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Crowleys DFK Unlimited Company
Chartered Accountants and Statutory Audit Firm
16/17 College Green
Dublin 2

Company Number: 152968
Charitable Tax (CHY) Exemption Number: 9670
Charities Regulator Number: 20024192

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**VITA (RTI)
REFERENCE AND ADMINISTRATIVE INFORMATION**

Trustees

Dermot Byrne
Kevin Farrell
Deirdre Hannigan
Barry Charles Magee
Roughan MacNamara (Resigned 14 August 2019)
Padraig O'Ruairc
Lancelot O'Brien
Edele Sheehan (Resigned 20 January 2020)
Deirdre Clifford
Damien Farren (Appointed 11 April 2019)
Celine Reilly (Appointed 12 December 2019)

Company Secretary

John Wallace (Resigned 10 September 2020)
Judith O'Connor (Appointed 10 September 2020)

Charitable Tax (CHY) Exemption Number

9670

Charities Regulator Number

20024192

Company Number

152968

Registered Office and Principal Address

Equity House
Upper Ormond Quay
Dublin 7

Auditors

Crowleys DFK Unlimited Company
Chartered Accountants and Statutory Audit Firm
16/17 College Green
Dublin 2

Bankers

Bank of Ireland
Kill of the Grange
Co Dublin

Bank of Ireland
Drumcondra
Dublin 9

Bank of Ireland
6 Lower O Connell Street
Dublin 1

Bank of Ireland
Blackrock
Co. Dublin

Solicitors

Matheson
Solicitors
70 Sir John Rogerson's Quay
Dublin 2

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2019

CEO Report

Annual Report for 2019 Accounts

2019 was a challenging year in Vita's programme countries of Eritrea and Ethiopia. The 2018 peace agreement between the countries has not yet brought tangible benefit to the citizens of the two countries. Residual issues around governance, unresolved border issues, ethnic tensions and national service prevail and continue to impinge on the livelihoods of rural communities whom Vita serves.

Vita is so fortunate to work in Eritrea and Ethiopia where age-old values prevail and people aspire to self-reliance and self-development. Vita's local partnerships in the two countries, focused on household resilience and livelihoods, continued to progress. The pilot Vita Green Impact Fund was completed, providing over 300,000 rural people with water and energy while in the process saving over 500,000 tons of carbon emission annually. Cereal and potato seed programmes increased the productivity of thousands of farmers while also influencing national agriculture practices, as was highlighted in a report issued by Irish Aid following a monitoring visit to Eritrea.

Africa welcomes aid where circumstances require it but more importantly to break the poverty cycle and build thriving local economies, Africa requires innovation from the international community and new models of development. The power of communities to lead their own development, rapid dissemination of new technologies and unleashing of local enterprise are key ingredients. Vita impatiently seeks disruptive positive change in development practice and during 2019, we enhanced our focus on innovation in these domains. Working with Community Led Total Sanitation Foundation (CLTS), Vita piloted a bottom-up model of service delivery called "Community Led Total Cook Stoves". Vita also sought to expand our focus on innovative finance through impact investment and carbon finance.

In Ireland, Vita has the good fortune of support from some of Ireland's best agricultural science through the partnership with Teagasc. On the other side Vita is blessed to have the steadfast partnership and deep values of the Sisters of Mercy providing both traditional grant support as well as investment in the Green Impact Fund. Vita's other partners, patron members and friends provide steadfast support through thick and thin. Vita's programme and support teams in Eritrea, Ethiopia and Ireland are bound fast by our shared organisational culture and continue to learn and grow in what we do. During 2019, Vita's high-calibre board of trustees further enhanced the governance and accountability framework of the organisation and programmes. Irish Aid provide excellent programme support and learning and especially in 2019 through their monitoring visit to Eritrea. We wish to express our heartfelt thanks to all of our partners and supporters and hope that you will persevere as we overcome current obstacles and redouble our efforts to fulfil our mission towards thriving rural communities in Africa.

John Weakllam - CEO

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2019

Chairman's Report

Annual Report for 2019 Accounts

It was with great pride and excitement that Vita marked our 30th birthday in April, 2019 with a celebration in the Mansion House, Dublin, at the kind invitation of the Lord Mayor of Dublin Niall Ring. Many friends, both old and new, came together to applaud the rich Ethiopian / Eritrean culture and we were honoured to have both the Ethiopian and Eritrean Ambassadors present, in a joyful celebration of the new-found peace. All present felt hopeful that the ending of hostilities between the countries would herald an era of cooperation and friendship leading to prosperity. We continue to share that hope.

We launched Vita's new website to coincide with this milestone and we also unveiled a carbon footprint and offset calculator, which proved to be very successful as the Irish population came to absorb the messaging around carbon footprints and climate action.

It was, in fact, a year for Vita's innovative gene to be recognised as we were finalists for the Irish Times Innovation Awards held in November, following on from our Environmental Finance award for Best Carbon Offset Project 2018.

As we built up our authoritative voice around carbon finance and creating the link to overseas development, CEO John Weakliam and senior staff were asked to present at many national and international events, including the OECD in Paris, Science Foundation Ireland's annual conference as well participating in podcasts and generating coverage in both niche and mainstream publications. We saw our social media following - always a good indicator of external interest - double in the months from March to December across most channels.

The integrity of Vita's brand, our credibility and societal trust are our most valuable assets and are zealously guarded by our Vita teams on a daily basis. I cannot stress enough the advantage to Vita of having local staff occupying all positions in country and I have seen myself the warmth and ease of rapport between our partner communities and our staff. There is no substitute for local knowledge and understanding and I am proud to say that we in Dublin learn from our colleagues in Eritrea and Ethiopia every day.

I am, as always, proud to serve as Chair of Vita and I am happy to present the 2019 accounts. I believe they show that, while we deliver on our vision to facilitate thriving rural economies with access to services, markets and livelihoods for all, Vita is in good financial health and applying very best practice in governance and accountability. The accounts presented here are of course in accordance with the Statement of Recommended Practice (SORP), which ensures high levels of transparency.

Our programme partners continued to support us with unfailing goodwill. We are deeply indebted to them not just for their financial support, but also for their unparalleled knowledge and generosity of spirit which has enabled us to forge strong partnerships between them and the communities we serve. A special thank you to Irish Aid, the Embassy of Ireland in Ethiopia, the European Union International development programme, as well as Teagasc, the Sisters of Mercy Western Union and Congregation, Avolon Aircraft Leasing, the Franciscan Sisters of Mary and the many other friends who make our work possible.

I am grateful to our Board as always for their commitment and professionalism and would like to welcome Céline Reilly and Damien Farren who both joined the Board in 2019. Their unique blend of skills and experience rightfully positions them as trusted guides and advocates for Vita in the year ahead. I would also like to add a big thank you to all the staff in Dublin, Ethiopia and Eritrea, who are the embodiment of our values and ambitions. Another special word of thanks to our patron members - they know who they are! - for their unfailing loyalty, impeccable advice and unwavering support.

