

**VITA (RTI)**

**Annual Report and Consolidated Audited Financial Statements**

**for the financial year ended 31 December 2021**

**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**

## VITA (RTI) CONTENTS

	<b>Page</b>
Reference and Administrative Information	3
Chairperson's Report	4
CEO Annual Report	5
Trustees' Annual Report	6 – 22
Trustees' Responsibilities Statement	23
Independent Auditor's Report	24- 25
Appendix to the Independent Auditor's Report	26
Consolidated Statement of Financial Activities	27
Consolidated Balance Sheet	28
Company Balance Sheet	29
Consolidated Statement of Cash Flows	30
Notes to the Financial Statements	31 - 43

## VITA (RTI) REFERENCE AND ADMINISTRATIVE INFORMATION

**Trustees**

Niall Kelly (Appointed 9 December 2021)  
Dermot Byrne (Resigned 30 April 2021)  
Kevin Farrell (Resigned 30 April 2021)  
Deirdre Hannigan (Resigned 30 April 2021)  
Barry Charles Magee (Resigned 30 June 2021)  
Padraig O'Ruairc (Resigned 30 April 2021)  
Lancelot O'Brien  
Deirdre Clifford (Resigned 21 April 2022)  
Damien Farren  
Céline Reilly  
Stewart Gee (Appointed 11 March 2021)  
Patricia Kane (Appointed 11 March 2021)  
Sr. Margaret Tiernan (Appointed 10 June 2021)

**Company Secretary**

Neil Munday (Appointed 11 March 2021)  
Judith O'Connor (Resigned 11 March 2021)

**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**

Mason Hayes & Curran  
Solicitors  
South Bank House  
Barrow Street  
Dublin 4

## VITA (RTI) CHAIRPERSON'S REPORT

for the financial year ended 31 December 2021

Vita came through 2021 a stronger and more focused organisation with a new strategy and greater ambition and resources to deliver on our re-articulated core mission of delivering innovative, scalable models of community-led rural development in Africa. The new 2021-25 Strategy was approved in mid-2021 and is now supported by a rolling three-year business plan which will track activities and key performance indicators towards delivering the objectives set out in the strategy. Vita ended with a small financial surplus for 2021 which was a considerable achievement given Covid and given Vita's investment in a strengthened team and expansion into the UK and US. An Independent Framework Agreement with New Hope LLantwit Major in the UK was agreed in principle by year end while in the US, Vita secured new funding and partnerships. These new jurisdictions will support Vita in developing a third country programme during the current strategic cycle, as well as support Vita's strategic initiatives, particularly the Irish Potato Coalition and the Green Impact Fund.

During 2021, Vita recruited a highly experienced Head of Finance and Governance whose mandate alongside enhanced governance is to introduce new systems for financial management, software, HR, and performance management. By year end, Vita had completed a year-long process of strengthening governance and was ready to confirm to the Charities Regulator that Vita was fully compliant with the Code of Governance. Policy development included new or revised policies for safeguarding, protected disclosure, complaints, and conflict of interest. A new financial software will be rolled out in 2022. Board development continued with appointment of a new Chair for the Audit, Finance and Risk Committee and board meetings were well attended, structured and productive, even if conducted remotely. We are immensely proud of Vita's impact and reputation in the two programme countries, even while saddened by ongoing conflict and great challenges faced by rural communities.

Vita has some outstanding partners who have persevered with us through the Covid era. Teagasc continue to stand out with their technical assistance as well as leadership in an EU funded dairy project in Eritrea. Other knowledge partners from Irish potato, dairy and poultry industries add value to country programming. CLTS Foundation have shown full commitment to partner in the development of community led total cookstoves and other community led development through Vita's Community Led Learning Centre in Arba Minch in Ethiopia. CO2Balance have enabled Vita to develop considerable learning around carbon finance, as well to make the pilot Green Impact Fund (VGIF) a great development and financial success. Vita has highly valued partners in Ireland and the U.S. in the Sisters of Mercy and Franciscan Sisters of Mercy.

Vita always highly values the programme partnership of Irish Aid including the learning afforded. The EU is an enduring partner in both Ethiopia and Eritrea and in particular has expressed their appreciation of Vita's unique role in Eritrea. Vita is looking to expand programme donor partnerships and GIZ is now well established as a third institutional donor and IFAD have shown a strong interest to follow suit. Act on Poverty (AoP) Australia is looking to expand their support in Ethiopia.

Vita has come through Covid with a healthy financial situation, and this can be expected to improve further in 2022 as Vita secures new donors and funding from overseas. We are endlessly grateful to longstanding and new supporters, with special mention to Dónal Daly, Chantal McCabe and Daragh Horgan for their exceptional contribution. Thanks indeed to everyone who makes our work worthwhile, especially the brilliant teams in Eritrea, Ethiopia, and Dublin.

**Céline Reilly**  
Chairperson

## VITA (RTI) CEO ANNUAL REPORT

for the financial year ended 31 December 2021

2021 saw a continuation of the global challenge posed but thankfully, Eritrea and Ethiopia withstood the worst ravages of Covid and with Vita Ireland we were able to navigate through funding and organisational challenges. Ethiopia faced additional challenges with internal conflict, political instability and also locust infestation. In South Gondar, Vita's programme area was briefly disrupted by an invasion of rebel forces with considerable damage to households and farms but without material harm to potato and poultry programmes. In Ethiopia, the combined impact of Covid and conflict caused some delay and under-expenditure while Eritrea was less affected. This is to the great credit of Vita's country team and partners with strong remote support from Ireland.

Vita's new strategy for 2021-25, which was finalised in 2021, sets out our ambition to build on core areas of knowledge, innovation, and scaling potential, particularly around community led development, potato, and carbon finance. In 2021, Vita developed a guiding document - Climate Innovation in Africa – to articulate our approach to innovation around these core areas. The Irish Potato Coalition in Ethiopia continued to establish itself under Vita's co-ordination with membership across the government, NGO, and international domains and with an application for NGO status in progress. As potato is now a strategic crop in Ethiopia with over one million potato farmers, there is much that Vita can do to expand our community-based seed multiplication model.

The Vita Green Impact Fund generated a surplus from sales of carbon offsets which will enable full repayment to loan investors by the end of 2022. Vita is now looking to develop a new fund to scale up cookstoves and water point repairs across Ethiopia and Eritrea. During 2021, new relationships in Ireland, UK and US expanded our funding and knowledge capability for these strategic initiatives.

Vita's core programming work in Ethiopia and Eritrea is generously supported by Irish Aid and the EU. It consists mainly of community-based potato and cereal seed, soil, and forestry. The potential for scale and influence has been recognised by EU, GIZ, IFAD and local government.

While gender-sensitive programming advanced in Eritrea and Ethiopia through training and collaboration, it remains incumbent on Vita to fully optimize the unique women's empowerment characteristics of the Vita Green Impact Fund (VGIF).

Total income in 2021 was €5,179,886 which was up 42% on €3,655,957 raised in 2020. This reflected an increase in carbon sales.

Fundraising income was up 13% on 2020 at €741,575. This was a very decent performance considering the cancellation of the Ethiopian Great Run and the lack of access to existing and new donors brought about by Covid restrictions. Unrestricted free reserves remained above €700,000 and this is expected to increase in 2021 with new designated reserves coming to bear from the Green Impact Fund.

