 December 2010

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

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.

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**Notes to the Financial Statements for the year ended
31 December 2010 (contd.)**

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

The financial statements are prepared in Euro (€). 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. 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.

1.8. Taxation

No charge to current or deferred taxation arises as the company has been granted exemption by Revenue. Irrecoverable VAT arising in Ireland is expensed as incurred. Any taxes arising in countries of overseas programmes are included in the cost of direct charitable activities in the Statement of Financial Activities.

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

**Notes to the Financial Statements for the year ended 31 December 2010
(contd.)**

2. Incoming Resources

	2010	2009
Incoming resources from generated funds	€	€
Voluntary Income		
Fundraising	345,273	177,371
Employee Fund Income	210,483	180,679
Legacy Donations	4,805	300,741
	<u>560,561</u>	<u>658,791</u>
Trading Income (shop sales)	115,135	128,334
Bank interest earned	13,806	4,354
Total	689,502	791,479
Incoming resources from Charitable Activities		
Eritrea and Ethiopia:		
European Union	1,425,287	199,386
Irish Aid	817,085	765,413
Other partners	175,952	-
	<u>2,418,324</u>	<u>964,799</u>
Total	<u>3,107,826</u>	<u>1,756,278</u>

a. Incoming Resources from Charitable Activities

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 and services are provided). Grant income included in this category is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when performance related grants are received in advance to the performance or events to which they relate.

Vita (RTI) Limited

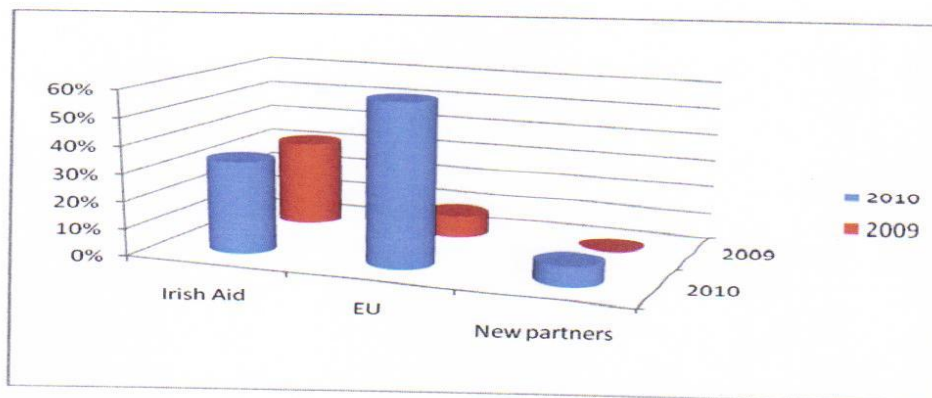
(being a company limited by guarantee and not having a share capital)

**Notes to the Financial Statements for the year ended 31 December 2010
(contd.)**

EU Aid accounted for almost 59% of incoming resources from charitable activities in 2010, funding three EU programs all focused on food security, in Eritrea and Ethiopia. Irish Aid continues to be a core supporter of the work of Vita (RTI) Limited, providing 34% of the restricted funding base in the year. In the core Irish Aid supported programme are four community led watershed projects in Eritrea and one community led sanitation project in Ethiopia.

Three new co-funding partnerships were commenced successfully in 2010 funding 7% of 2010 charitable activities.

Restricted Fund Sources 2010



Irish Aid	EU	Other
34%	59%	7%

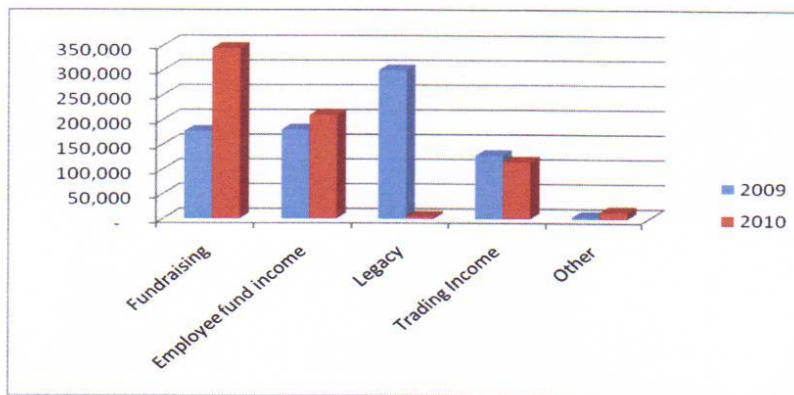
Vita (RTI) Limited

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

**Notes to the Financial Statements for the year ended 31 December 2010
(contd.)**

b. Incoming Resources from Generated Funds

Voluntary Income Sources 2010



Voluntary income including donations, gifts, legacies and grants that provide core funding or of a general nature are recognized where there is an 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 can only be used in future accounting periods
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Income from commercial trading activity is recognized as earned (as the related goods & services are provided).

Fundraising improved in 2010 in terms of breadth of sources and overall levels. However, with the difficult economic climate, fundraising will continue to be very challenging in 2011 and beyond.

**Notes to the Financial Statements for the year ended 31 December 2010
 (contd.)**

c. Volunteers and Donated Services & 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.