Dermot Byrne – Chairman

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2019

The trustees present their Trustees' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 December 2019.

The financial statements are prepared in accordance with the Companies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees' Report contains the information required to be provided in the Trustees' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The trustees of the company are also charity trustees for the purpose of charity law and under the company's constitution are known as members of the board of trustees.

In this report the trustees of VITA (RTI) present a summary of its purpose, governance, activities, achievements and finances for the financial year 2019.

The charity is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Act 2014 and, although not obliged to comply with the Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the organisation has implemented its recommendations where relevant in these financial statements. The charity is limited by guarantee not having a share capital.

Introduction

Vita (RTI) Limited is an Irish International Development Agency founded in Ireland in 1989 under the name Refugee Trust by Father Kevin Doherty, with Mother Teresa as founding patron. The original aim was to provide emergency aid to refugees. In 2005 the name was changed to Vita (meaning way of life in Latin), to reflect the focus on building sustainable livelihoods.

Vita (RTI) Limited has worked in the Horn of Africa since 2000 and has field offices in Eritrea and Ethiopia, close to the rural communities being served. Vita employs approximately 80 national staff in the programme countries led by national country directors who manage and control Vita's projects at local level. Vita's Board of Trustees comprises senior Irish development and business professionals. Vita projects, with funding of over €30m, have brought tangible benefits to the lives of over 1 million resource-poor people in Eritrea and Ethiopia since 2000.

Vita's development approach is to bring innovative technologies and methods to help rural communities fight hunger in a sustainable way, and to develop models which have an impact reaching beyond those communities and countries. Vita works directly with communities and governments to progress the 2030 Agenda and the UN sustainable development goals (SDGs).

Vita strives to uphold the values upon which the charity was founded in 1989; enablement of rural African communities as well as inclusion amongst such communities. Vita, at the same time, seeks to bring values of sustainability to programmes and accountability to communities, local governments and Irish and international donors.

In terms of organisational development, Vita has further built core competence in the niche areas of knowledge-led agriculture and household energy through staff recruitment and training, particularly in community-led development, value chain development and carbon finance.

Mission, Objectives and Strategy

Mission Statement

To reduce poverty, hunger and inequality amongst rural households through knowledge-backed, community-led initiatives leading to sustainable livelihoods.

VITA (RTI)
TRUSTEES' ANNUAL REPORT
for the financial year ended 31 December 2019

Business Review

Despite the challenging environment, Vita had a successful year in 2019 with thriving programmes and partnerships and further progress in advancing our development ambitions and organisational capability. The 2019 accounts show an increase in restricted income in 2019, totalling €4,367,292 against €2,720,752 in 2018. However, there was a decrease in unrestricted income to €616,087, against €895,908 in 2018. Total reserves at 2019-year end are €970,409 against €725,636 at the start of the year. The decrease in unrestricted income was mostly compensated by income generated from strategic initiatives, in particular the Green Impact Fund. Through 2019, Vita maintained a stable financial situation which allowed programmes to proceed without interruption and allowed Vita to develop important new initiatives including scaling up of the Green Impact Fund.

During 2019, the Green Impact Fund "proof of concept" €2m Fund made progress in developing markets for the carbon offsets generated by the Fund and at the end of 2019, Vita had secured carbon offset sales contracts which are expected to enable full repayment of loan investors with interest and to ensure a residual surplus on closing the Fund. Vita also progressed the setup of the Green Impact Fund to €20 million with positive engagement from grant and loan investors, including Irish Aid.

At an organisational level, Vita focused on ensuring full compliance with charity regulations and maintaining best practice in governance and policy development. Throughout 2019, Vita programmes were implemented to a high standard, providing donors with impact and accountability reports in line with funding agreements.

Structure, Governance and Management

Governance

The company is limited by guarantee and does not have a share capital.

The Trustees of Vita (RTI) serve for a maximum of three years at which time they offer themselves for re-election and if re-elected they will serve for a further period of one, two or a maximum of three years. At the end of the six-year period they shall resign and be absent from the Board for a minimum of one year before re-applying, if they so wish, to re-join the Board.

The Board will then have the discretion of re-electing that person for a maximum period of a further three years.

The Board of Trustees conducts quarterly and ad-hoc meetings, a strategic review, as well as regular committee meetings focused on programme, funding, audit, finance, and governance oversight. In addition, it provides support for management. The Board previously advertised for new Board members in a competitive process and commenced a similar process in 2019 to replace members who retired or resigned and bring in new skills to the Board. The Board may co-opt new Board members to meet particular requirements or fill ad-hoc vacancies.

No member of the Executive Management is a member of the Board. The Board is a voluntary Board with no Board member receiving remuneration for services to Vita, except for the reimbursement of expenses incurred on behalf of Vita.

The Board sets the overall strategic direction of the company. Day to day management of Vita is delegated to the CEO / Executive Management Team, including the preparation of business plans, policies and budgets, which are in turn considered for approval by the Board. The Board subsequently monitors the implementation and performance of these plans and policies by the CEO / Executive Management Team.

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2019

Committees of the Board and Terms of Reference

The Board has a broad variety of professional competencies, and wide experience in business, financial, legal, marketing, agriculture, international development, and charity aspects. Vita has four committees who work to agreed terms of reference:

- i) Audit, Risk and Finance (ARF)
- ii) Programme Committee
- iii) Fundraising and Communications
- iv) Vita Green Impact Fund

These committees are mandated by the Board to oversee and support management in their respective domains, and then report their feedback and recommendations at Board meetings on a quarterly basis. The committees are chaired by a Board member and may include volunteer non-Board members.

The pro-active engagement by trustees in monitoring and supporting management from both annual and strategic perspectives strives to maintain best practice governance in Vita. This includes identifying and mitigating financial, operational, strategic, and reputational risks. Vita has approved procurement guidelines, partnership guidelines, a monitoring and evaluation framework, as well as separate policies for example reserves, fraud, risk, audit, value-for-money, conflict of interest, data protection, authority levels, human resources, child protection, health & safety, and dignity at work.

In addition, Vita continues to implement the following sector standards:

- Dóchas Code of Corporate Governance
- Dóchas Code of Conduct on Images and Messages
- Code of Conduct for Board Members

There is an ongoing review process of policies by management and Board committees. The Board and ARF Audit Risk & Finance committee initiated a full governance review to work towards compliance with the new Charities Governance Code issued by the Charities Regulator. A Policy Matrix was adopted to assist with the review and updating of Vita policies. The work will continue into 2020 to ensure compliance with the new Code.