Finally, and sincerely, we thank our longstanding and loyal country teams and all of our partners and supporters in Ireland and elsewhere. 2021 showed Vita's organisational resilience through multiple challenges and we are more than ever excited for the future, to deliver for our esteemed communities and partners in Ethiopia and Eritrea and beyond.

**John Weakliam**  
Chief Executive

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

The trustees present their Trustees' Annual Report, combining the Directors' Report and Trustees' Report, and the group's consolidated audited financial statements for the year ended 31 December 2021.

The consolidated 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 Vita (RTI) 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 the group's purpose, governance, activities, achievements, and finances for the financial year 31 December 2021.

The parent of the group ('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. Although not obliged to comply with the Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102), the organisation has implemented its recommendations where relevant in these financial statements.

Vita (RTI) 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).

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.

## **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.

### **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 2021

## Review of 2021

Vita had a successful year in 2021 with thriving programmes and partnerships and further progress in advancing our development ambitions and organisational capability.

Total Income 2021	Total Income 2020	% Change	Reason
€5,179,886	€3,655,957	+ 42%	Carbon sales

Total Reserves 2021	Total Reserves 2020	% Change	Unrestricted Reserves
€1,358,308	€1,058,097	+28.37%	€600,000+

There was a €41,607 increase in unrestricted reserves, helped particularly by the upturn in donations and legacies. Through 2021, despite the continuing 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.

## Vita Green Impact Fund (VGIF)

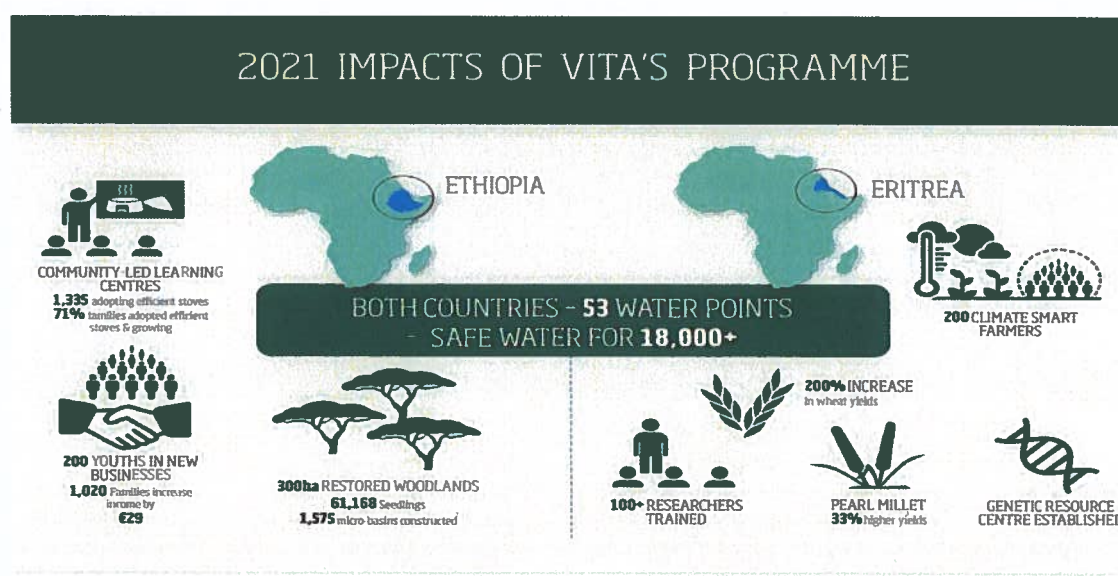
During 2021, the Green Impact Fund "proof of concept" €2m Fund made progress in developing markets for the carbon offsets generated by the Fund. During 2021, with the benefit of carbon offset sales contracts of €1,887,133 and a net surplus of €282,661, the first two tranches of the loan capital were repaid. 2022 is expected to continue this progress with sales expected to exceed €2m and a trade surplus of over €1.5m. It is expected that the final tranche will be paid in late 2022. For this Fund, Vita will act as the Project Developer on behalf of the Fund and receive grants to cover implementation costs and grants to cover organisational capacity building.

## Structure and Governance

At organisational level, Vita is focused on ensuring full compliance with charity regulations and maintaining best practice in governance and policy development. The Charities Governance Code was fully adopted in April 2022 and in September 2022, Vita was awarded the Triple Lock Certification for 2022.

Throughout 2021, Vita programmes were implemented to a high standard, providing donors with impact and accountability in line with funding agreements. Despite Covid 19 related travel restrictions, Vita's international presence grew with the development of a group structure through the agreement of an Independent Framework Agreement with New Hope LLantwit Major (New Hope) in Wales, as well as new partners in the U.S. This agreement with New Hope will be finalised in 2022.

## 2021 Vita highlights in numbers:



**VITA (RTI)**  
**TRUSTEES' ANNUAL REPORT**  
 for the financial year ended 31 December 2021

**Other key achievements in 2021:**

<p><b>Water points</b></p> <ul style="list-style-type: none"> <li>22 WPs repaired</li> <li>7,000 people access to clean water</li> <li>135 WASH committee members trained</li> </ul>	<p>22 broken-down rural water points were repaired in South Gondar and Gamo Zones in Ethiopia in 2021, providing over 7,000 more people with access to safe, sufficient, accessible water. In Zoba Anseba in Eritrea, 135 representatives from Village Water, Sanitation &amp; Hygiene (WASH) Committees received training on how to promote hygiene and disease prevention in their communities, including reducing the spread of COVID-19.</p>	<p><b>Climate Smart Water on farms</b></p> <ul style="list-style-type: none"> <li>Water management training for 150 farmers (50 women)</li> <li>Water Infrastructure for 10 women farmers</li> </ul>	<p>Vita supported Ethiopian farmers to conserve water, irrigate their land and increase production of nutritious food in 2021. This included 150 smallholder farmers - 100 men and 50 women - introducing climate smart water management techniques on their farms. Irrigation infrastructure was installed for 10 female horticulture farmers, which enabled them to increase their yield of vegetables.</p>
--	--	--	---

<p><b>Stoves</b></p> <ul style="list-style-type: none"> <li>Phase 2 of CLT-Stoves launched</li> <li>1,335 HHs (6,675 people)</li> <li>3 Learning labs</li> <li>CLTS Learning Centre</li> <li>Adoption rates at 100%</li> </ul>	<p>In 2021, Vita launched phase 2 of the Community-Led Total Adoption of Improved Cook Stoves (CLT-Stoves) pilot project, reaching 1,335 additional rural households in Gamo Zone. Three village clusters were selected to be CLT-Stoves “learning laboratories”. A bespoke micro-finance loan was trialled here, which significantly increased household adoption.</p> <p>A major strategic initiative that took shape in 2021 was the establishment of the Community-Led Learning Centre in Gamo Zone, Ethiopia (SNNPR).</p> <p>Vita developed monitoring, evaluation and learning processes for the CLT-Stoves programme in 2021. A participatory wealth ranking exercise was carried out with community members to build understanding of local markers of wealth and well-being, and give targeted supports to the “furthest behind”.</p> <p>Initial trials of the CLT-Stoves approach continued to show encouraging results in 2021. During Phase 1 of the pilot, adoption rates were sustained at 100%.</p>
--	--



## Meet Yordanos & Yenesh

*"My children were always late to school and at times being absent because we had to travel long distances to collect fuel wood three to four times a week. But my new stove uses much less wood. My stove is called an Adhanet stove – this means 'Savior' in my language Tigrinya and it is my savior. It has changed our lives for better and made life easier for me and my daughters."*

Yordanos, 39 (Eritrea)



*"Before this pump was fixed, I would have to walk two hours to fetch water. I would carry a jerry can of about 25 liters every morning and afternoon. This was my daily routine. No one to help me because all of my children are boys. I don't have a girl. As it is known, it is women's duty to collect water in our community. This water is heavy and hurts my back. Now I can live better as I am getting clean water nearby. Moreover, I get time to do other household activities and my back is not hurting me."*

- Yenesh, 48 (Ethiopia)



## Crops

Increased yield  
50-170%

Oats demo site  
set up

250 farmers  
trained in seed  
multiplication

36 more staff  
trained

3 new screen  
houses

In Eritrea, we built up capacities of staff working with potato seed producers. Potato yields in both countries continued to record increases of 50-170%. In Ethiopia, three screenhouses were constructed for early potato seed multiplication.

