

VITA (RTI)

Annual Report and Audited Financial Statements

for the financial year ended 31 December 2020

**Crowleys DFK Unlimited Company
Chartered Accountants and Statutory Audit Firm
16/17 College Green
Dublin 2
D02 V078**

**Company Number: 152968
Charity Number: 9670
Charities Regulatory Authority Number: 20024192**

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VITA (RTI) REFERENCE AND ADMINISTRATIVE INFORMATION

Chairperson	Céline Reilly (appointed 30 April 2021) Dermot Byrne (Resigned 30 April 2021)
Trustees	Lancelot O'Brien Deirdre Clifford Damien Farren Céline Reilly Stewart Gee (Appointed 11 March 2021) Patricia Kane (Appointed 11 March 2021) Sr. Margaret Tiernan (Appointed 10 June 2021) Edele Sheehan (Resigned 20 January 2020) Dermot Byrne (Resigned 30 April 2021) Kevin Farrell (Resigned 30 April 2021) Deirdre Hannigan (Resigned 30 April 2021) Padraig O'Ruairc (Resigned 30 April 2021) Barry Charles Magee (Resigned 30 June 2021)
Company Secretary	Neil Munday (Appointed 11 March 2021) Judith O'Connor (Appointed 10 September 2020, Resigned 11 March 2021) John Wallace (Resigned 10 September 2020)
Charity Number	9670
Charities Regulatory Authority 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 D02 V078
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 Mason Hayes Curran LLP Barrow Street Dublin 4 D04 TR29

VITA (RTI) CHAIRPERSON'S ANNUAL REPORT

for the financial year ended 31 December 2020

Chairperson's Report for 2020 Vita Annual Report

I was proud to assume the Chair of Vita in May 2021, following the retirement of Dermot Byrne after nearly six years at the helm and this report reflects the very significant contribution made by Dermot. Vita has been most fortunate with the calibre of board members and the retirement of Dermot, alongside Deirdre Hannigan, Kevin Farrell, Barry Magee, and Padraig O'Ruairc will leave a sizeable gap. Much of 2020 was focused on maintaining solid governance and oversight of programmes and operations in the light of the Covid 19 pandemic. As most engagement was remote, this put a strain on board, staff, and partners but the strong culture of productivity and teamwork helped the organisation to maintain its cohesion and focus on supporting communities in Ethiopia and Eritrea. While Covid 19 constraints limited community access and engagement and reduced overall activity, our country teams were quick to adapt and keep core funds, products and services flowing.

I have had the pleasure of visiting both Ethiopia and Eritrea and witnessed the communities and country partners with whom Vita works and I can personally attest to the very high standing Vita enjoys across both countries. The innovative work around the Green Impact Fund and Community Led Total Cookstoves carry great potential to allow scale up in sustainable livelihoods and in 2020, there was a strong organisational focus on ensuring such innovation is backed up by resources across the organisation, from community level to country level and internationally.

We remain hopeful that the peace agreement of 2018 between Ethiopia and Eritrea will bear fruit in terms of sustainable peace and open borders. The current conflict in Northern Ethiopia puts great strain on communities. Vita remains flexible and ready to adapt our programming to support affected communities as soon as possible.

Vita expects that the strong carbon sales generated by the Green Impact Fund will generate new resources to allow Vita to expand our programme work in East Africa, whilst also ensuring full repayment to loan investors.

The 2020 accounts record a small surplus for 2020, indicating that Vita is coming out of the worst of the Covid 19 pandemic in solid financial shape. While core fundraising in Ireland continues to be challenging and especially so in the light of Covid 19, we are looking both to overseas – UK and US - and to new funding models – Green Impact Fund – to diversify funding sources and reduce risk. We will also move to multi-annual budgeting and tighter monitoring on our co-financing opportunities and unrestricted funds, given that there is the current uncertain fundraising environment, so that early actions can be taken, to ensure healthy reserve levels and continuity of programming. In 2020 we also continued to strengthen the strategy and policy base, as well as the governance and oversight which can provide our donors and stakeholders with confidence in Vita's impact, accountability, and integrity.

Vita is always especially grateful to our programme partners Irish Aid and the Embassy of Ireland in Ethiopia. The European Union has been a stalwart donor partner in both Ethiopia and Eritrea and indeed have increased their funding in 2020 for the new flagship dairy project, led by our Eritrean partner, Teagasc. Vita is delighted that the German government's international development agency GIZ has become a new donor partner of Vita in Ethiopia, and we are always appreciative of the close partnership of Action On Poverty Australia. We are so thankful for the enduring partnership of religious congregations, especially of course the Sisters of Mercy Western Province, the Sisters of Mercy Congregation (Ireland), Sisters of Mercy Northern Ireland, and the Franciscan Sisters of Mary, in the USA. There are so many people who give money, time, and expert guidance so generously, particularly our patron members. Finally, a great thanks to our wonderful staff in Ethiopia, Eritrea, and Ireland who ensured that Vita continues to live our values through our work.

Céline Reilly
Chairperson

VITA (RTI) CHIEF EXECUTIVE OFFICER'S ANNUAL REPORT

for the financial year ended 31 December 2020

Chief Executive Officer's Report for 2020 Vita Annual Report

2020 was a difficult year in Eritrea and Ethiopia where we operate our programmes, with complex challenges posed to rural communities by Covid 19, locust swarms, conflicts, and political and economic uncertainty. In such challenging environments, Covid 19 posed further difficulties in accessing and supporting farmers and communities. Vita's nimble and well-adapted field operations and close partnership with local partners and government alleviated some such difficulties. Indeed, an Irish Aid Monitoring Visit Report in February 2020 provided validation of Vita's modus operandi and impact in Eritrea. In Ethiopia on the other hand, the massive conflict which broke out in Northern Ethiopia in November 2020, while not immediately impacting programmes, may be expected to cause socio-economic disruption and acute new development needs in 2021.

In 2020, Vita bore the fruit of many years of innovation and endeavour. The Impact Report for the €2m pilot Green Impact Fund showed how 311,000 people accessed safe water and clean cookstoves and in the process saved 2 million tons of carbon emission. Carbon finance brings innovative new financing and climate mitigation to programmes and having proven the concept, Vita will look to sponsor a significantly scaled up Fund. In 2020, Vita also initiated community led total cookstoves as an innovative service delivery mechanism to enable whole-of-community participation. Innovation is now central to programmes and the carbon finance and community led innovations are expected to enable Vita to reach millions of people across Africa in the coming years.