Relevant staff attend the Dóchas working committees for the development of new policies and practises in the sector, which included the ongoing development of Vita's Child Safeguarding policy.

The Board met four times in 2019 and attendance of current members is noted in the table below:

Director	Meetings	% Attendance
Dermot Byrne (Chair)	4	100%
Deirdre Clifford	4	100%
Kevin Farrell	4	100%
Damian Farren *joined April 2019	3	75%
Deirdre Hannigan	2	50%
Roughan MacNamara * resigned Aug 2019	0	0%
Barry Magee	4	100%
Lance O'Brien	2	50%
Padraig O'Ruairc	3	75%
Celine Reilly *joined Dec 2019	1	25%
Edele Sheehan *resigned Jan 2020	3	75%

Damian Farren and Celine Reilly were appointed during the year and attendance percentage reflects this.

Board members attended to other responsibilities as well during the year including the attendance and participation at committees, Board strategy sessions and travel to programme countries.

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TRUSTEES' ANNUAL REPORT**
for the financial year ended 31 December 2019

The three committees met at least once between each of the four Board meetings during the year. The TOR of the Fundraising & Communications committee were updated in 2019.

Committee	Meetings	% Attendance
Audit, Risk and Finance	4	85%
Fundraising & Communications*	2	50%
Programmes	4	85%
Vita Green Impact Fund	4	85%

*Chairperson Dermot Byrne also attended one meeting of the Fundraising & Communications committee. Board member Roughan McNamara was a member of this committee but resigned from the Board in August 2019, which is reflected in the low attendance %.

Board members also participated in an 'away day' training exercise on 30 November 2019 facilitated by an independent governance consultant.

The objectives of this session were to:

- Remind Vita trustees the legal duties and responsibilities of charity trustees
- Consider how the new Charities Regulator's Governance Code can be used to improve Vita's performance
- Renew the Board's sense of purpose and invigorate the Board for the challenges ahead

Review of Objectives, Activities, Achievements and Performance

2019 was the second full year of the five-year Irish Aid Programme Grant II. Overall, the programme was found to be progressing well against targets at the end of the year, with programme-to-date targets met or surpassed across 90% of programme outcome indicators. Among the highlight achievements were exceeding targets in farm productivity, significantly increased rates of adoption of new agronomic practices and technologies, and expanded access to safe water collectable within a 30-minute round trip. Progress against selected key outcome indicators is outlined in the table below. As of December 2019, this programme is reaching over 75,000 people in Ethiopia, and 120,000 people in Eritrea, through agriculture, water and improved cookstove programmes.

Table 1: Irish Aid PGII Outcome Indicators

Selected Ethiopia Programme Outcome Indicators (Irish Aid PGII)	Baseline 2017	Target 2019	Achieved 2019
Resilience Capacity Index Score (composite of 13 Indicators)	0.32	0.35	0.36
Average yields of key crops (potato) among female headed households, quintiles per hectare	52	77	133
Average household dietary diversity score (food access and utilization)	4	5	5.6
% HH accessing clean and safe water collectable within 30 minute round trip in target area	54.7	63	72
% of households using fuel-efficient stoves in the target area	10.9	25	30.5

**VITA (RTI)
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Selected Eritrea Programme Outcome Indicator (Irish Aid PGII)	Baseline 2017	Target 2019	Achieved 2019
Average # of Hungry Months reported by households (where food needs cannot be met through own production and sale)	6.5	5	2.8
% farmers in target area adopting and implementing recommended improved agricultural technologies and practices	51	60	70
Household access to non-agricultural assets (composite score)	7.3	8.5	8.8
% households reporting incidences of water-borne disease in the previous six months	12.1	5	6.8
% of households using fuel-efficient stove models in Zoba Debub (7 sub zobas)	29	45	47

The Vita Green Impact Fund again exceeded annual targets in carbon emissions reductions, generating 808,615 tons of CO2 equivalent, while delivering tangible impact in the lives of women – including a 50% reduction in the time spent collecting fuel and water. The impact of the Fund in 2019 is a further demonstration that innovative financing, including a blended PPP approach, can be applied to high quality, impactful programming. As of the end of 2019, the Fund is reaching over 250,000 people in Ethiopia and Eritrea with improved cooking technology and access to safe water.

The long established knowledge partnership in Eritrea continued to flourish in 2019; a key achievement was Vita's facilitation of Teagasc's first EU project in Africa, a €4 million, four-year action which will focus on the research-led, climate-smart transformation of dairy value chains in Eritrea (commencing in 2020). This project will further strengthen Ireland's linkages with Eritrea and compliment Vita's ongoing programming under the Irish Aid PGII Programme. A further EU funded grant was added to Vita's Ethiopia portfolio in 2019, Enhancing Job Opportunities and Employability for Youth and Women (ENJOY). Vita is a co-applicant in this project, led by Caritas Switzerland, which aims to increase access to economic opportunity for the expanding youth demographic in Ethiopia, a critical development priority for the Government and international institutional donors. This project will commence in 2020. In Vita's ongoing EU-funding portfolio in Ethiopia, and the Irish Embassy-funded Climate Smart Agriculture in Ethiopia project, progress against KPIs across all three projects were predominantly on track as of the end of 2019. A selection of KPIs from Vita's EU and Irish Embassy funding portfolio are presented in the table below:

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Table 2: Selected KPIs from EU & Irish Embassy Portfolio

Country	Donor	Project	KPI target 2019	Progress 2019
Eritrea	EU	Sustainable Seed Systems in Eritrea (Jan 2019-Dec 2022)	# of local seed growers groups established and linked to seed quality test services (target -12)	18 groups established and linked to seed growers groups
			% pass rate for purity and germination of seeds produced by local seed growers groups (target – 95%)	98% pass rate
			# farmers trained in improved seed system practices (target – 500)	620 farmers trained
Ethiopia	EU	RESET II (Mar 2016-Mar 2020)	# resource-poor women engaged in goat breeding (target – 134)	134 women engaged
			# youth centers constructed and functional (target -3)	3 functioning
			# people benefiting from TVET/skills development programmes (target -30)	30 people benefiting
Ethiopia	EU	Cross Border - Omo Delta (Jan 2018-Apr 2020)	# of pastoralist women trained in cross-border trade concept, business and life skills (target – 750)	500 women trained
			# Pastoralist youth groups set up with cross-border business initiatives (target -10)	10 groups established
Ethiopia	Irish Embassy	Climate Smart Agriculture (Jun 2014-Dec-2019)	# primary cooperatives established in early maturing, drought resistant seed multiplication (target-4)	4 cooperatives established
			# farmers receiving mango tree top-working service (target – 60)	63 farmers received service

A further significant achievement was the publication in January 2019 of a SDG Impact Assessment of a proposed potash mine in Eritrea, a result of engagement between Vita, UNDP and the Government of Eritrea. This exercise is the first of its kind in Africa, providing a basis for further collaboration between the mine, Vita, Teagasc and the International Fertiliser Development Corporation to provide access to potash for African farmers from 2021. An MoU to this end was initiated by Vita in 2019.