In Eritrea there was a notable increase in availability of potatoes nationwide, driven by farmer's increased access to quality, clean seed.

The average price per kg of table potatoes is now 67% less than before. The level and stability of price of potatoes and other staples targeted by the programme will be monitored more systematically in the coming years.

**VITA (RTI)  
TRUSTEES' ANNUAL REPORT**  
for the financial year ended 31 December 2021



**Thank you!**

**Institutional Grants: Irish Aid funding**

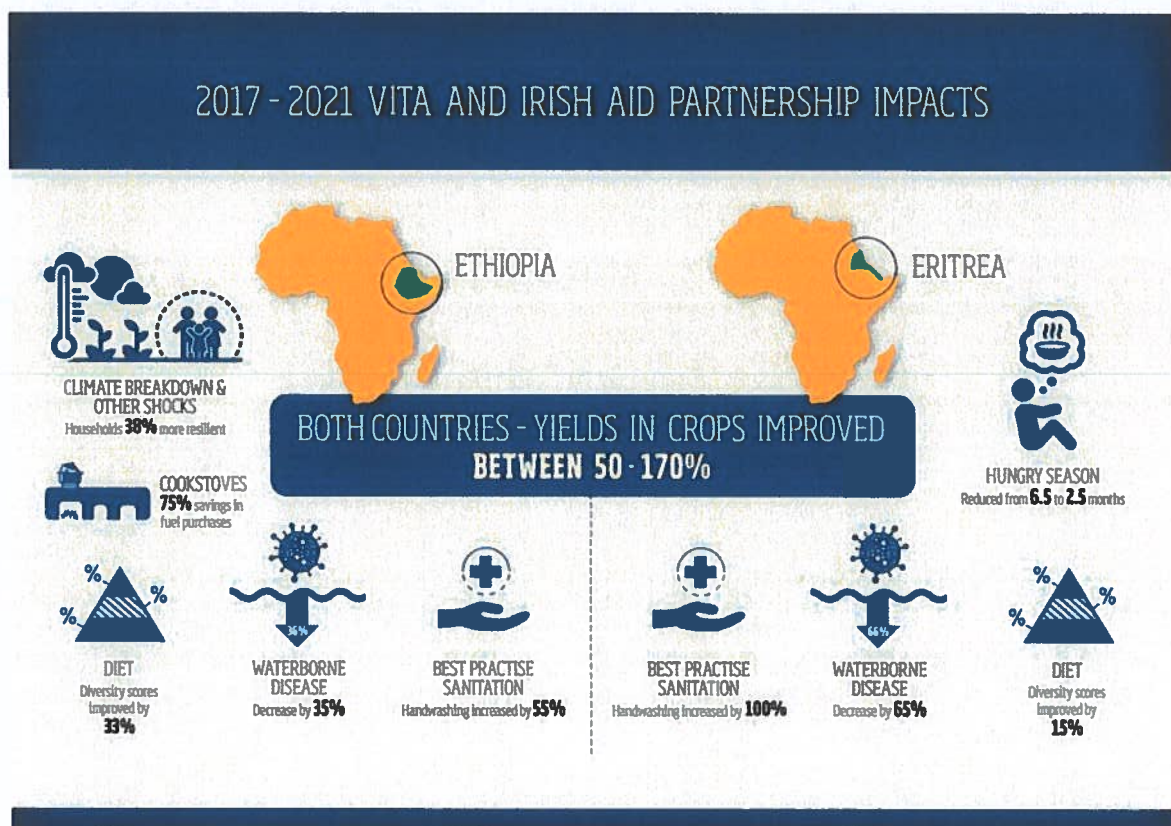
<b>Grant Title</b>	Irish Aid Programme Grant II
<b>Donor</b>	Irish Aid
<b>Lead/Co-applicant</b>	Lead
<b>Duration</b>	2017-2022
<b>Total € value</b>	€3.2m
<b>Location</b>	Eritrea (Maekel, Debub, Anseba, Gash Barka Regions) and Ethiopia (SNNPR and Amhara Regions)

In the penultimate year of the Irish Aid Programme Grant II, the programme continued to contribute to improved food security, health, and household resilience for rural households in Ethiopia and Eritrea.

**2021 External Evaluation of Vita's Irish Aid Programme Grant II**

These activities are all designed to advance the long-term objectives of the programme, the increased resilience, health and food security of rural households in Ethiopia and Eritrea. Vita's 2017-2021 Irish Aid Programme, encompassing work in Eritrea, Ethiopia, and public engagement activities in Ireland, was independently evaluated in November-December 2021. The purpose of the evaluation was to assess to what extent the programme has contributed to its intended outcomes at household level. Among the highlights are:

**VITA (RTI)  
TRUSTEES' ANNUAL REPORT**  
for the financial year ended 31 December 2021



- The programme contributed to improved year-round food security among participating households through improved yields and income from crop sales.
- **The average dietary diversity score of households participating in Vita's agriculture programmes increased by 15% in Eritrea and 33% in Ethiopia between 2017 and 2021.**
- Between 2017 and 2021, Vita used a multi-indicator Resilience Capacity Index in our Ethiopia programme to evaluate the programme's contribution to the many factors that impact a household's resilience to climate breakdown and other shocks.
- Prevalence of water borne disease significantly decreased in communities where Vita has repaired water points since 2017, with a 2021 evaluation recording **decreases of 36% in Ethiopia and 66% in Eritrea.**
- Or 2021 evaluation indicated that **over 96% of improved cookstoves introduced by the programme since 2017 were well maintained** and in consistent use at the time of assessment, while households in Ethiopia reported **savings in fuel purchases of up to 75%** since transitioning away from the traditional three-stone cookstove.

Vita acknowledges and greatly appreciates the ongoing support from governments and co-funders, including:

- The European Union
- The Irish Government
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Thanks also to the following organisations:

AoP Action on Poverty (Australia)	Human Concern International (Canada)
Avolon Aircraft Leasing	Keoghs Farm and Crisps
Bank of Ireland Staff Charitable Fund	Onaway
Carton Family Foundation	Quinn Family Foundation
Dublin City Council World Development Fund	RTE One World Fund
Electric Aid	SHARP – HSE
Fórsa Developing World Fund	Sisters of Mercy Congregation, Ireland
Fransiscan Sisters of Mercy	Sisters of Mercy, Northern Ireland
HCD Memorial	Sisters of Mercy, Western Province



# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

## Overall project portfolio as of 2022

COUNTRY	PROGRAMME TITLE	SECTOR	LOCATION	DONOR	TOTAL VITA GRANT €	TIMELINE
ERITREA	Irish Aid Programme Grant II	Agriculture & Food Security, Climate change Adaptation WASH, Energy	Debut, 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 (Debut, 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 (Debut, 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
COUNTRY	PROGRAMME TITLE	SECTOR	LOCATION	DONOR	TOTAL VITA GRANT €	TIMELINE
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 – Apr 2022
	Forests 4 Future	Forest restoration	SNNPR (Gamo Zone)	GIZ	133,000	May 2021 – Dec 2022

### Innovation for climate justice – main 2016-2021 achievements

The past six 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.