Total income as well as total expenditure in 2020 was €1.2m down on the high of €4.8 million level of 2019. This mostly reflected lower programme activity in Ethiopia as large EU funded projects ended and a new one began slowly, impacted by Covid 19. Social distancing and home working prevailing in Ireland and elsewhere has impacted on resource mobilisation and partner engagement. Fortunately, the fundraising team was able to counter some unexpected hits with new fundraising initiatives, as well as new business development overseas, and thus maintain reserves at levels over €700,000. The economic success of the Green Impact Fund can be expected to enhance financing of new innovations and programmes. On the HR front, Vita's spine of experienced management was supplemented with new hires to cover key areas such as governance and finance, gender equality, and PR.

2020 was an important year of progression for Vita in the direction of meaningful innovation, scale, and influence in international development. Vita's invitation from the OECD to present the Green Impact Fund in Paris in January 2020 gave some indication that Vita is moving along the right path. To succeed in this and even with limited resources, Vita will build on new knowledge partnerships to rapidly digitalise, document, and disseminate learning from innovative programming and will strengthen alliances with scaling partners, particularly governments. Partnerships with Teagasc in Eritrea and GIZ and CLTS Foundation in Ethiopia progressed in 2020 while core funding partnerships with Irish Aid and EU continued to deliver results.

2020 showed just how unpredictable the programming landscape is in the Horn of Africa, but we were aided by the fact that our size allows us to be flexible, and as our staff are all local, they were able to remain onsite. This enabled us to continuously deliver high impact programmes which reflected new Covid 19 messaging. During 2020, Vita devised a new 2021-25 Strategy which aims to harness innovation, deliver scale, and manage risks by widening programmes, funding, and knowledge partnerships.

I would like to reiterate our Chairperson's thanks to our many friends, supporters, and partners – they know who they are. The list is long, but the age-old values are enduring, and our thanks is heartfelt.

John Weakliam
Chief Executive

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2020

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 2020.

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 2020.

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 second edition (FRS 102) (effective 1 January 2019), the organisation has implemented its recommendations where relevant in these financial statements.

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

Background

Vita (RTI) 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. Originally focusing on emergency response and post conflict recovery, our work evolved into longer term development work, with a focus on building sustainable rural livelihoods.

In 2005 the name was changed to Vita (meaning way of life in Latin), to reflect the focus on building sustainable livelihoods.

Vita (RTI) has worked in the Horn of Africa since 2000, partnering with communities, state agencies and research institutions in Eritrea and Ethiopia to deliver knowledge-backed, community-based strategies for sustainable livelihoods and access to essential services. Today we have a team of over 100 people across Ethiopia, Eritrea, and Ireland, managing programmes that directly or indirectly reach over 400,000 people.

Vita's development approach is to bring innovative technologies and approaches 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 UN Sustainable Development Goals (SDGs).

Vita strives to uphold the values upon which the charity was founded, 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.

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

OBJECTIVES AND ACTIVITIES

Vision

Inspired by the principle of climate justice, Vita's vision is for climate smart communities with access to services and sustainable livelihoods for all. Rural communities in Eritrea and Ethiopia continue to suffer the effects of an accelerating climate breakdown not of their making. A fragile natural resource base and limited access to services, climate-smart technologies and economic opportunities results in livelihoods highly vulnerable to shocks and stresses. Vita stands in solidarity and support of these communities.

Mission Statement

Our Mission is to deliver innovative, scalable models of community-led rural development in Africa.

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2020

Activities in the year

Despite the disruption caused by Covid 19, Vita managed its programme of work extremely well with minimal impact on achieving our programme targets. Ethiopia and Eritrea were both affected by the Covid 19 pandemic in 2020 although they have not recorded the mass community transmission experienced in European countries. Country office working arrangements and operations were adapted accordingly, and programme activities were revised to accommodate national guidelines, and protect the safety of Vita staff and those we work with and amongst. In both countries, Vita played a role in coordinated local responses such as the distribution of personal protective equipment and hygiene products, and dissemination of public health messages. While the pandemic caused some disruption to programme activities, particularly in relation to periodic restrictions on in-country travel and limits on public gatherings, it had less impact on the achievement of annual programme targets than had initially been anticipated.

Business Review

Vita has a successful year in 2020 with thriving programmes and partnerships and further progress in advancing our development ambitions and organisational capability. The 2020 accounts show a decrease in income in the year of €1,327,422, totalling €3,655,957 against €4,983,379 in 2019. Total reserves at 2020-year end are €1,058,097 against €970,409 at the start of the year, with unrestricted reserves being maintained above €700,000. The decrease in unrestricted income was mostly compensated by income generated from strategic initiatives, in particular the Green Impact Fund. Through 2020, despite the impact of Covid 19, Vita maintained a stable financial situation which allowed programmes to proceed without interruption and allowed Vita to develop important new initiatives.

During 2020, the Green Impact Fund "proof of concept" €2m Fund made progress in developing markets for the carbon offsets generated by the Fund. At the end of 2019, Vita secured carbon offset sales contracts, which are expected to enable full repayment of loan investors with interest, and ensure a residual surplus on closing the Fund. Vita is pleased to confirm that the first repayment tranche was successfully completed in July 2021. There was progress made in sponsoring a scale-up of the Green Impact Fund with positive engagement from equity, grant, and loan investors which will allow for more investment in sustainable communities.

At organisational level, Vita is focused on ensuring full compliance with charity regulations and maintaining best practice in governance and policy development. Throughout 2020, Vita programmes were implemented to a high standard, providing donors with impact and accountability in line with funding agreements. This is continuing into 2021. Despite Covid 19 related travel restrictions, Vita's international presence grew with the development of a group structure through progression of the association with New Hope LLantwit Major in Wales, as well as new partners in the U.S.

Institutional Grants: Irish Aid funding

2020 was the third full year of the Irish Aid Programme Grant II, which has now been extended by one year until December 2022, to account for disruption to scheduled programme evaluation caused by Covid 19. The programme recorded good progress against 2020 targets, in many cases exceeding them, despite the contextual challenges. Among the highlights were continued increments in the yields of key crops and strengthened hygiene practices among communities that were targeted for further sensitization in this area guided by data from the 2019 Midterm Evaluation. The Community-Led Total Cookstove Approach continued to be trialled in communities in Gamo Zone, Ethiopia in 2020 and the encouraging results have contributed to the programme exceeding annual targets on fuel efficient stove adoption among targeted households. Progress against selected outcome indicators is outlined in the table below.