In 2019, Vita's programme portfolio consisted of the following major programmes at **implementation stage**:

1. Irish Aid Programme Grant II in Ethiopia (ongoing)
2. Irish Aid Programme Grant II in Eritrea (ongoing)
3. Irish Embassy (Irish Aid) – Climate Smart Agriculture Programme in Ethiopia (extension – ended in December 2019)
4. EU RESET II in Ethiopia (ongoing)
5. EU CROSS BORDER in Ethiopia (ongoing)
6. EU CSO SEED in Eritrea (ongoing)

VGIF

The Vita Green Impact Fund Pilot Project (VGIF) is a fundraising instrument to generate loans for Vita to address the requirement for sustainable household energy and water programmes in Ethiopia & Eritrea.

In 2019 significant VGIF carbon sales started therefore the treatment of the VGIF pilot project changed. In prior years all the transaction relating the project were held on the balance sheet as deferred income. The treatment from 2019 onwards is outlined in note 24 of the financial statements.

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Learnings from 2019

In collaboration with the CLTS Foundation and Dr. Kamal Kar, Vita conducted participatory rural appraisal research in the Gamo Zone of Ethiopia to see how the community-led approach used in CLTS can help increase adoption of fuel-efficient cook stoves. Building on a methodology developed over 2018, the approach was trialled in Gamo Zone in 2019, with the objective of increasing uptake of both types of improved cookstove required for cooking (*mirt*) and boiling (*tikikil*), while also providing insights to inform further refinement of this approach before scaling up. In the two kebeles where the "Community-Led Total Adoption of Improved Cookstoves" approach (CLT-Stoves) was first introduced, 98% of households have adopted at least one improved cookstove, and the majority of households have almost completely moved away from using inefficient, three-stone open fires for cooking and boiling. The partnership with the CLTS foundation was formalized in 2019, providing a basis for further joint learning and development of this approach over the coming years. Vita also continued to engage with peer organisations in the clean cooking sphere and was a founder member of the Ethiopian Clean Cooking Alliance in 2019, providing crucial cross-sector platform for knowledge exchange.

In December 2019, Vita commenced data collection for Midterm Review of the Irish Aid Programme Grant in Eritrea and Ethiopia, measuring progress against targets for outcome indicators and applying a self-critical lens to the application of policy to programming, and Results Based Management systems and practices. The final report (submitted to Irish Aid in May 2020) included a range of practical recommendations for both the short-term application to the remainder of the Irish Aid PGI Programme, and longer-term consideration and integration into Vita's policy and programming. Other key learning events feeding into this process included an Irish Aid monitoring visit to Eritrea in November 2019, which resulted in encouraging feedback from the monitoring team, and provided clear learnings and actions to strengthen compliance with Irish Aid guidelines, improve the quality and impact of programming, and fine tune policies and accountability mechanisms.

Financial Review

The results for the financial year are set out on page 20 and additional notes are provided showing income and expenditure in greater detail.

At the end of the financial year the charity has assets of €4,188,118 (2018 - €4,527,752) and liabilities of €3,217,709 (2018 - €3,802,116). The net assets of the charity have increased by €244,773.

Unrestricted reserves equate to the net worth of Vita's balance sheet, being the excess of total assets over total liabilities. Grants from governments and institutional donors are treated as a liability (deferred income) where permitted by the funders and are recognised as income when the activities which they are intended to fund have been undertaken and the related expenditure incurred.

In 2019, the gradual upward trend in unrestricted reserves continued:

- 31st December 2012: €357,000
- 31st December 2013: €404,965
- 31st December 2014: €421,994
- 31st December 2015: €508,366
- 31st December 2016: €456,433
- 31st December 2017: €481,511
- 31st December 2018: €725,636
- 31st December 2019: €970,409

Reserves Position and Policy

To ensure the long-term viability of the organisation, the amount of reserves held is critical. Vita over the past few years has worked hard to build these reserves in order to ensure Financial security and stability.

Vita's Reserve Policy states that:

- Vita will seek to maximise the level of fundraising for general purposes, in addition to seeking income in respect of specific needs.
- The board will ensure that investment income arising from invested reserves, and bank interest on short term deposits are attributed to designated funds or general reserves.
- Vita will apply restricted funds in the first instance to programmes that are difficult to fund, to the extent that restricted funds can be so applied.
- Vita will ensure that funding applications are fully costed in terms of including permissible contribution to indirect costs, and provisions for contingencies and inflation.
- Vita will systematically seek to ensure the maximum allocation of legacy or major windfall income to unrestricted funds, until such time as designated funds available for income interruptions reach the equivalent of three months of programme expenditure.

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- The board will determine the appropriate arrangements for investment of funds that are not required immediately and are not tied up in fixed assets or working capital. The board will set out, in a "Vita Investment Strategy", the circumstances and rules for any such investments.

Future Developments

During 2020, Vita will look to maintain stable programmes and finances in the light of Covid 19. The full impact of the pandemic is not as yet fully known but is likely to continue to impact on the two programme countries of Ethiopia and Eritrea, in addition to Ireland. Early 2020 assessments indicate that the Covid 19 pandemic is likely to cause some delays and underspends on programmes but also to have some adverse impact on fundraising, some impact on sale of carbon offsets from the Green Impact Fund and some delay in progressing strategic initiatives including scaling up of the Green Impact Fund. Vita will focus on filling gaps in 2020 fundraising targets through an action plan focused on new fundraising channels and initiatives.

Nevertheless in 2020 and beyond, Vita will look to build on core competence and comparative advantage established through the Green Impact Fund by engaging in collaborations around community led low-carbon service delivery, social impact frameworks and carbon trading. Vita will look to expand programme reach to new countries indirectly through new NGO partnerships. Vita will also consolidate its presence in the UK and US through new strategic collaborations, incorporating grant and investment raising to support programmes and Green Impact Fund.

During 2020, Vita will develop a new strategic plan to guide programmes, operations and finances for the 2021-2025 five-year period. The strategic planning process will include learnings from the past five years, analysis of the global and programme country context, analysis of Vita's role, relevance, strengths, weaknesses, opportunities and threats, including that of Covid 19. The strategic plan will encompass Vita's international business development including UK, US and Europe.