**VITA (RTI)**  
**TRUSTEES' ANNUAL REPORT**  
for the financial year ended 31 December 2021

<b>Strategy 2016 - 2021</b>	
<b>Main Goal in the plan</b>	<b>Outcomes</b>
Community programme work will continue to be focused on knowledge-backed agriculture, with potato as a particular focus area. There will be an increased focus on household energy and on water and sanitation.	<ul style="list-style-type: none"> <li>- Potato Coalition registered in Ethiopia</li> <li>- 231,000 reached with clean water</li> <li>- 80,000 reached with clean cooking</li> <li>- Community-led learning centre (stoves)</li> <li>- Genetic Research Centre</li> </ul>
Vita will build on strategic initiatives and use innovations and robust evidence, emanating from community programme work, to expand our scale and influence. This will include leadership in cross-country collaborations of government, development, and business sectors, e.g. through the Irish Potato Coalition and the Vita Green Impact Fund (VGIF)	<b>Vita Green Impact Fund success</b> <ul style="list-style-type: none"> <li>- 311,000 people reached</li> <li>- 2m tons of CO<sub>2</sub> saved</li> <li>- 15m trees planted/ saved</li> <li>- 8 SDG targets attained</li> <li>- CLT Stoves scale-up in collaboration with Kamal Kar &amp; CLTS Foundation</li> <li>- New partnership with GIZ</li> <li>- New MoUs with Eritrean Government, Teagasc</li> <li>- Innovative dairy models</li> <li>- Seed sector development</li> </ul>
This ambition must be underpinned by stronger core competence, systems, and management both within the programme countries and between the programme countries and Ireland. Building a stronger organisation will be achieved through strategic staff recruitment and training, and support from a highly engaged board.	<ul style="list-style-type: none"> <li>- Triple lock achieved for Vita (2022)</li> <li>- Governance Code (2022)</li> <li>- Policy Reviews</li> <li>- Salesforce database introduced (2021)</li> <li>- Scaling up programme team in Dublin</li> <li>- Professional development across all staff layers</li> </ul>
Vita will consolidate our programme presence in Ethiopia and in Eritrea. We will establish an indirect presence elsewhere through funding and supporting local partners in other countries in Africa, and possibly more widely through the VGIF.	<ul style="list-style-type: none"> <li>- Groundwork started for identifying new territories – new iteration of Vita Green Impact Fund will enable progress</li> </ul>
Vita will look to grow progressively and sustainably at approximately 20% annually which would more than double our total income by 2020. Such growth will depend on establishing enduring and more programmatic donor partnerships and income sources, which fit with our programme focus. We will also seek to augment our grant funding with investment funding, sourced through initiatives such as the Vita Green Impact Fund (VGIF), with a target of 30-50% of annual income through investment by 2020	<b>New partnerships in new territories identified</b> <ul style="list-style-type: none"> <li>- USA, UK, Canada, Switzerland &amp; Germany</li> <li>- Ambitions for income levels not reached, partially due to Covid-19.</li> <li>- Well on track to achieve augmented grant funding through VGIF</li> <li>- Vita UK and Vita US Inc incorporated</li> </ul>
Vita will seek a wider presence in developed countries through direct and indirect presence in the UK, USA, and Italy. This is intended to broaden the fundraising base, particularly related to investment funding, and also to advance the goal of increased scale and influence.	<ul style="list-style-type: none"> <li>- Independent Framework Agreement signed with UK Charity (NHLM)</li> <li>- Four new UK funders</li> <li>- Three new USA / Canada funders &amp; huge potential beyond 2021</li> </ul>

**Future Developments**

Vita will build up organizational reserves and financial capacity from 2022 with surplus funds applied to expand programming and organizational capabilities. 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. Using rolling three-year business plans as the main management tool to deliver on the 2021-25 Strategy, Vita will focus on the following main activities during 2022:

- New Irish Aid programme partnership (PG3); focused on agriculture (seed potato and cereals,
- Irish Potato Coalition; building up the Irish Potato Coalition – Ethiopia, completing NGO registration, securing multi-annual core funding,
- Carrying out screening and due diligence during 2022 and establishing a third programme country by 2024
- Implementing the “Climate Innovation in Africa” programme with a focus on research and learning around community led development and carbon finance
- Scaling up dissemination of cookstoves and water point repairs in Ethiopia using carbon finance and the new Green Impact Fund
- Building new institutional donor relationships with GIZ, IFAD and Penn State University
- Implementation of Independent Framework Agreement with UK charity: New Hope and growing Vita’s presence and the knowledge and funding relationships in UK and US and consolidating the Vita group structure
- Strengthening Vita’s systems particularly around financial software, CRM using Salesforce and digitization of Vita’s programmes



# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

## 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, backed up with a comprehensive Business Plan for 2022-2024 with quarterly tracking against KPIs. 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.

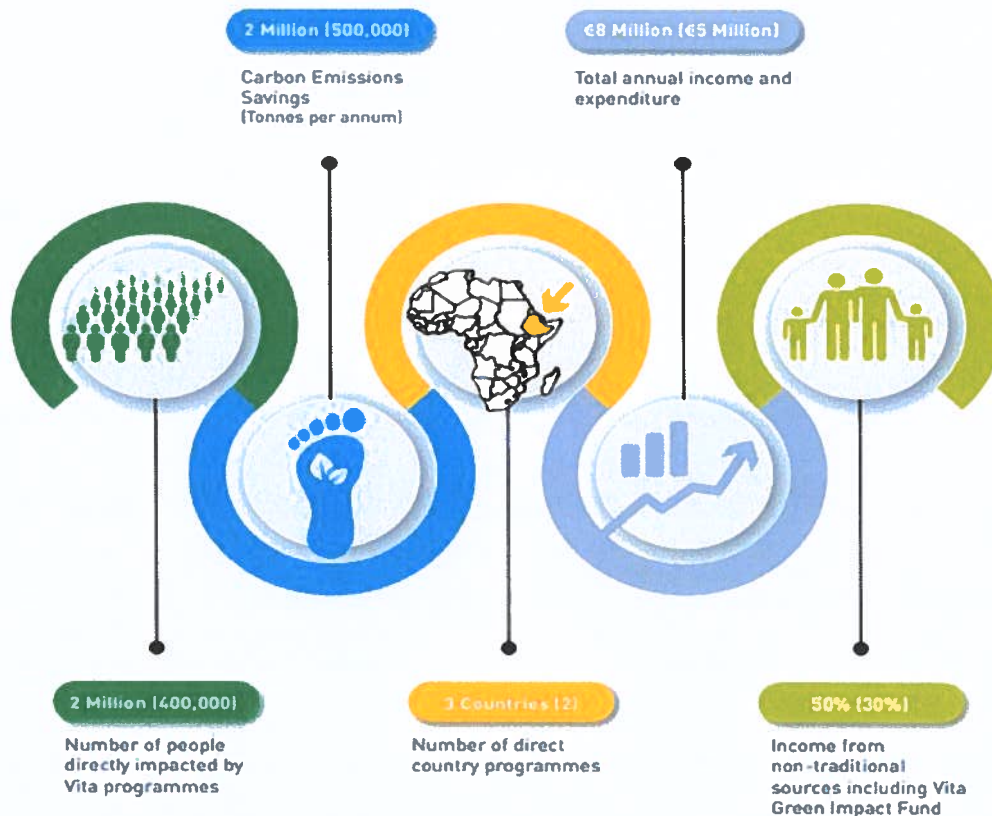
Innovation will be a binding theme across the organisation's work in the years ahead; innovative service delivery approaches at community level, developed and scaled up through innovative partnerships, supported by innovative models for financing international development. The scaling of innovative models 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.