3. Resources Expended – Expenditure on Charitable Activities

	2010 €
Direct Ethiopian Activities	677,729
Direct Eritrean Activities	1,623,666
Kenya Pilot Project	11,200
Programme Quality Costs	57,286
Indirect programme costs	173,938
Support costs	42,097
	2,585,915

4. Cost of generating Voluntary Income

	2010 €	2009 €
Fundraising/Marketing	200,451	129,426
Staff Costs	95,009	165,706
Total Direct	295,460	295,132
Support	42,097	37,384
Total Fundraising Costs 2010	337,556	332,469

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

Notes to the Financial Statements for the year ended 31 December 2010 (contd.)

5. Governance Costs

	2010	2009
	€	€
Staff costs	39,075	48,342
Legal & Professional Fees	13,500	22,970
Office and Other costs	37,917	30,401
Total Governance Costs 2010	90,492	101,713

6. Shop Trading

Vita runs two charity shops, based in Dundalk town and Kilkenny city. The Shops 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. The return on the shops strongly supports our objectives.

7. The gain for the year is after charging:

	2010	2009
	€	€
Net Incoming resources are stated after charging:		
Depreciation of tangible assets	15,077	14,864
Auditors' remuneration	9,335	9,335

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

Notes to the Financial Statements for the year ended 31 December 2010 (contd.)

8. Employees

(a) Numbers	2010	2009
	Number	Number
Chief Executive	1	1
Fundraising Staff (Staff reduced in 2010)	1	3
Shop Retail (Part-time equiv)	2	2
Project Staff (Moved from direct staff to contracted in 2010)	0	2
Administration Staff	2	2
	<u>6</u>	<u>10</u>
	<u>—</u>	<u>—</u>
 (b) Employment costs	 2010	 2009
	€	€
Wages & Salaries Fundraising and Shops	117,387	177,309
Wages & Salaries Projects	161,404	168,583
Wages & Salaries Administration	87,499	104,750
PRSI Costs	38,388	47,911
	<u>404,678</u>	<u>455,353</u>
	<u>—</u>	<u>—</u>

(c) Remuneration of board members

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

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

Notes to the Financial Statements for the year ended 31 December 2010 (contd.)

9. Tangible Fixes Assets

Computers, Office Fixtures, Fittings & Equipment	Total €
Cost	
At 1 January 2010	154,119
Additions	1,722
At 31 December 2010	<u>155,841</u>
Depreciation	
At 1 January 2010	116,085
Charge for the year	15,076
At 31 December 2010	<u>131,161</u>
Net book value:	
At 31 December 2010	<u>38,034</u>
At 31 December 2009	<u><u>24,679</u></u>

10. Capital Expenditure

	2010 €	2009 €
Payments to acquire tangible assets	(1722)	(113)

11. Analysis of Change in Net Funds

	Opening Balance €	Cashflows €	Closing balance €
Cash at bank and at hand	2,347,923	1,439,606	908,317

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

Notes to the Financial Statements for the year ended 31 December 2010 (contd.)

12. Debtors and Prepayments

	2010	2009
	€	€
Tax refundable on Donations	12,067	7,500
Accrued Income	14,090	51,927
Prepayments	7,613	14,136
	33,771	73,563

13. Creditors falling due within 1 year

	2010	2009
	€	€
Trade Creditors	31,379	4,769
PAYE / PRSI	4,521	1□,977
Accruals	16,779	18,602
Pension		37,377
Deferred Income - Committed Funds	796,946	2,299,130
	849,625	2,370,499

During 2010 Vita reversed the pension accrual as it was agreed that Vita would not pursue a staff pension at this time.

Deferred Income – Committed Funds relates to amounts received for which expenditure has yet to be incurred in respect of the following:

Deferred Income	2010	2009
	€	€
European Union	730,617	2,166,904
Irish Aid	23,729	129,813
Other	42,600	2,413
	796,946	2,299,130

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

Notes to the Financial Statements for the year ended 31 December 2010 (contd.)

14. Funds

Reconciliation of Funds	Restricted Funds	Unrestricted Funds	Total 2010	Total 2009
		€	€	€
Funds at start of year	-	89,020	89,020	358,573
Net movement in funds during the year	-	28,122	28,122	(269,553)
Total Funds at end of the year	-	<u>117,142</u>	<u>117,142</u>	<u>89,020</u>

	2010
Analysis of Unrestricted Funds	€
Opening Balance 2009	89,020
2010 Unrestricted Income	689,502
Allocated to programs	(167,591)
Absorbed by cost of generating funds and governance costs	(493,789)
Closing Balance 2010	<u>117,142</u>

15. Commitments

There was a commitment at year-end with respect to program equipment, year-end commitment value Euro 317k.

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

**Notes to the Financial Statements for the year ended 31 December 2010
(contd.)**

16. Legal Status of the Company

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


Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members or within one year thereafter for the payment of the debts and liabilities of the company contracted before they ceased to be members and costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required, not exceeding Eur 1.27.


17. Going Concern

The company incurred net incoming resources of €28,122 for the year ended 31st December 2010. 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. The directors believe that the best long-term solution, both for financial viability and for the continued success of Vita programmes, will be through collaboration or merger with a like-minded partner or charitable organization and the company is actively seeking opportunities for such collaboration or merger.

18. Approval of Financial Statements

The financial statements were approved by the Board on 27/9/11.


Larry O'Loughlin
Chairman


Brian Starker
Director