Principal Risks and Uncertainties

Vita operates internationally in Ethiopia and Eritrea and is committed to ensuring assets and resources are used only for the purpose for which they are intended. Vita is continually working to develop and implement appropriate controls and risk management procedures to achieve these aims. Key controls are the appointment of suitably qualified staff who are provided with relevant training and the implementation of clear policies and procedures. Vita Dublin staff are actively engaged with the Dochas working groups to keep up to date with best practice and ensure that this learning is shared with the Country offices as appropriate. This includes joining the new Dochas Safeguarding Taskforce, which is set up to share knowledge and develop policy in the sector going forward.

The Trustees are responsible for and aware of the major risks to which the charity is exposed, in particular those related to the operations and finances of the organisation. No activity can be made risk free, the aim of the risk register is to identify what risks Vita may be exposed to, monitoring of those risks and identifying possible mitigating actions. The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

Vita maintains a comprehensive risk register which is updated and reviewed annually to identify and quantify risks. The risk register is in place for all countries where Vita operates and is reviewed annually (or more frequently if required) by local management staff, Head Office and the Audit, Risk and Finance committee. Those risks identified as significant or critical are monitored by management on an ongoing basis and by the Board on an annual basis, to ensure that mitigating measures address those risks. The Audit, Risk and Finance committee is mandated to oversee the management of risk and propose additional measures where it is deemed appropriate.

In 2019, the following key risks were identified & mitigating actions were taken.

1. Reserve Risk -

Mitigations: The ARF monitors the reserve at the meetings by ensuring budgets are correct and constantly reviewed. The Board has worked hard over the past few years to build the reserve.
Developments in 2019 - The committee has continued to monitor the activities to ensure that reserves remain stable.

2. Key employee/staff retention -

Mitigations: succession planning for organisational continuity and consistency are important throughout Vita. Staff reviews and personal development plans are in place to ensure staff retention both in Dublin and in Country.
Developments in 2019 - Performance Management Tools have been used throughout the year to ensure staff development & retention.

3. Corporate Governance Risk -

Mitigation: to keep up with evolving sector best practice and compliance. The Board actively seeks to ensure new standards and procedures are reviewed and implemented. The organisation seeks to appoint members to the Board with the relevant experience on the Board & Management. Reviews in all areas are conducted by management & the Board.

Developments in 2019 - The Board started the review of Charities Governance Code which comes into practice in 2020. It has given opportunity to ensure with an ongoing review that Vita is following best practice.

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2019

4. Border/internal conflict & geo-political events stalling programmes -

Mitigation: within country and from Head office, activities are monitored to determine if activities need to be suspended or amended.

Development in 2019 - Political instability in Ethiopia has meant an increased Risk. However, it is constantly monitored within Country and appropriate action is taken to ensure Risk is mitigated. Issues are reported to Dublin in a timely manner.

5. Fundraising fails to deliver required resources for Programmes -

Mitigation: Fundraising/communications are monitored closely by the Board and Committee, any deviation in budget is addressed as it arises.

Developments in 2019 - The Fundraising committee met twice as it was only formed later in the year. It has started working on a new fundraising strategy.

6. Fraud & Country Level Governance & Oversight -

Mitigation: management ensure effective communication, information sharing & on-site visits to ensure visibility of activity in Country. Appropriate authority levels, controls and policies are in place in country and risks are reviewed on a Country, Management and Board level annually or more if circumstances require.

Developments in 2019 - as part of the Governance review in Country Controls & Documents are being reviewed & updated.

Trustees and Secretary

The trustees who served throughout the financial year, except as noted, were as follows:

Dermot Byrne
Kevin Farrell
Deirdre Hannigan
Barry Charles Magee
Roughan MacNamara (Resigned 14 August 2019)
Padraig O'Ruairc
Lancelot O'Brien
Edele Sheehan (Resigned 20 January 2020)
Deirdre Clifford
Damien Farren (Appointed 11 April 2019)
Celine Reilly (Appointed 12 December 2019)

In accordance with the Constitution, the trustees retire by rotation and, being eligible, offer themselves for re-election.

The secretary who served throughout the financial year was John Wallace.

John Wallace resigned as secretary on 10 September 2020 and Judith O'Connor was appointed on the same date.

Compliance with Sector-Wide Legislation and Standards

The charity engages pro-actively with legislation, standards and codes which are developed for the sector. VITA (RTI) subscribes to and is compliant with the following:

- The Companies Act 2014
- The Charities SORP (FRS 102)

Transactions Involving Trustees

There were no contracts or transactions in relation to the business of the company in which the Trustees' had any interest at any time during the year ended 31st December 2019.

VITA (RTI)
TRUSTEES' ANNUAL REPORT
for the financial year ended 31 December 2019

Post Balance Sheet Events

Subsequent to the financial year end, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28 March, all "non-essential" businesses were ordered to close temporarily.

As a result our office has closed, employees are working remotely where possible. All of our core funders have been engaging with us in supporting us. In response to Covid-19, in May 2020 the management team put in place a response to Covid-19 and are monitoring the same. While some of our fundraising events planned for 2020 has had to change, management and staff are continuing to work together to ensure efforts for fundraising can be increased where possible. We have also put on hold some future development plans until 2021.

In light of these events and based on updated projections made by the Board during 2020, the trustees believe the financial effect of Covid-19 will not materially impact Vita's reserves. However, given the extreme situation the Trustees will continue to monitor this as the situation evolves.

As it is the opinion of the trustees that the above events are non-adjusting events, the financial results of the organisation have not been adjusted for the impact these events have had on the organisation since the balance sheet date.

There is currently a review being undertaken by Gold Standard on the processes involved in the issuance of the carbon credits, this could affect the overall outcome of the VGIF pilot project going forward. It is however not expected to have a negative impact on the overall project, at this time the results of the review are unknown.

Going Concern

The trustees have prepared budgets for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the charity's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the trustees consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and the classification of the assets and liabilities that may arise if the charity was unable to continue as a going concern.

Auditors

Crowleys DFK Unlimited Company, (Chartered Accountants and Statutory Audit Firm), were appointed auditors by the trustees to fill the casual vacancy and they have expressed their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

Statement on Relevant Audit Information

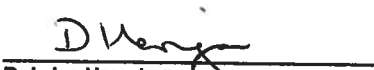
In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are trustees at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Accounting Records

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the trustees have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at Equity House, Upper Ormond Quay, Dublin 7.

Approved by the Board of Trustees on 10/12/2020 and signed on its behalf by:


Dermot Byrne
Trustee


Deirdre Hannigan
Trustee

VITA (RTI)
TRUSTEES' RESPONSIBILITIES STATEMENT
for the financial year ended 31 December 2019

The trustees, who are also directors of VITA (RTI) for the purposes of company law, are responsible for preparing the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the trustees as the directors to prepare financial statements for each financial year. Under the law the trustees have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the charity as at the financial year end date and of the net income or expenditure of the charity for the financial year and otherwise comply with the Companies Act 2014.