Table 1: Irish Aid PGII Outcome Indicators 2020

Selected Ethiopia Programme Outcome Indicators (Irish Aid PGII)	Baseline 2017	Target 2020	Achieved 2020
Average yields of key crops (potato) among female headed households, quintiles per hectare	52	133	142
% HH accessing clean and safe water collectable within 30 minute round trip in target area	54.7	80	94
% of HH reporting/observed using soap/ash and water at handwashing facility	34	60	72
% of households using fuel-efficient stoves in the target area	10.9	50	89

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for the financial year ended 31 December 2020

Selected Eritrea Programme Outcome Indicator (Irish Aid PGII)	Baseline 2017	Target 2020	Achieved 2020
Yield (tonnes per hectare) potato	13	38	40
Maximum hours round trip to collect safe water, among communities targeted for water point repairs	4 hours	20 minutes	23 minutes
% of households practicing handwashing with soap in communities targeted for water point repairs	29	80	86

Institutional grants: EU funding

The long-established knowledge partnership in Eritrea continued to flourish in 2020. A €4 million, four-year action funded by the EU focusing on the research-led, climate smart transformation of dairy value chains in Eritrea commenced in 2020, led by Teagasc. While restrictions on international and internal travel disrupted the many data gathering and joint planning activities scheduled in the projects first year, significant progress was made in finalizing the project staffing and management structure, with project partners working effectively together remotely to ensure the project is well placed going into 2021.

The ongoing EU-funded action in Eritrea focusing on sustainable seed systems continued to perform well in 2020 and maintained a high profile nationally. September's Farmer Field Day for pearl millet farmers in Zoba Anseba received nationwide media coverage, promoted by visits of the Minister for Agriculture and other high-level officials, as a flagship initiative in Eritrean agriculture. A further EU initiative was added to Vita's Eritrea portfolio in late 2020, with the approval of a €500,000, three-year action entitled "Cross-Sector Action for Climate Smart Communities: Addressing Soil Fertility and Climate Change Adaptation in the Eritrean Highlands". This project, due to commence in March 2021, will strengthen national and local capacities in soil fertility analysis and management.

In Ethiopia, the EU-funded project "Enhancing Job Opportunities and Employability for Youth and Women (EnJOY)" commenced in 2020. This project led by CARITAS Switzerland, in which Vita is a consortium member, is focused on creating livelihood opportunities for youth and women in Wolayita and Silte Zones, including Internally Displaced Persons (IDPs) and returnees. Key achievements in 2020 included completion of the project baseline survey, stakeholder mapping and capacity building of government stakeholders engaged in the technical and vocational training sector. The ongoing EU-funded Cross Border Project (Omo Delta) continued to strengthen livelihoods and resilience capacities among pastoralist and agro-pastoralist communities along the Kenyan border. While some project resources were redirected to emergency response activities to support the recovery of communities affected by serious flooding in the area in early 2020, the project still reached 470 agro-pastoralist households with training on crop production and management techniques and supported a further 26 women's pastoralist groups to secure formal cooperative status.

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Table 2: Selected KPIs from EU Portfolio

Country	Donor	Project	KPI target 2020	Progress 2020
Eritrea	EU	Sustainable Seed Systems in Eritrea (Jan 2019-Dec 2022)	95% pass rate for purity and germination of seed produced by local seed producer groups	Achieved
			1175 farmers accessing improved seed via local seed producers groups	1125
			Average yields in wheat and pearl millet of 2 and 1.3 tons/hectare	2.8, 1.25
Eritrea	EU	Climate Smart Agriculture Research and Innovation Support for Dairy Value Chains in Eritrea CSARIDE – (Feb 2020 – Feb 2024)	Targets for implementation in 2020 not achieved due to delay of project due to Covid 19	
Ethiopia	EU	Cross Border - Omo Delta (Jan 2018-Apr 2020)	250 pastoralist women trained in cross-border trade concept, life skills & business trading	400
			26 pastoralist women's groups register as cooperative	26
			600 agro-pastoralist HHs received improved crop production practices & mgmt. training	450
Ethiopia	EU	Enhancing Job Opportunities and Employment for Youth and Women (Feb 2020- Aug 2023)	60 experts in zonal economic development agencies trained in business idea screening, business plan development and marketing	61
			Baseline survey, stakeholder mapping and labour market assessment completed	Completed

Vita Green Impact Fund

As of June 2020, the Vita Green Impact Fund has reached over 311,000 people in Ethiopia and Eritrea through programmes providing access to clean water and affordable cooking energy using fuel efficient cookstoves. In July 2020, a VGIF Impact Report was published by Vita and distributed to relevant stakeholders, detailing the different environmental and social impacts of the Fund since its inception. A copy can be accessed through the link: <https://vita.ie/wp-content/uploads/2020/09/Sept-29-VGIF-Word-Version-for-web.pdf>.

Key impact metrics include:

- ✓ 219,485 people with access clean drinking water
- ✓ Reduced incidence of water borne disease
- ✓ 18,120 households using fuel efficient stoves
- ✓ 16 million hours saved by women and girls fetching water and firewood
- ✓ 530,000 tonnes of firewood saved

Key Learnings in 2020

- Further reflection and learning were conducted in Gamo Zone, Ethiopia throughout 2020 with the advancing development and piloting of the Community-Led Total Cookstoves approach, in collaboration with the Community Led Total Sanitation Foundation. These activities have set the foundations for the Community-Led Learning Centre in Arba Minch, that is currently being established.

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- Informed by lessons learned in the process of developing the VGIF Impact Report and feedback from a WASH specialist working as a consultant for Irish Aid, a baseline study was conducted in South Gonder Zone, Ethiopia among communities in which water point repairs are scheduled in 2021. This study is expected to improve our understanding of the linkages between water access, hygiene behaviours and household and community well-being, while also contributing to the improved monitoring and evaluation of the social impact of WASH programmes.

- Vita's Gender Advisor in Asmara completed participatory, field-based reviews of each component of our work in Eritrea to assess how gender is being mainstreamed into programming and to provide recommendations for improvement in 2020. The exercise has informed several adjustments to standard approaches to project planning, community engagement and project monitoring which will help ensure Vita's programmes in Eritrea are more inclusive and impactful.

Overall project portfolio as of 2020 (in implementation and approved)

COUNTRY	PROGRAMME TITLE	SECTOR	LOCATION	DONOR	TOTAL VITA GRANT €	TIME LINE
ERITREA	Irish Aid Programme Grant II	Agriculture & Food Security, Climate change Adaptation WASH, Energy	Debub, Maekel and Anseba Region	Irish Aid	1,600,000	Mar 2017 – Dec 2022
	EU Community Seed Systems Project - Improved CSO capacity to Support Community Sustainable Seed Systems and Improve Food Security in Eritrea	Agriculture & Food Security	National with focus in 3 regions (Debub, Maekel, Anseba)	EU	400,000	Jan 2019 - Dec 2022
	Climate Smart Agricultural Research and Innovation Support for Dairy Value Chains in Eritrea (CSARIDE)	Agriculture and Food Security, Climate Change Adaptation, Economic Development	National with initial focus in 3 regions (Debub, Maekel, Anseba)	EU	4,300,000	Feb 2020 – Jan 2024
	Cross sector Action for Climate Smart Communities: Strengthening Soil Fertility and Climate Change Adaptation in the Eritrean Highlands	Climate change Adaptation, Food Security	Maekel Region & National	EU	500,000	Feb 2021 –Jan 2023
ETHIOPIA	Irish Aid Programme Grant II (LEARN)	Agriculture & Food Security, Climate Change Adaptation WASH, Energy	SNNPR (Gamo Zone) and Amhara (South Gonder) Regions	Irish Aid	1,600,000	Mar 2017 – Dec 2022
	Enhancing Job Opportunities and Employability for Youth and Women Project (EnJOY)	Economic Development	SNNPR (Silte and Wolayta Zones)	EU	1,600,000	Feb 2020 – Aug 2023
	Cross Border Project	Economic Development	SNNPR (South Omo and Bench Maji Zones)	EU	2, 100, 000	Jan 2018 – Oct 2021