- Vita's programmes strengthen innovation, impact, and learning
- Vita's international presence is developed, further expanding scale and influence
- A strengthened Vita brand supports sustainable, diversified funding streams
- Effective, organisation-wide systems enable delivery of Vita's Strategic Objectives

## Strategic targets for 2025



# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

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](https://vita.ie/wp-content/uploads/2021/08/846-Vita_Strategy_Document2021_24821.pdf)

To support the Strategic Plan, the Board have approved a three-year business plan covering the period 2022-24. This is supported by quarterly reviews to track performance and KPIs against the plan which are reviewed by the Board.

## FINANCIAL REVIEW

The results for the financial year are set out on page 27 and additional notes are provided showing income and expenditure in greater detail.

Overall, income increased by €1,523,929. Donations and legacies increased by €168,366. Income from charitable activities also increased. The increase of €1,440,594 was due to a €1,067,580 increase in carbon sales income and an increase of €373,014 in statutory grants from institutional donors.

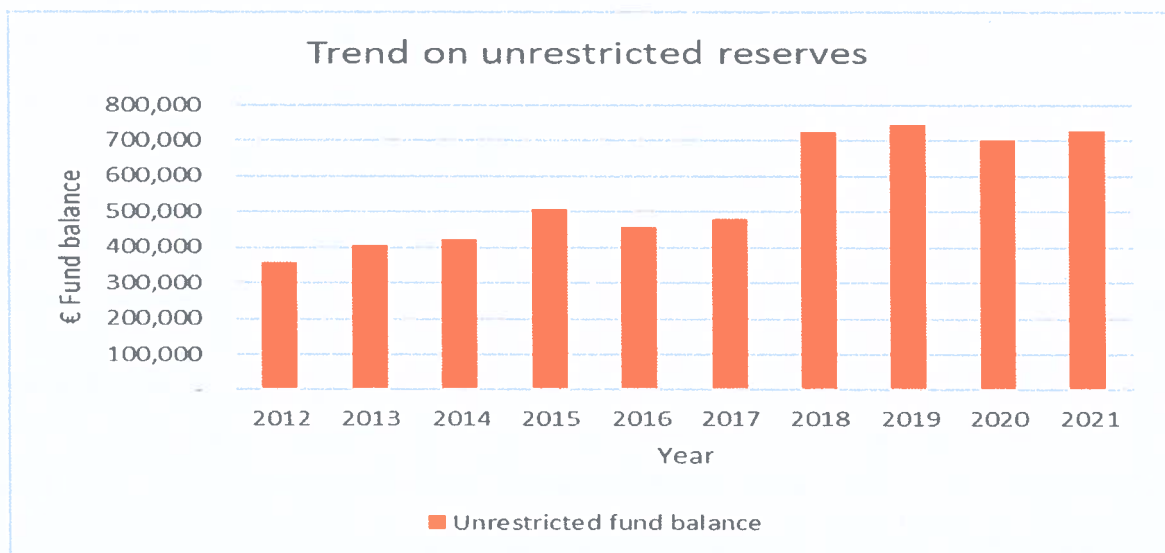
Overall, expenditure, in line with the increase in income, increased to €4,879,675. This led to an overall surplus of €300,211 made up of a surplus on unrestricted funds of €41,607 and a surplus relating to the Vita Green Impact Fund of €258,604.

At the end of the year, the group has total assets of €3,987,598 and total liabilities of €2,629,290. The net assets of the group increased in the year by €300,211.

Included in the liabilities are €521,816 in loans, down from €1,566,000 in 2020. These loans relate 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, which due to the performance of the funds, have commenced repayment. Full repayment plus interest will be paid by the end of 2022. The remaining surplus and fund balance will be transferred to unrestricted funds once the loans are fully repaid and will be designated for project funding for ongoing and future projects in Africa.

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 2021, the level of unrestricted reserves balance was maintained over €700,000.



# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

## 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 was reviewed in 2021 and approved the Vita Board in March 2022, considering the commencement of the VGIF loan repayments, and expected release of funds for Vita programmes. The revised Reserves policy will come into effect in 2022 once the VGIF loans are repaid and surplus funds transferred into unrestricted funds.

The Board of Vita confirms that restricted and endowment funds, when received, must be spent in a specific way in line with the funding conditions or requirements of the donor.

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 Constitution of Vita is the organisation's governing document. It provides for a membership based organisation with a governing Board of Directors elected from the membership base.

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 meetings, and holds additional ad-hoc meetings as required, as well as regular sub-committee meetings focused on programme, 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.

The following are the main subsidiaries of the Group controlled by Vita:

Body	Description	Activities	Status
Vita (UK)	A company limited by guarantee – regarded as a subsidiary because Vita (RTI) is the sole member.	Applied for charitable status in the UK, which once received will support Vita programmes through direct funding of programmes.	Dormant

Vita (US) Inc. is an affiliated but independently governed organisation based in the United States of America. One Board member of Vita sits on the Board of Vita US (Inc). Given that the Board of Vita US Inc. constitutes five Board members, the involvement of this Board member does not result in any undue influence. The results are included in the consolidated Vita accounts and excluded in the company accounts.

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

## **Governance Code**

In March 2022, the Board confirmed the full adoption of the Charity Governance Code. Declaration A was signed and submitted in April 2022.

## **Triple Lock**

In September 2022, Vita was awarded the Charities Institute of Ireland's Triple Lock certification, based on its work over the past two years in reviewing, revising, and implementing updated policies, formal re-adoption of the Fundraising Codes and full adoption of the Governance Code.

## **Composition of the Board and Board Appointment Process**

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

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)

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 and completed a full governance review to work towards compliance with the new Charities Governance Code issued by the Charities Regulator. A Policy Matrix was adopted in 2021 to assist with the review, allocation of responsibilities between committees and scheduling for updating Vita policies.



# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

Policies reviewed and updated include:

Policy:	Approved by Board on:
Code of Conduct for Directors	March 2022
Conflict of Interest	December 2021
Anti-Fraud	September 2021
Risk	September 2021
Procurement	September 2021
Reserves	March 2022
Audit	March 2022
Fundraising	March 2022
Expenses	March 2022
Board Policy	March 2022
Protected Disclosures	September 2021
Volunteer	March 2022
Partnership	March 2022
Complaints Policy	December 2021

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

The Board met seven times in 2021 all remotely due to Covid 19 restrictions and attendance of current members is noted in the table below:

Director	Meetings	% Attendance
Céline Reilly – Appointed Chair 30 April 2021	7/7	100.00%
Dermot Byrne (Chair; resigned 30 April 2021))	1/1	100.00%
Deirdre Clifford	6/7	85.71%
Kevin Farrell (resigned 30 April 2021)	1/1	100.00%
Damian Farren	7/7	100.00%
Stewart Gee (appointed 11 March 2021)	6/7	85.71%
Deirdre Hannigan (resigned 30 April 2021)	1/1	100.00%
Patricia Kane (appointed 11 March 2021)	4/7	57.14%
Niall Kelly (appointed 09 December 2021)	1/1	100.00%
Barry Magee (resigned 30 June 2021)	0/2	0.00%
Lance O'Brien	5/7	71.43%
Padraig O'Ruairc (resigned 30 April 2021)	1/1	100.00%
Sr. Margaret Tiernan (appointed 10 June 2021)	5/5	100.00%

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	5	100.00%
Fundraising & Communications	4	83.33%
Programmes	4	92.86%
New Business Development	4	83.33%
UK Oversight Committee	3	91.67%



# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

## 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.

## Trustees and Secretary

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

Dermot Byrne (resigned 30 April 2021)  
Deirdre Clifford (resigned 21 April 2022)  
Damian Farren  
Kevin Farrell (resigned 30 April 2021)  
Stewart Gee (appointed 11 March 2021)  
Deirdre Hannigan (resigned 30 April 2021)  
Patricia Kane (appointed 11 March 2021)  
Barry Charles Magee (resigned 30 June 2021)  
Padraig O'Ruairc (resigned 30 June 2021)  
Lancelot O'Brien  
Céline Reilly  
Sr. Margaret Tiernan (appointed 10 June 2021)

The following trustees were appointed to the Board since the last AGM, and in accordance with s53 of the charity's constitution, will resign at the AGM, and being eligible for reappointment offer themselves for election.

Niall Kelly (appointed 9 December 2021)

The secretary Judith O'Connor resigned and was replaced by Neil Munday who 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 was completed in 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 was 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.

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

In 2021 key risks were identified as & the mitigating actions were taken.

## 1. Corporate Governance Risk (incl Board engagement 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 2021/2** – The Board continued with the full review of Charities Governance Code. Adoption of the Code was approved by the Board in March 2022, and Triple Lock awarded September 2022. A systematic review process is in place to keep policies updated, Board members trained in governance and succession plan of Trustees with relevant skills is being rolled out. Included in new policies adopted in March 2022 is a Board policy which will provide guidance on Board reviews, identifying skills gaps and performance feedback.

## 2. Fraud and Country level governance and 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 2021/2** – Policies and processes reviewed and updated in each country of operation with internal audits completed for Eritrea and Ethiopia in past twelve months. New accounting system will be introduced in 2022 to improve real time reporting.

## 3. Loss of key employee risk

**Mitigations:** succession planning for organisational continuity and consistency are important throughout Vita. Staff reviews and personal development plans are in place to ensure staff retention both in Dublin and in Country.

**Developments in 2021/2** – The Performance Management System has been updated in 2022 following the wellbeing survey in 2021 to include formal and informal means of review. Additional roles are budgeted for in 2022 to address potential staff overstretch and increase capacity for future grant funding. Staff surveys will continue to help identify any areas of concern and the EAP expanded.

## 4. Reserves risk

**Mitigations:** The ARF monitors the reserve at the meetings by ensuring budgets are correct and constantly reviewed. The Board has worked hard over the past few years to build the reserve.

**Developments in 2021/2** – 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 incorporated into the 2022-24 Business Plan will help manage the call on the un-restricted reserves and identify future pinch-points. In March 2022, an updated Reserves Policy was adopted to guide reserves' planning.

## 5. Cash flow sensitivities

**Mitigations:** The ARF monitors the cashflow at the meetings by reviewing cashflows.

**Developments in 2021/2** – Cash balances are monitored in Ireland and all countries of operation. Annual budgets are linked to actual receipt of grants and funding to avoid over activity.

## 6. 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 2021/2** – 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 to help diversify future funding. The New Business Development Committee actively engages with new sources.

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

## 7. Fundraising fails to deliver required resources for Programmes and cover core costs risk

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

**Developments in 2021/2** – 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. Alternative sources of income being sought such as GIF and new donors in the UK and US through subsidiary entities.

## 8. Dependency on specific income sources

**Mitigation:** Income sources are monitored closely by the Board and Sub-Committee, with new sources actively being sought. With the success of the pilot VGIF, new funding has been identified for a new Green Impact Fund to help diversify future funding, where Vita will receive grant funding and act as the project developer on behalf of the new fund. The New Business Development Committee actively engages with new sources.

**Developments in 2021/2** - Alternative sources of income being sought such as GIF and new donors in the UK and US through subsidiary entities.

## 9. Covid/new pandemic 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 2021/2** – The Covid 19 situation evolved throughout the year, all Countries introduced a live working policy to ensure the safety of all staff & programmes.

Other risks are included in the detailed Risk Register that is updated annually and undergoes a programmed risk review on rolling quarters.

### 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.

### 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.

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2021

## 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 group 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)
- Charities Governance Code

See page for the main reference and administrative details.

### Transactions Involving Trustees

There were no contracts or transactions in relation to the business of the charity in which the Trustees' had any interest at any time during the year ended 31st December 2021.

### Events after the reporting date

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

### 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 380 of the Companies Act 2014.

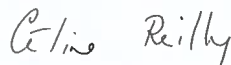
### Statement on Relevant Audit Information

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

### Accounting Records

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

Approved by the Board of Trustees on 13/10/2022 and signed on its behalf by:



\_\_\_\_\_  
Céline Reilly  
Trustee



\_\_\_\_\_  
Niall Kelly  
Trustee



## VITA (RTI) TRUSTEES' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2021

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.

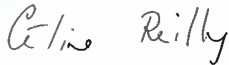
In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities;
- 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 13/10/2022 and signed on its behalf by:



Céline Reilly  
Trustee



Niall Kelly  
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 2021 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 2021 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 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 and 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 charity. 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 set out on page 23, 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.

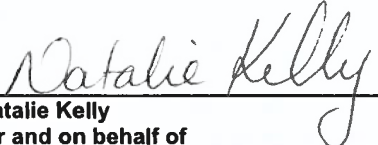
#### **Auditor's responsibilities for the audit of the financial statements**

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 26, 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

13/10/2022

## **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)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating an Income and Expenditure Account)  
for the financial year ended 31 December 2021