In preparing these financial statements, the trustees are required to:

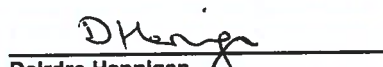
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for ensuring that the charity keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the charity, enable at any time the assets, liabilities, financial position and net income or expenditure of the charity to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Trustees' Annual Report comply with Companies Act 2014 and enable the financial statements to be audited. They are 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.

Approved by the Board of Trustees on 10/12/2020 and signed on its behalf by:


Dermot Byrne
Trustee


Deirdre Hannigan
Trustee

INDEPENDENT AUDITOR'S REPORT to the Members of VITA (RTI)

Report on the audit of the financial statements

Opinion

We have audited the charity financial statements of VITA (RTI) for the financial year ended 31 December 2019 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the charity as at 31 December 2019 and of its net incoming resources for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", as applied in accordance with the provisions of the Companies Act 2014 and having regard to the Charities SORP; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 4 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Trustees' Annual Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the charity were sufficient to permit the financial statements to be audited and properly audited. The financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of trustees' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT to the Members of VITA (RTI)

Respective responsibilities

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 16 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

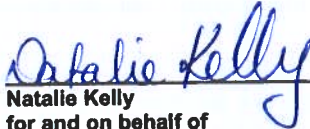
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 19, which is to be read as an integral part of our report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the charity's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the charity'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 any responsibility to anyone other than the charity and the charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Natalie Kelly

for and on behalf of
CROWLEYS DFK UNLIMITED COMPANY
Chartered Accountants and Statutory Audit Firm
16/17 College Green
Dublin 2

10/12/2020

VITA (RTI)

APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

VITA (RTI)
STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)
for the financial year ended 31 December 2019

	Notes	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €	Unrestricted Funds 2018 €	Restricted Funds 2018 €	Total 2018 €
Income							
Voluntary Income	5.1	334,986	-	334,986	407,645	-	407,645
Charitable activities	5.2	-	3,957,292	3,957,292	25,833	2,450,752	2,476,585
Activities for generating funds	5.3	281,101	410,000	691,101	462,430	270,000	732,430
Total Income		616,087	4,367,292	4,983,379	895,908	2,720,752	3,616,660
Expenditure							
Raising funds	6.1	231,403	-	231,403	265,826	-	265,826
Charitable activities	6.2	366,220	4,140,983	4,507,203	385,957	2,720,752	3,106,709
Total Expenditure		597,623	4,140,983	4,738,606	651,783	2,720,752	3,372,535
Net income/(expenditure)		18,464	226,309	244,773	244,125	-	244,125
Transfers between funds		-	-	-	-	-	-
Net movement in funds for the financial year		18,464	226,309	244,773	244,125	-	244,125
Reconciliation of funds							
Balances brought forward at 1 January 2019	17	725,636	-	725,636	481,511	-	481,511
Balances carried forward at 31 December 2019		744,100	226,309	970,409	725,636	-	725,636

The Statement of Financial Activities includes all gains and losses recognised in the financial year.
All income and expenditure relate to continuing activities.

VITA (RTI)
BALANCE SHEET
as at 31 December 2019

VITA (RTI)
STATEMENT OF CASH FLOW
for the financial year ended 31 December 2019

	Notes	2019 €	2018 €
Fixed Assets			
Tangible assets	11	3,415	3,920
Current Assets			
Stocks	12	1,513,245	-
Debtors	13	1,287,057	2,115,175
Cash at bank and in hand		1,384,401	2,408,657
		4,184,703	4,523,832
Creditors: Amounts falling due within one year	14	(2,173,709)	(2,758,116)
Net Current Assets		2,010,994	1,765,716
Total Assets less Current Liabilities		2,014,409	1,769,636
Creditors			
Amounts falling due after more than one year	15	(1,044,000)	(1,044,000)
Net Assets		970,409	725,636
Funds			
Restricted funds		226,309	-
General fund (unrestricted)		744,100	725,636
Total funds	17	970,409	725,636

Approved by the Board of Trustees on 10/12/2020 and signed on its behalf by:

Dermot Byrne
Dermot Byrne
Trustee

Deirdre Hannigan
Deirdre Hannigan
Trustee

VITA (RTI)
STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
Net movement in funds		244,773	244,125
Adjustments for:			
Depreciation		505	824
		<u>245,278</u>	<u>244,949</u>
Movements in working capital:			
Movement in stocks		(1,513,245)	-
Movement in debtors		828,118	(413,353)
Movement in creditors		(584,407)	1,045,086
		<u>(1,024,256)</u>	<u>876,682</u>
Cash generated from operations			
Cash flows from investing activities			
Payments to acquire tangible assets		-	(500)
		<u>(1,024,256)</u>	<u>876,182</u>
Net increase in cash and cash equivalents		2,408,657	1,532,475
Cash and cash equivalents at 1 January 2019		2,408,657	1,532,475
Cash and cash equivalents at 31 December 2019	19	<u>1,384,401</u>	<u>2,408,657</u>

VITA (RTI)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

1. GENERAL INFORMATION

VITA (RTI) is a company limited by guarantee (registered under Part 18 of the Companies Act 2014) incorporated and registered in the Republic of Ireland (CRO Number: 152968). The registered office of the company is Equity House, Upper Ormond Quay, Dublin 7 which is also the principal place of business of the company. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)", Irish statute comprising the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland.

As permitted by the Companies Act 2014, the charity has varied the standard formats in that act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats, as outlined in Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with section 4.7, 10.6 and 15.2 of that SORP.

Statement of compliance

The financial statements of the charity for the year ended 31 December 2019 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)", and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Fund accounting

The following are categories of funds maintained:

Restricted funds

Restricted funds represent income received which can only be used for particular purposes, as specified by the donors. Such purposes are within the overall objectives of the charity.

Unrestricted funds

Unrestricted funds consist of General and Designated funds.

- General funds represent amounts which are expendable at the discretion of the board, in furtherance of the objectives of the charity. All unrestricted funds not categorised as designated funds constitute general funds. The general reserve can be drawn upon to finance start-up costs of new programmes, or to finance the cost of any wind-down of specific Vita programmes.

- Designated funds comprise unrestricted funds that the board has, at its discretion, set aside for particular purposes. These designations have an administrative purpose only, and do not legally restrict the board's discretion to apply the fund.

The board of Vita identifies three separate purposes for designated funds as in Vita's reserves policy:

1. To cater in the balance sheet for any planned deficit in its income statement in the budget for the following year.
2. To provide for any unforeseen circumstances which have the potential to interfere with planned income in the foreseeable future.
3. To recognise the amount of designated funds that are invested in fixed assets, and are therefore not free and available to finance normal Vita operations.