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Future Developments

In the 2021-25 period, Vita will implement the 2021-25 strategy with a focus on innovation, new funding instruments, programme expansion and organisational learning (see below). Vita's programme countries are experiencing instability resulting from Covid 19 and conflict. While Vita is well positioned to consolidate our current programmes, there will be an emphasis on expansion into new regions of Ethiopia and eventually into new countries in East Africa, both directly and through new partnerships. This will be a staged process and in 2021, Vita will focus on ensuring a healthy financial outcome from the pilot Green Impact Fund and will work with partners with the aim of sponsoring a scaled-up fund to provide the finance for future programmes.

At an organisational level, there will be induction for four or five new board members; and Vita's board, under our new Chairperson, will focus on ensuring full compliance with the new Charities Code of Governance by the end of 2021. Vita will also introduce new systems, including software for finance and fundraising as well as for programme data collection. Retained surpluses from the Green Impact Fund in the strategic period will help finance organisational development, particularly in programming where Vita will focus on innovation and learning. In 2021, Vita will develop a three-year business plan which will set out the specific activities, finances, deliverables, and risk mitigation measures which can enable implementation of the 2021-25 strategy.

In 2021, Vita will review the structure of the Vita Group. Vita will progress the association with New Hope LLantwit Major to formalize a UK presence and, based on the experience in the UK, review how Vita's presence in the US can be enhanced. Increased programme funding, learning partnerships with CLTS Foundation in India, Penn State University in the U.S. and GIZ Germany will put demands on Vita's management resources. Vita will continue to look at staff succession and new recruitment to ensure continuity and further build core competence.

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2020

Strategic Plan 2021-2025

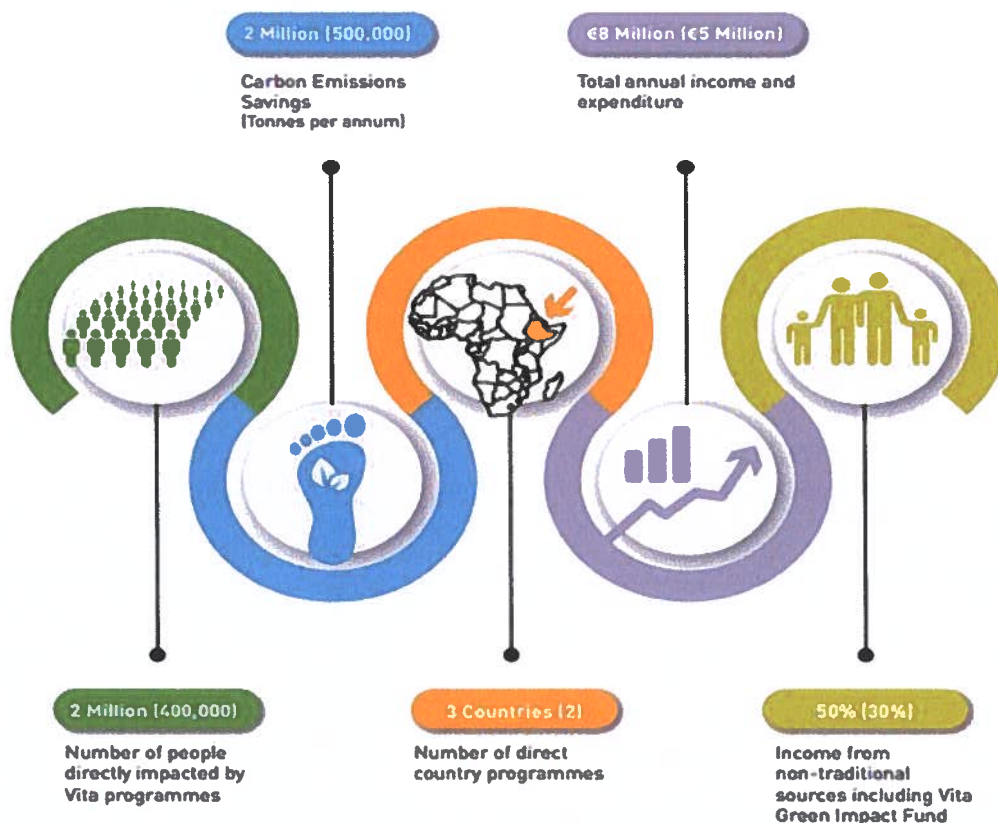
Our Mission is to deliver innovative, scalable models of community-led rural development in Africa.

To fulfil this mission, the 2021-2025 strategic plan was agreed in 2021. This strategy has been informed by a comprehensive appraisal of performance over the previous strategy period (2016-2020), thorough context analyses and an evolved understanding of our distinct role and relevance as an organisation that can deliver transformational change.

Innovation will be a binding theme across the organisation's work in the years ahead; innovative service delivery approaches at community level, developed and scaled up through innovative partnerships, supported by innovative models for financing international development. The scaling of innovative models will be supported by effective organisational systems for research and learning, deepening knowledge and producing evidence of impact that influences decision makers. Vita's core work during the 2021-25 period will focus on three areas:

1. Developing and scaling innovative models for sustainable, community-managed access to cooking energy and clean water,
2. Promoting equitable adoption of climate-smart agricultural approaches and technologies and
3. Developing inclusive rural economies that provide decent livelihood opportunities for all.

Our four strategic objectives, aligning to each critical function of the organisation, will provide an overarching framework to guide and monitor operations from 2021-2025. The delivery of each strategic objective will be tracked with SMART indicators in the rolling business plans of each unit of the organisation, cascading down into individual staff work plans.



For further information on the 2021-2025 strategic plan, please refer to the link below:
https://vita.ie/wp-content/uploads/2021/08/846-Vita_Strategy_Document2021_24821.pdf

VITA (RTI) TRUSTEES' ANNUAL REPORT

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Innovation for climate justice – main 2016-2020 achievements

The past five years have been a period of expansion for Vita. Core competencies have been developed in innovative approaches to climate change adaptation, mitigation, and development financing, building on the organisation's long-standing engagement with Carbon Finance since 2010.