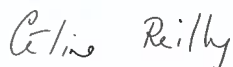
	Notes	Unrestricted Funds 2021 €	Restricted Funds 2021 €	Total 2021 €	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total 2020 €
<b>Income</b>							
Donations and Legacies	5.1	701,233	-	701,233	532,867	-	532,867
Charitable activities	5.2	-	4,168,311	4,168,311	2,594	2,725,123	2,727,717
Other trading activities	5.3	40,342	270,000	310,342	125,373	270,000	395,373
<b>Total income</b>		<b>741,575</b>	<b>4,438,311</b>	<b>5,179,886</b>	<b>660,834</b>	<b>2,995,123</b>	<b>3,655,957</b>
<b>Expenditure</b>							
Raising funds	6.1	222,984	-	222,984	211,754	879	212,633
Charitable activities	6.2	476,984	4,179,707	4,656,691	490,543	2,865,093	3,355,636
<b>Total Expenditure</b>		<b>699,968</b>	<b>4,179,707</b>	<b>4,879,675</b>	<b>702,297</b>	<b>2,865,972</b>	<b>3,568,269</b>
<b>Net income/(expenditure)</b>		<b>41,607</b>	<b>258,604</b>	<b>300,211</b>	<b>(41,463)</b>	<b>129,151</b>	<b>87,688</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds for the financial year</b>		<b>41,607</b>	<b>258,604</b>	<b>300,211</b>	<b>(41,463)</b>	<b>129,151</b>	<b>87,688</b>
<b>Reconciliation of funds</b>							
Balances brought forward at 1 January 2021	18	702,637	355,460	1,058,097	744,100	226,309	970,409
<b>Balances carried forward at 31 December 2021</b>		<b>744,244</b>	<b>614,064</b>	<b>1,358,308</b>	<b>702,637</b>	<b>355,460</b>	<b>1,058,097</b>

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)**  
**CONSOLIDATED BALANCE SHEET**  
as at 31 December 2021

	Notes	2021 €	2020 €
<b>Fixed Assets</b>			
Intangible assets	11	11,300	-
Tangible assets	12	2,392	2,274
		<u>13,692</u>	<u>2,274</u>
<b>Current Assets</b>			
Stocks	13	671,890	1,599,103
Debtors	14	898,381	897,789
Cash at bank and in hand		2,403,635	2,766,770
		<u>3,973,906</u>	<u>5,263,662</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(2,629,290)</u>	<u>(3,685,839)</u>
<b>Net Current Assets</b>		<u>1,344,616</u>	<u>1,577,823</u>
<b>Total Assets less Current Liabilities</b>		<u>1,358,308</u>	<u>1,580,097</u>
<b>Creditors</b>			
Amounts falling due after more than one year	16	-	(522,000)
<b>Net Assets</b>		<u>1,358,308</u>	<u>1,058,097</u>
<b>Funds</b>			
Restricted trust funds		614,064	355,460
General fund (unrestricted)		744,244	702,637
<b>Total funds</b>	18	<u>1,358,308</u>	<u>1,058,097</u>

Approved by the Board of Trustees on 13/10/2022 and signed on its behalf by:



Céline Reilly  
Trustee



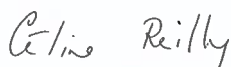
Niall Kelly  
Trustee



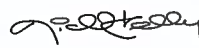
**VITA (RTI)**  
**COMPANY BALANCE SHEET**  
as at 31 December 2021

	Notes	2021 €	2020 €
<b>Fixed Assets</b>			
Intangible assets	11	11,300	-
Tangible assets	12	2,392	2,274
		<u>13,692</u>	<u>2,274</u>
<b>Current Assets</b>			
Stocks	13	671,890	1,599,103
Debtors	14	848,380	897,789
Cash at bank and in hand		2,370,516	2,744,004
		<u>3,890,786</u>	<u>5,240,896</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(2,629,290)</u>	<u>(3,685,839)</u>
<b>Net Current Assets</b>		<u>1,261,496</u>	<u>1,555,057</u>
<b>Total Assets less Current Liabilities</b>		<u>1,275,188</u>	<u>1,577,331</u>
<b>Creditors</b>			
Amounts falling due after more than one year	16	-	(522,000)
<b>Net Assets</b>		<u>1,275,188</u>	<u>1,035,331</u>
<b>Funds</b>			
Restricted trust funds		614,064	355,460
General fund (unrestricted)		661,124	679,871
<b>Total funds</b>		<u>1,275,188</u>	<u>1,035,331</u>

Approved by the Board of Trustees on 13/10/2022 and signed on its behalf by:



\_\_\_\_\_  
**Céline Reilly**  
Trustee



\_\_\_\_\_  
**Niall Kelly**  
Trustee

**VITA (RTI)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the financial year ended 31 December 2021

	Notes	2021 €	2020 €
<b>Cash flows from operating activities</b>			
Net movement in funds		300,211	87,688
Adjustments for:			
Depreciation		2,133	1,141
		<u>302,344</u>	<u>88,829</u>
Movements in working capital:			
Movement in stocks		927,213	(85,858)
Movement in debtors		(591)	(21,991)
Movement in creditors		(534,366)	900,378
		<u>392,256</u>	<u>792,529</u>
<b>Cash flows from investing activities</b>			
Payments to acquire intangible assets		(12,475)	-
Payments to acquire tangible assets		(1,076)	-
		<u>(13,551)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
New long term loan		(522,000)	(522,000)
New short term loan		(522,184)	522,000
		<u>(1,044,184)</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(363,135)</b>	<b>881,358</b>
<b>Cash and cash equivalents at 1 January 2021</b>		<b>2,766,770</b>	<b>1,885,412</b>
<b>Cash and cash equivalents at 31 December 2021</b>	<b>20</b>	<b>2,403,635</b>	<b>2,766,770</b>

# VITA (RTI) NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021

## 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 charity is Equity House, Upper Ormond Quay, Dublin 7 which is also the principal place of business of the charity. The financial statements have been presented in Euro (€) which is also the functional currency of the charity.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102", 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 financial year ended 31 December 2021 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

### 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 funds which represents amounts that are expendable at the discretion of the board, in furtherance of the objectives of the charity. 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.

### 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.

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2021

continued

**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 and Eritrea.

Sales of the voluntary carbon credits are recognised in the year in which they occur. The corresponding VGIF expenditure is recognised in the Statement of Financial Activities (SOFA) at this time.

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

The loans will be repaid in line with the loan agreements, subject to voluntary carbon sales continuing beyond the VGIF project expenditure. Once the loans are repaid in 2022, all surplus funds will be transferred to unrestricted funds and designated in line with the 2022 revised Reserves Policy and be designated for specific funding as required at that time.

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

**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 charity in an independently administered fund.

**Accrued Income**

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

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2021

continued

**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

**Computer Software**

Computer Software are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 8 years.

**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 2021

**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 charity 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 €2,392 (2020: €2,274).

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.

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	Restricted	Total	Unrestricted	Restricted	Total
	Funds 2021 €	Funds 2021 €	Funds 2021 €	Funds 2020 €	Funds 2020 €	Funds 2020 €
Donations and legacies	271,211	-	271,211	95,439	-	95,439
Donations from Irish Religious Communities	4,002	-	4,002	58,137	-	58,137
Corporate donations	33,770	-	33,770	75,975	-	75,975
Legacies	32,119	-	32,119	5,000	-	5,000
Microgrants	360,131	-	360,131	298,316	-	298,316
	<b>701,233</b>	<b>-</b>	<b>701,233</b>	<b>532,867</b>	<b>-</b>	<b>532,867</b>

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2021

5.2 CHARITABLE ACTIVITIES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds 2021	Funds 2021	2021	Funds 2020	Funds 2020	2020
	€	€	€	€	€	€
European Union	-	1,558,434	1,558,434	-	1,052,563	1,052,563
Irish Aid – PGII Partner	-	539,520	539,520	-	521,513	521,513
Self Help Africa	-	50,000	50,000	-	50,000	50,000
Action on Poverty	-	40,946	40,946	-	79,343	79,343
GIZ	-	33,394	33,394	-	-	-
UN OCHA	-	58,884	58,884	-	-	-
Irish Embassy – Ethiopia	-	-	-	-	202,151	202,151
Carbon sales income	-	1,887,133	1,887,133	-	819,553	819,553
Other income	-	-	-	2,594	-	2,594
	-	4,168,311	4,168,311	2,594	2,725,123	2,727,717