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

Income

Voluntary income or capital is included in the Statement of Financial Activities when the charity is legally entitled to it, its financial value can be quantified with reasonable certainty and there is reasonable certainty of its ultimate receipt. Entitlement to legacies is considered established when the charity has been notified of a distribution to be made by the executors.

Expenditure

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and grants, support costs and depreciation on related assets. Costs of generating funds similarly include fundraising activities. Non-staff costs not attributed to one category of activity are allocated or apportioned pro-rata to the staffing of the relevant service. Finance, HR, IT and administrative staff costs are directly attributable to individual activities by objective. Governance costs are those associated with constitutional and statutory requirements.

Accrued income

Income is accrued when performance related or specific project grants are not yet received and the related activity has occurred.

Deferred income

Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grants for activities are recognised as income when the related conditions for legal entitlement have been met. All other income is accounted for on an accruals basis.

Vita's policy on the Co-financing of donor income is to ensure that the requirements are met on an annual basis, in order to avoid the crystallising of a liability at the end of the project.

Vita Green Impact Fund (VGIF)

The Vita Green Impact Fund Pilot Project (VGIF) is a fundraising instrument to generate loans for Vita to address the requirement for sustainable household energy and water programmes in Ethiopia & Eritrea.

Sales of the voluntary carbon credits are recognised in the year in which they occur. The corresponding VGIF expenditure is recognised at this time.

An inventory of unsold carbon credits is held on the balance sheet as an inventory asset. These inventory assets may generate future value beyond repayment of loans. This will be recognised as the carbon credits are sold.

The loans will be repaid in line with the loan agreements, assuming voluntary carbon credit sales continue to exceed the VGIF project expenditure.

VITA does not capitalise any research and development costs on the above projects in accordance with IAS 38.

Inventory

Inventory is valued based on the total expenditure of the project to date less the cost value of the carbon credits sold to date.

for the financial year ended 31 December 2019

Financial Instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the charity would receive for the asset if it were to be sold at the balance sheet date.

Retirement Benefits

Retirement benefits are met by payments to a defined contribution pension fund. Contributions are charged to the Statement of Financial Activities in the year in which they fall due. The assets are held separately from those of the company in an independently administered fund.

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:

Computer equipment	- 12.5% Straight line
--------------------	-----------------------

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the charity from government agencies and other co-funders, but not yet received at year end, is included in debtors.

Creditors

Creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Taxation

No current or deferred taxation arises as the charity has been granted charitable exemption. Irrecoverable valued added tax is expensed as incurred.

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting for depreciation:

The company provides for depreciation on its tangible fixed assets. 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. The trustees review on an on-going basis the charge to depreciation to ensure it is consistent with the expected residual value applicable to the different categories of tangibles. The total amount of assets subject to depreciation is €3,415 (2018: €3,920).

Going Concern

The trustees have prepared budgets for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the trustees consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and the classification of the assets and liabilities that may arise if the charity was unable to continue as a going concern.

Useful Lives of Tangible Fixed Assets

Long-lived assets comprising primarily of property, fixtures and fittings, and office equipment represent a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The trustees regularly review these useful lives by considering technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

4. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

In common with many other charitable companies of our size and nature, we use our auditors to assist with the preparation of the financial statements.

5. INCOME

5.1 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	2019	2018
	€	€	€	€
Donations and legacies	<u>334,986</u>	<u>-</u>	<u>334,986</u>	<u>407,645</u>

5.2 CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	2019	2018
	€	€	€	€
Income from charitable activities	<u>-</u>	<u>3,957,292</u>	<u>3,957,292</u>	<u>2,476,585</u>

5.3 OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	2019	2018
	€	€	€	€
Activities to generate funds	<u>281,101</u>	<u>410,000</u>	<u>691,101</u>	<u>732,430</u>

The total of the income derived by the charity relates from its activities in the Republic of Ireland.

VITA (RTI)

NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2019

6. EXPENDITURE		Direct	Other	Support	2019	2018
6.1 RAISING FUNDS		Costs	Costs	Costs	€	€
		€	€	€	€	€
	Raising funds	8,130	-	223,273	231,403	265,826
6.2 CHARITABLE ACTIVITIES						
		Direct Costs	Other Costs	Support Costs	2019	2018
		€	€	€	€	€
	Expenditure on charitable activities	4,274,624	-	145,476	4,420,100	3,041,576
	Governance Costs (Note 6.3)	-	-	87,103	87,103	65,133
		4,274,624	-	232,579	4,507,203	3,106,709
6.3 GOVERNANCE COSTS						
		Direct Costs	Other Costs	Support Costs	2019	2018
		€	€	€	€	€
	Charitable activities - governance costs	-	-	87,103	87,103	65,133
6.4 SUPPORT COSTS						
		Cost of Raising Funds	Charitable Activities	Governance Costs	2019	2018
		€	€	€	€	€
	Staff and related costs	163,717	-	37,546	201,263	200,417
	Office and other costs	2,467	-	23,293	25,760	12,401
	Other support costs	26,379	130,424	681	157,484	134,286
	Legal and professional costs	30,710	15,052	25,583	71,345	72,232
		223,273	145,476	87,103	455,852	419,336
7. ANALYSIS OF SUPPORT COSTS						
				2019	2018	
				€	€	
	Staff and related costs			201,263	200,417	
	Office and other costs			25,760	12,401	
	Other support costs			157,484	134,286	
	Legal and professional costs			71,345	72,232	
				455,852	419,336	
8. NET INCOME						
				2019	2018	
				€	€	
	Net Income is stated after charging/(crediting):					
	Depreciation of tangible assets			505	824	
	(Surplus) on foreign currencies			(4,084)	(2,736)	

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

9. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed during the financial year was as follows:

	2019	2018
	Number	Number
Administration	<u>8</u>	<u>8</u>
The staff costs comprise:		
	2019	2018
	€	€
Wages and salaries	381,471	385,932
Social security costs	41,184	42,633
Pension costs	17,577	17,756
	<u>440,232</u>	<u>446,321</u>

10. EMPLOYEE BENEFITS

The number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within the bands below were:

	Number of	Number of
	Employees	Employees
€60,001 - €70,000	<u>2</u>	<u>1</u>
€90,001 - €100,000	<u>1</u>	<u>1</u>

11. TANGIBLE FIXED ASSETS

	Computer
	equipment
	€
Cost	
At 31 December 2019	<u>6,584</u>
Depreciation	
At 1 January 2019	2,664
Charge for the financial year	<u>505</u>
At 31 December 2019	<u>3,169</u>
Net book value	
At 31 December 2019	<u><u>3,415</u></u>
At 31 December 2018	<u><u>3,920</u></u>