- We have developed and delivered the Vita Green Impact Fund Pilot.
- We have taken the proven Community-led Total Sanitation model and evolved it into a scalable and cost-effective model for delivery of fuel-efficient stoves.
- We have successfully created a footprint and attracted support in new territories including North America, the UK and Germany.

FINANCIAL REVIEW

The results for the financial year are set out on page 23 and additional notes are provided showing income and expenditure in greater detail.

Overall, income decreased by €1,327,422, mainly due to the decrease in restricted income of €1,372,169. This decrease is linked to the conclusion of projects, and lower spend overall on projects, some of which were delayed due to the temporary effects of Covid 19. Unrestricted income increased in the year to €660,834.

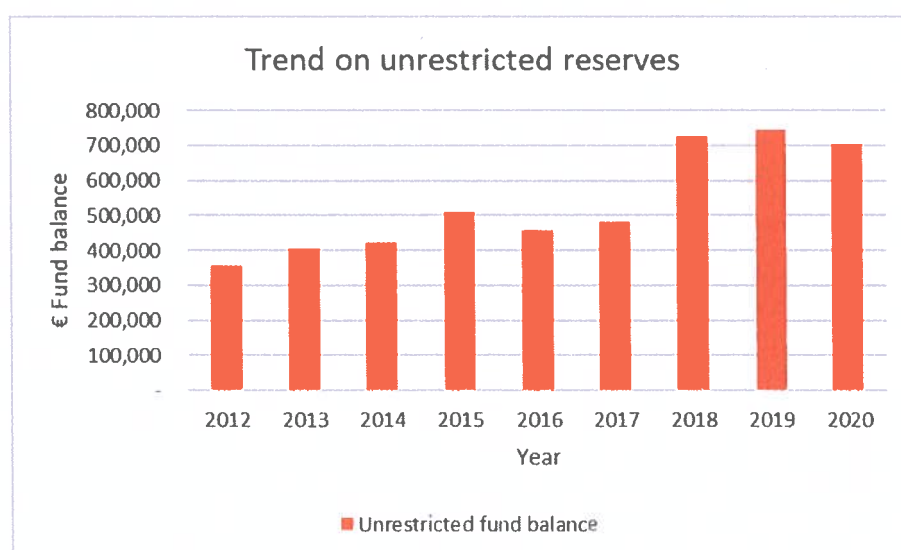
Overall, expenditure, in line with the decrease in income, decreased to €3,568,269. This led to an overall surplus of €87,688 made up of a deficit on unrestricted funds of €41,463 and a surplus relating to the Vita Green Impact Fund of €129,151.

At the end of the year, the charity has total assets of €5,139,982 and total liabilities of €4,081,885. The net assets of the charity increased in the year by €87,688.

Included in the liabilities are €1,566,000 in loans related to the original funding of the VGIF pilot project which mobilised impact investment to deliver social and environmental outcomes in rural communities, while generating carbon finance from emissions savings that enables Vita to expand its work and delivers an economic return to investors. These loans are non-recourse loans and will be paid back once the restricted fund balance relating to the project permits this. This balance of the restricted fund at the year-end was €355,460, which by July 2021, had increased to permit the first repayment of €522,000 to investors.

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 2020, the level of unrestricted reserves balance was maintained over €700,000.



Reserves

To ensure the long-term viability of the organisation, the amount held in reserves is critical. Vita over the past few years has worked hard to build these reserves to ensure financial security and stability. The Vita Reserves Policy will be reviewed at the end of 2021, considering the commencement of the VGIF loan repayments, and expected release of funds for Vita programmes.

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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.
- 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.
- Once the non-recourse loans are fully paid off, the remaining balance on the VGIF Pilot Project Fund will be transferred to unrestricted and be designated for specific programme funding as required at that time.

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 sub-committee meetings focused on programme, funding, audit, finance, and governance oversight. In addition, it provides support for management. The Board advertises for new Board members in a competitive process 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 skill requirements or fill ad-hoc vacancies.

Governance Code

Although Vita has not yet signed Declaration A of the Governance Code, Vita has commenced the full review and implementation and aims to be fully compliant by the end of 2021. Vita is in the process of updating relevant policies in line with the six principles set out in the code.

Composition of the Board and Board Appointment Process

The Executive Committee constitutes the Board of Trustees' of the company under the terms of Article 28 of the Articles of Association of the company.

The role of the Board is distinct from that of the Executive Management Team. No member of the Executive Management is a member of the Board. The Executive Management have been delegated day to day management of Vita, including the preparation of strategic plans, policies and budgets which are in turn considered for approval by the Board. The Board subsequently monitors the implementation and performance of those approved plans. 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.

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) New Business Development (formerly known as Vita Green Impact Fund)

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2020

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 directors 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, data protection, authority levels, human resources, child protection, health & safety, and dignity at work. A systematic review of other policies is ongoing.

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 sub-committees. The Board and ARF 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 to ensure compliance with the new Code by the year end.

Relevant staff attend the Dóchas working committees for the development of new policies and practises in the sector.

The Board met four times in 2020 all remotely due to Covid 19 restrictions 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	3	75%
Damian Farren	4	100%
Deirdre Hannigan	4	100%
Barry Magee	3	75%
Lance O'Brien	2	50%
Padraig O'Ruairc	3	75%
Celine Reilly	3	75%
Edele Sheehan resigned Jan 2020	0	0%

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.

The five committees met at least once between each of the four Board meetings during the year.

Committee	Meetings	% Attendance
Audit, Risk and Finance	4	100%
Fundraising & Communications	4	50%
Programmes	4	85%
Vita Green Impact Fund	3	100%
UK Oversight Committee	1	66%

Effective and informed governance

Included within the 2021-25 strategic plan, Vita is committed to the continuous provision of insight, oversight and foresight by the Vita board which will be maintained through assessing progress against agreed benchmarks across the strategy period, refining the Terms of References of Board Committees and a revision of succession processes. During the strategy period, we will also establish the representation of programme countries on the Board.

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2020

Trustees and Secretary

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

Lancelot O'Brien
Deirdre Clifford
Damien Farren
Céline Reilly
Edele Sheehan (Resigned 20 January 2020)
Dermot Byrne (Resigned 30 April 2021)
Kevin Farrell (Resigned 30 April 2021)
Deirdre Hannigan (Resigned 30 April 2021)
Padraig O'Ruairc (Resigned 30 April 2021)
Barry Charles Magee (Resigned 30 June 2021)

The following trustees were appointed to the Board since the last AGM, and in accordance with s59 of the charity's constitution, will resign at the AGM, and being eligible for reappointment offer themselves for election.

Stewart Gee (Appointed 11 March 2021)
Patricia Kane (Appointed 11 March 2021)
Sr. Margaret Tiernan (Appointed 10 June 2021)

The secretary John Wallace resigned & was replaced on 10 September 2020 by Judith O'Connor. After the year end, Neil Munday was appointed as company secretary on 11 March 2021.

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 it is 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 Dóchas working groups to keep up to date with best practice and ensure that this learning is shared with the Country offices as appropriate.

The Trustees are responsible for and aware of the major risks to which the charity is exposed, such as 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. A comprehensive review of this began at the end of 2020 and continues into 2021. The risk register is in place for all countries where Vita operates and is reviewed annually or more frequently if required by local, Head Office and the Audit, Risk and Finance sub-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 sub-committee is mandated to oversee the management of risk and propose additional measures, where deemed appropriate.

Vita's programme countries both present challenging operating environments in which diverse risks shift and evolve rapidly. Included in the 2021-25 strategic plan, Vita is committed to ensuring that risk analysis and management strategies will be enhanced and reviewed in each jurisdiction throughout each year and will be integrated into country strategies and annual business plans for Eritrea and Ethiopia. The Audit, Risk and Finance Committee of the Vita Board will continue to provide expert oversight of risk analysis and management across the organisation. The position of Risk Officer will be formalized in a more structured role working closely with management and board in the identification and mitigation of risks, while the review of risk registers at all levels of the organisation will be informed by and aligned to international best practice.

In 2020 key risks were identified as & the mitigating actions were taken.

1. Reserve Risk –

Mitigation: 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 2020 – The committee has continued to monitor the activities to ensure that reserves remain stable. This has been maintained in 2020 over €700,000. In 2021, a multi-annual budget process will commence which will help manage the call on the un-restricted reserves and identify future pinch-points.

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2020

2. Key employee/staff retention –

Mitigation: 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 2020 – Performance Management Tools have been used throughout the year to ensure staff development & retention. In 2021, staff surveys have been conducted to help identify any areas of concern.

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. Reviews in all areas are conducted by management & the Board.

Developments in 2020 – The Board commenced the full review of Charities Governance Code which comes into practice in 2020 and continues into 2021. The aim is to confirm full compliance by the end of 2021.

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 2020 – 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 Sub-Committee, any deviation in budget is addressed as it arises.

Developments in 2020 – Increased focus on microgrants and obtaining donations to help offset the decrease in income arising from community activities that have been affected due to the restrictions caused by Covid 19.

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 2020 – Due to different working conditions due to Covid 19 restrictions, appropriate controls & policies were introduced to ensure minimal risk. Once travel restrictions ease, internal reviews on controls will take place in country.

7. Covid 19 Risk –

Mitigation: Ensure management structures & plans are in place to respond rapidly to all new developments. Spread of fundraising activities to ensure lost income can be replaced. Prudent budget management to control Ireland & programme country expenditures. Ready to downsize programmes, staffing & organisation in the event of drastic Covid 19 impact. Ensure critical incident plan is in place for all eventualities & follow Government & other guidelines to limit the risk to the organisation.

Developments in 2020 – The Covid 19 situation evolved throughout the year, all Countries introduced a live working policy to ensure the safety of all staff & programmes.

Internal and external policy compliance

The organisation's policy register is reviewed annually to ensure compliance with all policies at management level, and to inform the review of existing policy and the development of new policies as appropriate. Timely, effective implementation and roll out of policies across the organisation is being supported by clear delineation of responsibilities among staff, adequate guidance to support the contextualization and application of policies at programme level, and continuous monitoring of policy into practice. Under the 2021-25 strategic plan, Vita commits to continue this compliance with all relevant regulatory policies in each jurisdiction, and those required by donors and partners.

Vita continues to commit to being accountable to the communities we work with, to our donors and partners and to live our values.

Accountability to the communities we partner with

Vita recognises the considerable trust placed in us by the communities we work with. We are committed to being transparent, accountable stewards of the valuable financial, human, and physical resources that enable our programmes. This means engaging authentically and respectfully with the communities we work with in the Horn of Africa, and all other stakeholders, using means and mechanisms agreeable and appropriate to each.

VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2020

Accountability to donors and partners

We are committed to ensuring that all information about how we mobilize, spend, and protect funds is clear, thorough, available, and compliant with the highest regulatory standards in each jurisdiction. Our programme development, quality and learning processes, and our strategic partnerships, are all aimed at creating sustainable impact in the lives of rural households and influencing wider adoption and scaling of innovations to reach many more people beyond programme target areas. This helps ensure Vita is achieving maximum impact with minimal resources. We continuously invite scrutiny of our programming outside formal donor compliance mechanisms, to constantly challenge our own assumptions and thinking.

Our Guiding Principles

We will critically reflect each year through a structured process on how we have invested in, lived and embedded Vita's six guiding principles, and will make any adjustments required to continuously reinforce them in our work.

ADDITIONAL REFERENCE AND ADMINISTRATIVE DETAILS

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)

See page 3 for the main reference and administrative details.

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 31 December 2020.

Post Balance Sheet Events

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

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

The auditors, Crowleys DFK Unlimited Company, (Chartered Accountants and Statutory Audit Firm) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

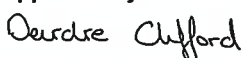
Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014, 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.

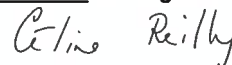
Accounting Records

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the directors 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 27 / 10 / 2021 and signed on its behalf by:



Deirdre Clifford
Trustee



Céline Reilly
Trustee

VITA (RTI) TRUSTEES' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2020

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 (2019);
- 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 27 / 10 / 2021 and signed on its behalf by:

Deirdre Clifford

Deirdre Clifford
Trustee

Céline Reilly

Céline Reilly
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 2020 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including the 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 2020 and of its surplus 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 described below 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- 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
- we have obtained all the information and explanations which, to the best of our knowledge and belief, are 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 readily and properly audited. In our opinion the financial statements are in agreement with the accounting records.



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

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 complied with by the company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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, if 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.

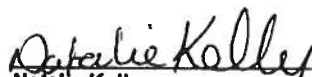
Auditor's responsibilities for the audit of the financial statements

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 22, 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
D02 V078
27/10/2021



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 2020

	Notes	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total 2020 €	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €
Income							
Donations and legacies	5.1	532,867	-	532,867	334,986	-	334,986
Charitable activities	5.2	2,594	2,725,123	2,727,717	-	3,957,292	3,957,292
Other trading activities	5.3	125,373	270,000	395,373	281,101	410,000	691,101
Total income		660,834	2,995,123	3,655,957	616,087	4,367,292	4,983,379
Expenditure							
Raising funds	6.1	211,754	879	212,633	231,403	-	231,403
Charitable activities	6.2	490,543	2,865,093	3,355,636	366,220	4,140,983	4,507,203
Total Expenditure		702,297	2,865,972	3,568,269	597,623	4,140,983	4,738,606
Net income/(expenditure)		(41,463)	129,151	87,688	18,464	226,309	244,773
Transfers between funds		-	-	-	-	-	-
Net movement in funds for the financial year		(41,463)	129,151	87,688	18,464	226,309	244,773
Reconciliation of funds							
Balances brought forward at 1 January 2020	18	744,100	226,309	970,409	725,636	-	725,636
Balances carried forward at 31 December 2020		702,637	355,460	1,058,097	744,100	226,309	970,409