VITA (RTI)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

VITA (RTI) continued

	2019	2018
	€	€
12. STOCKS		
Finished goods and goods for resale	1,513,245	-
The above relates to an inventory of unsold carbon credits at the year-end in relation to the VITA Green Impact Fund (VGIF).		
13. DEBTORS		
VGIF debtors	538,223	-
Other debtors	668,902	539,252
Prepayments	6,637	754,923
Accrued income	73,295	821,000
	1,287,057	2,115,175
14. CREDITORS		
Amounts falling due within one year		
VGIF Loan	522,000	522,000
Trade creditors	5,088	-
Taxation and social security costs	14,967	-
Other creditors	361,969	425,457
Pension accrual	118	869
Accruals	203,076	49,434
Deferred income	1,066,491	1,760,356
	2,173,709	2,758,116
15. CREDITORS		
Amounts falling due after more than one year		
Amounts owed to credit institutions		
VGIF loan	1,044,000	1,044,000
Repayable in one year or less, or on demand (Note 14)	522,000	522,000
Repayable between one and two years	522,000	522,000
Repayable between two and five years	522,000	522,000
	1,566,000	1,566,000
16. RESERVES		
At 1 January 2019	725,636	481,511
Surplus for the financial year	244,773	244,125
At 31 December 2019	970,409	725,636

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

17. FUNDS					
17.1 RECONCILIATION OF MOVEMENT IN FUNDS		Unrestricted Funds	Restricted Funds		Total Funds
		€	€		€
At 1 January 2018		481,511	-		481,511
Movement during the financial year		244,125	-		244,125
At 31 December 2018		725,636	-		725,636
Movement during the financial year		18,464	226,309		244,773
At 31 December 2019		<u>744,100</u>	<u>226,309</u>		<u>970,409</u>

17.2 ANALYSIS OF MOVEMENTS ON FUNDS	Balance	Income	Expenditure	Transfers	Balance
	1 January			between	31 December
	2019			funds	2019
	€	€	€	€	€
Restricted Income					
Restricted	-	4,367,292	4,140,983	-	226,309
Unrestricted Income					
Unrestricted General	725,636	616,087	597,623	-	744,100
Total funds	<u>725,636</u>	<u>4,983,379</u>	<u>4,738,606</u>	-	<u>970,409</u>

17.3 ANALYSIS OF NET ASSETS BY FUND	Fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	- charity use				
	€	€	€	€	€
Restricted funds	-	(190,066)	416,375	-	226,309
Unrestricted general funds	3,415	4,374,769	(2,590,084)	(1,044,000)	744,100
	<u>3,415</u>	<u>4,184,703</u>	<u>(2,173,709)</u>	<u>(1,044,000)</u>	<u>970,409</u>

18. STATUS

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

The liability of the members is limited.

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 the 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 € 1.

19. CASH AND CASH EQUIVALENTS

	2019	2018
	€	€
Cash and bank balances	1,112,308	2,342,973
Cash equivalents	272,093	65,684
	<u>1,384,401</u>	<u>2,408,657</u>

20. POST-BALANCE SHEET EVENTS

Subsequent to the financial year end, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28 March, all "non-essential" businesses were ordered to close temporarily.

As a result our office has closed, employees are working remotely where possible. All of our core funders have been engaging with us in supporting us. In response to Covid-19, in May 2020 the management team put in place a response to Covid-19 and are monitoring the same. While some of our fundraising events planned for 2020 has had to change, management and staff are continuing to work together to ensure efforts for fundraising can be increased where possible. We have also put on hold some future development plans until 2021.

In light of these events and based on updated projections made by the Board during 2020, the trustees believe the financial effect of Covid-19 will not materially impact Vita's reserves. However, given the extreme situation the Trustees will continue to monitor this as the situation evolves.

As it is the opinion of the trustees that the above events are non-adjusting events, the financial results of the organisation have not been adjusted for the impact these events have had on the organisation since the balance sheet date.

There is currently a review being undertaken by Gold Standard on the processes involved in the issuance of the carbon credits, this could affect the overall outcome of the VGIF pilot project going forward. It is however not expected to have a negative impact on the overall project, at this time the results of the review are unknown.

21. SOURCES OF INCOME

	2019	2018
	€	€
European Union	1,908,656	1,612,861
Irish Aid - PG2 Partner	521,514	502,525
Other Partners (Note 23)	199,299	248,049
Climate Project Income	410,000	270,000
Fundraising	392,830	618,701
Other Grant Income (Note 22)	180,989	231,355
Legacy Donations	39,268	20,019
Trading Income	-	25,833
Irish Aid: Ethiopia Embassy	250,255	87,317
Other Donations	3,000	-
Carbon Sales Income	1,079,568	-
	4,983,379	3,616,660

22. OTHER GRANT INCOME

Other grant income is made up of the following:

	2019	2018
	€	€
Sisters of Mercy	57,000	110,228
Micro Grants	123,989	121,127
	180,989	231,355

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS
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23. OTHER PARTNERS

Restricted funds received from other partners are made up of the following:

	2019 €	2018 €
Yellow Income Gorta/Self Help Africa	75,000	75,000
AFAP	99,206	130,472
UK Embassy	25,093	24,380
UN Ocha	-	18,197
	<u>199,299</u>	<u>248,049</u>

24. VITA GREEN IMPACT FUND (VGIF)

The Vita Green Impact Fund Pilot Project (VGIF) is a fundraising instrument to generate loans for Vita to address the requirement for sustainable household energy and water programmes in Ethiopia & Eritrea. The purpose of the VGIF is to create a sustainable mechanism for financing development work in Africa. The VGIF is focused on two main product areas:

1. The provision of sustainable household cooking & community water supply.
2. Sale of units of carbon credits which accrue from the energy and water provision projects.

The loans raised for VGIF are non-recourse and are held on the balance sheet. These funds are used to fund the activities of the VGIF and to fund carbon accreditation services from suppliers. Alongside grant income, it enables Vita to leverage further funding to increase Vita's scale and impact in these projects.

The operation of the project incurs costs each year. These include Vita's operational costs for field activities and management fees which are then charged to the VGIF to cover such Vita expenditure. Both the income & expenditure are recognised during the year in which they occur.

Sales of the voluntary carbon credits are recognised in the year in which they occur. The corresponding VGIF expenditure is recognised at this time.

An inventory of unsold carbon credits is held on the balance sheet as an inventory asset. These inventory assets may generate future value beyond repayment of loans. This will be recognised as the carbon credits are sold.

The loans will be repaid in line with the loan agreements, assuming voluntary carbon credit sales continue to exceed the VGIF project expenditure.

VITA does not capitalise any research and development costs on the above projects in accordance with IAS 38.

VGIF To Date	
Sales of carbon credits to 31 December 2019	€1,079,878
Expenditure on VGIF to date	(€2,366,814)
Inventory	€1,513,245
Surplus to date	<u>€226,309</u>

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Trustees on

10/12/2020