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 2020

	Notes	2020 €	2019 €
Fixed Assets			
Tangible assets	12	2,274	3,415
Current Assets			
Stocks	13	1,599,103	1,513,245
Debtors	14	1,448,730	1,287,057
Cash at bank and in hand		2,089,875	1,384,401
		5,137,708	4,184,703
Creditors: Amounts falling due within one year	15	(3,559,885)	(2,173,709)
Net Current Assets		1,577,823	2,010,994
Total Assets less Current Liabilities		1,580,097	2,014,409
Creditors			
Amounts falling due after more than one year	16	(522,000)	(1,044,000)
Net Assets		1,058,097	970,409
Funds			
Restricted trust funds		355,460	226,309
General fund (unrestricted)		702,637	744,100
Total funds	18	1,058,097	970,409

Approved by the Board of Trustees on 27 / 10 / 2021 and signed on its behalf by:

Deirdre Clifford

Deirdre Clifford
Trustee

Céline Reilly

Céline Reilly
Trustee

VITA (RTI)
STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2020

	Notes	2020 €	2019 €
Cash flows from operating activities			
Net movement in funds		87,688	244,773
Adjustments for:			
Depreciation		1,141	505
		<u>88,829</u>	<u>245,278</u>
Movements in working capital:			
Movement in stocks		(85,858)	(1,513,245)
Movement in debtors		(161,673)	828,118
Movement in creditors		864,176	(584,407)
		<u>705,474</u>	<u>(1,024,256)</u>
Cash flows from financing activities			
New long term loan		(522,000)	-
New short term loan		522,000	-
		<u>-</u>	<u>-</u>
Net cash generated from financing activities		-	-
Net increase in cash and cash equivalents		705,474	(1,024,256)
Cash and cash equivalents at 1 January 2020		1,384,401	2,408,657
Cash and cash equivalents at 31 December 2020	20	<u>2,089,875</u>	<u>1,384,401</u>

VITA (RTI) NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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 second edition (FRS 102) (effective 1 January 2019)", 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 2020 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 second edition (FRS 102) (effective 1 January 2019)" and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Fund accounting

The following are the 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

continued

for the financial year ended 31 December 2020

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.

VGIF fund

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.

VITA (RTI) NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

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

Inventories

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

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.

As a registered charity, VITA (RTI) has been granted charitable exemption by the Revenue Commissioners (CHY9670).

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

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 €2,274 (2019: €3,415).

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 2020 €	Restricted Funds 2020 €	Total 2020 €	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €
Donations	95,439	-	95,439	56,107	-	56,107
Donations from Irish Religious Communities	58,137	-	58,137	57,000	-	57,000
Corporate donations	75,975	-	75,975	58,622	-	58,622
Legacies	5,000	-	5,000	39,268	-	39,268
Microgrants	298,316	-	298,316	123,989	-	123,989
	532,867	-	532,867	334,986	-	334,986

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2020

continued

5.2 CHARITABLE ACTIVITIES

	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total 2020 €	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €
European Union	-	1,052,563	1,052,563	-	1,906,656	1,906,656
Irish Aid – PGII Partner	-	521,513	521,513	-	521,514	521,514
Self Help Africa	-	50,000	50,000	-	75,000	75,000
Action on Poverty	-	79,343	79,343	-	99,206	99,206
Irish Embassy – Ethiopia	-	202,151	202,151	-	250,255	250,255
UK Embassy – Ethiopia	-	-	-	-	25,093	25,093
Carbon sales income	-	819,553	819,553	-	1,079,568	1,079,568
Other income	2,594	-	2,594	-	-	-
	2,594	2,725,123	2,727,717	-	3,957,292	3,957,292

5.3 OTHER TRADING ACTIVITIES

	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total 2020 €	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €
Community events and campaigns	125,373	-	125,373	281,101	-	281,101
Climate project income	-	270,000	270,000	-	410,000	410,000
	125,373	270,000	395,373	281,101	410,000	691,101

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

6. EXPENDITURE
6.1 RAISING FUNDS

	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total 2020 €	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €
Direct costs	20,706	-	20,706	8,130	-	8,130
Other costs	5,684	-	5,684	-	-	-
Support costs (note 7)	185,364	879	186,243	223,273	-	223,273
	211,754	879	212,633	231,403	-	231,403

6.2 CHARITABLE ACTIVITIES

	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total 2020 €	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €
Direct costs	339,876	1,953,805	2,293,681	116,955	3,141,936	3,258,891
VGIF costs	-	647,854	647,854	-	853,571	853,571
Support costs (note 7)	66,125	263,434	329,559	162,162	145,476	307,638
Governance Costs (note 7)	84,542	-	84,542	87,103	-	87,103
	490,543	2,865,093	3,355,636	366,220	4,140,983	4,507,203

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

7. SUPPORT COSTS

	Cost of Generating Funds	Charitable Activities	Governance Costs	Total
	€	€	€	€
SUPPORT COSTS 2020				
Staff and related costs	149,143	-	67,120	216,263
Office and other costs	4,343	-	13,935	18,278
Other support costs	15,703	151,839	1,141	168,683
Legal and professional costs	17,054	7,133	2,346	26,533
VGIF Support Costs	-	170,587	-	170,587
	186,243	329,559	84,542	600,344
Restricted	879	263,434	-	264,313
Unrestricted	185,364	66,125	84,542	336,031
	186,243	329,559	84,542	600,344

	Cost of Generating Funds	Charitable Activities	Governance Costs	Total
	€	€	€	€
SUPPORT COSTS 2019				
Staff and related costs	163,717	-	37,546	201,263
Office and other costs	2,467	-	23,293	25,760
Other support costs	26,379	130,424	681	157,484
Legal and professional costs	30,710	15,052	25,583	71,345
VGIF Support Costs	-	162,162	-	162,162
	223,273	307,638	87,103	618,014
Restricted	-	145,476	-	145,476
Unrestricted	223,273	162,162	87,103	472,538
	223,273	307,638	87,103	618,014

8. NET INCOME

	2020	2019
	€	€
Net Income is stated after charging/(crediting):		
Depreciation of tangible assets	1,141	505
Deficit/(surplus) on foreign currencies	112,162	(4,084)
Auditors' remuneration	11,993	11,993
	125,296	18,414

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

9. EMPLOYEES AND REMUNERATION

Number of employees

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

	2020	2019
	Number	Number
Administration	<u>8</u>	<u>8</u>
The staff costs comprise:	2020	2019
	€	€
Wages and salaries	428,417	381,471
Social security costs	47,161	41,184
Pension costs	20,100	17,577
	<u>495,678</u>	<u>440,232</u>

10. PENSION

A Defined Contribution Pension Scheme is in place which is available to all staff once they have completed their probation. The total cost of the pension scheme was €20,100 (2019: €17,577). The funds are secured by contributions by Vita (RTI) and employees to a separately administered pension fund.

11. EMPLOYEE BENEFITS

Key management compensation

Key management includes the Board of Directors (non-executive) and all members of the Senior Management Team based in Ireland. The total compensation paid or payable to key management is €263,930 (2019: €253,688). This figure includes the total remuneration payable to the Chief Executive of €99,540 (2019: €94,999).

No Board member receives any remuneration other than re-imbusement for business expenses. In 2020 a total of €NIL (2019: €NIL) was reimbursed to Board members as business expenses.

	2020	2019
	€	€
Salaries and other short term benefits	<u>263,930</u>	<u>253,688</u>

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>2</u>
€90,001 - €100,000	<u>1</u>	<u>1</u>

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

12. TANGIBLE FIXED ASSETS

	Computer equipment
	€
Cost	
At 31 December 2020	6,584
Depreciation	
At 1 January 2020	3,169
Charge for the financial year	1,141
At 31 December 2020	4,310
Net book value	
At 31 December 2020	2,274
At 31 December 2019	3,415

13. INVENTORY

	2020	2019
	€	€
Finished goods and goods for resale	1,599,103	1,513,245

The above relates to the value of direct costs related to the inventory of available unsold carbon credits at the year end in relation to the Vita Green Impact Fund Pilot Project (VGIF).

14. DEBTORS

	2020	2019
	€	€
VGIF debtors	443,596	538,223
Other debtors	770,086	668,902
Prepayments	7,799	6,637
Accrued Income	227,249	73,295
	1,448,730	1,287,057

15. CREDITORS

Amounts falling due within one year	2020	2019
	€	€
Amounts owed to credit institutions		
VGIF Loan	1,044,000	522,000
Trade creditors	-	5,088
Taxation and social security costs	38,533	14,967
Other creditors	308,746	361,969
Pension accrual	-	118
Accruals	342,236	203,076
Deferred Income	1,826,370	1,066,491
	3,559,885	2,173,709

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

16. CREDITORS	2020	2019
Amounts falling due after more than one year	€	€
Amounts owed to credit institutions		
VGIF loan	522,000	1,044,000
Repayable in one year or less, or on demand (Note 15)	1,044,000	522,000
Repayable between one and two years	522,000	522,000
Repayable between two and five years	-	522,000
	1,566,000	1,566,000

17. RESERVES

	2020	2019
	€	€
At 1 January 2020	970,409	725,636
Surplus for the financial year	87,688	244,773
At 31 December 2020	1,058,097	970,409

18. FUNDS

18.1 RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019
	€	€	€	€	€	€
As at 1 January 2020/2019	744,100	226,309	970,409	725,636	-	725,636
Net movement in funds in the financial year	(41,463)	129,151	87,688	18,464	226,309	244,773
As at 31 December 2020/2019	702,637	355,460	1,058,097	744,100	226,309	970,409

18.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 January 2020	Income	Expenditure	Transfers between funds	Balance 31 December 2020
	€	€	€	€	€
Restricted funds					
Restricted – grants and other income	-	2,175,570	(2,175,570)	-	-
Restricted – VGIF Pilot Project (note 22)	226,309	819,553	(690,402)	-	355,460
	226,309	2,995,123	(2,865,972)	-	355,460
Unrestricted funds					
Unrestricted General	744,100	660,834	(702,297)	-	702,637

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

18.3 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use €	Current assets €	Current liabilities €	Long-term liabilities €	Total €
Restricted trust funds	-	4,213,176	(3,335,716)	(522,000)	355,460
Unrestricted general funds	2,274	924,532	(224,169)	-	702,637
	<u>2,274</u>	<u>5,137,708</u>	<u>(3,559,885)</u>	<u>(522,000)</u>	<u>1,058,097</u>

19. 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 € 1.27.

20. CASH AND CASH EQUIVALENTS

	2020 €	2019 €
Cash and bank balances	1,596,281	1,112,308
Cash equivalents	493,594	272,093
	<u>2,089,875</u>	<u>1,384,401</u>

21. POST-BALANCE SHEET EVENTS

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

VITA (RTI) NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

22. 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.

	To 31.12.2019 €	I&E in period €	To 31.12.2020 €
Sales of carbon credits	1,079,878	819,553	1,899,431
Opening value of inventory	-	1,513,245	-
Direct Costs	2,366,814	733,711	(3,100,525)
Closing value of inventory	<u>(1,513,245)</u>	<u>(1,599,102)</u>	<u>(1,599,100)</u>
Carbon credits released to SoFA	(853,569)	(647,854)	(1,501,425)
	<u>226,309</u>	<u>171,699</u>	<u>398,006</u>
Surplus to restricted funds			
Direct costs covered by VGIF	-	42,548	42,548
VGIF – Restricted fund at year end	<u>226,309</u>	<u>129,151</u>	<u>355,460</u>

Note: The amount to 31 December 2019 relates to an accumulation of the project to that date which was related to the SoFA in the 2019 financial statements.

VITA (RTI)
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

continued

22. VITA GREEN IMPACT FUND (VGIF) (continued)

Detailed breakdown	To 31.12.2019 €	I&E in period €	To 31.12.2020 €
Sales of carbon credits	1,079,878	819,553	1,889,431
Opening value of inventory	-	1,513,245	-
Direct Costs:			
Accreditation costs	684,855	398,305	1,083,160
VGIF Management Fee	558,500	110,000	668,500
VGIF Operational costs	672,000	160,000	832,000
Other direct costs	107,873	-	107,873
Loan interest	125,280	31,320	156,600
Eritrea direct costs	61,105	9,110	70,215
Ethiopia direct costs	157,201	24,976	182,177
	<u>2,366,814</u>	<u>733,711</u>	<u>3,100,525</u>
Closing value of inventory	(1,513,245)	(1,599,102)	(1,599,100)
Cost of Sales	(853,571)	(647,854)	(1,501,425)
Surplus to restricted funds	<u><u>226,307</u></u>	<u><u>171,699</u></u>	<u><u>398,006</u></u>

23. RELATED PARTY TRANSACTIONS

Our Directors are Charity Trustees and as such may not profit from carrying out their duties as a Charity Trustee. They do not receive a salary specifically for acting as a Charity Trustee, or receive other benefits. However, they may be reimbursed for reasonable expenses, which they incurred directly in carrying out their duties.

In 2020, expenses paid to directors was €Nil (2019: €Nil).

There are no other material related party transactions which require disclosure.

24. APPROVAL OF FINANCIAL STATEMENTS

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

 27 / 10 / 2021