5.3 OTHER TRADING ACTIVITIES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds 2021	Funds 2021	2021	Funds 2020	Funds 2020	2020
	€	€	€	€	€	€
Community events and campaigns	40,342	-	40,342	125,373	-	125,373
Climate project income	-	270,000	270,000	-	270,000	270,000
	40,342	270,000	310,342	125,373	270,000	395,373

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	Restricted	Total	Unrestricted	Restricted	Total
	Funds 2021	Funds 2021	2021	Funds 2020	Funds 2020	2020
	€	€	€	€	€	€
Direct costs	47,714	-	47,714	20,706	-	20,706
Other costs	-	-	-	5,684	-	5,684
Support costs (note 7)	175,270	-	175,270	185,364	879	186,243
	222,984	-	222,984	211,754	879	212,633

6.2 CHARITABLE ACTIVITIES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds 2021	Funds 2021	2021	Funds 2020	Funds 2020	2020
	€	€	€	€	€	€
Direct costs	99,534	2,476,889	2,576,423	339,876	1,953,805	2,293,681
VGIF costs of sales (note 25)	-	1,604,472	1,604,472	-	647,854	647,854
Support costs (note 7)	231,892	98,346	330,238	66,125	263,434	329,559
Governance costs (note 7)	145,558	-	145,558	84,542	-	84,542
	476,984	4,179,707	4,656,691	490,543	2,865,093	3,555,636

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2021

continued

**7. SUPPORT COSTS**

	Cost of Generating Funds €	Charitable Activities €	Governance Costs €	Total €
<b>SUPPORT COSTS 2021</b>				
Staff and related costs	172,248	214,156	60,758	447,162
Office and other costs	3,022	17,737	37,761	58,520
Other support costs	-	-	5,563	5,563
Legal and professional costs	-	-	41,476	41,476
VGIF Support Costs	-	98,345	-	98,345
	<u>175,270</u>	<u>330,238</u>	<u>145,558</u>	<u>651,066</u>
Restricted	-	98,346	-	98,346
Unrestricted	175,270	231,892	145,558	552,720
	<u>175,270</u>	<u>330,238</u>	<u>145,558</u>	<u>651,066</u>
<b>SUPPORT COSTS 2020</b>				
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
	-	170,587	-	170,587
	<u>186,243</u>	<u>329,559</u>	<u>84,542</u>	<u>600,344</u>
Restricted	879	263,434	-	264,313
Unrestricted	185,364	66,125	84,542	336,031
	<u>186,243</u>	<u>329,559</u>	<u>84,542</u>	<u>600,344</u>

**8. NET INCOME**

	2021 €	2020 €
<b>Net income is stated after charging/(crediting):</b>		
Depreciation of tangible assets	2,133	1,141
(Surplus)/deficit on foreign currencies	(8,879)	112,162
Auditors' remuneration	17,220	11,993
	<u>17,220</u>	<u>11,993</u>

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2021

continued

**9. EMPLOYEES AND REMUNERATION**

**Number of employees**

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

	<b>2021</b>	2020
	<b>Number</b>	Number
Administration	<u>9</u>	<u>8</u>
The staff costs comprise:	<b>2021</b>	2020
	€	€
Wages and salaries	<b>477,094</b>	428,417
Social security costs	<b>50,864</b>	47,161
Pension costs	<b>17,458</b>	20,100
	<u><b>545,416</b></u>	<u>495,678</u>

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 €17,458 (2020: €20,100). The funds are secured by contributions by Vita (RTI) and employees to a separately administered pension fund.

**10. 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 € 304,270 (2020: € 263,930), (2019: € 253,688). This figure includes the total remuneration payable to the Chief Executive of €100,500 (2020: €99,540 (2019: €94,999)).

No Board member receives any remuneration other than re-imbursment for business expenses. In 2021 a total of €nil (2020: €nil) was reimbursed to Board members as business expenses.

	<b>2021</b>	2020
	€	€
Salaries and other short term benefits	<u><b>304,270</b></u>	<u>263,930</u>

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

	<b>Number of</b>	Number of
	<b>Employees</b>	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 2021

continued

<b>11. INTANGIBLE FIXED ASSETS</b>		
<b>Group and Company</b>		<b>Computer software</b>
		<b>€</b>
<b>Cost</b>		
Additions		12,475
At 31 December 2021		<u>12,475</u>
<b>Provision for diminution in value</b>		
Charge for the financial year		1,175
At 31 December 2021		<u>1,175</u>
<b>Net book value</b>		
At 31 December 2021		<u><u>11,300</u></u>
<b>12. TANGIBLE FIXED ASSETS</b>		
<b>Group and Company</b>		<b>Computer equipment</b>
		<b>€</b>
<b>Cost</b>		
At 1 January 2021		6,584
Additions		1,076
At 31 December 2021		<u>7,660</u>
<b>Depreciation</b>		
At 1 January 2021		4,310
Charge for the financial year		958
At 31 December 2021		<u>5,268</u>
<b>Net book value</b>		
At 31 December 2021		<u><u>2,392</u></u>
At 31 December 2020		<u><u>2,274</u></u>
<b>13. STOCKS</b>		
<b>Group and Company</b>	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Finished goods and goods for resale	<u><u>671,890</u></u>	<u><u>1,599,103</u></u>
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).		
<b>14. DEBTORS</b>		
<b>Group</b>	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Trade debtors	473,161	443,596
Other debtors	257,952	219,145
Prepayments	12,223	7,799
Accrued Income	155,045	227,249
	<u><u>898,381</u></u>	<u><u>897,789</u></u>



**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2021

continued

<b>Company</b>	<b>2021</b>	<b>2020</b>	
	<b>€</b>	<b>€</b>	
Trade debtors	473,161	443,596	
Other debtors	207,952	219,145	
Prepayments	12,223	7,799	
Accrued Income	155,045	227,249	
	<u>848,381</u>	<u>897,789</u>	
<b>15. CREDITORS</b>			
<b>Group and Company</b>	<b>2021</b>	<b>2020</b>	
	<b>€</b>	<b>€</b>	
<b>Amounts falling due within one year</b>			
Amounts owed to credit institutions			
VGIF Loan	521,816	1,044,000	
Taxation and social security costs	15,249	38,533	
Other creditors	513,323	308,746	
Accruals	429,479	468,190	
Deferred Income	1,149,423	1,826,370	
	<u>2,629,290</u>	<u>3,685,839</u>	
<b>16. CREDITORS</b>			
<b>Group and Company</b>	<b>2021</b>	<b>2020</b>	
	<b>€</b>	<b>€</b>	
<b>Amounts falling due after more than one year</b>			
Amounts owed to credit institutions			
VGIF loan	-	522,000	
	<u>-</u>	<u>522,000</u>	
Repayable in one year or less, or on demand (Note 15)	521,816	1,044,000	
Repayable between one and two years	-	522,000	
	<u>521,816</u>	<u>1,566,000</u>	
<b>17. RESERVES</b>			
	<b>2021</b>	<b>2020</b>	
	<b>€</b>	<b>€</b>	
At 1 January 2021	1,058,097	970,409	
Surplus for the financial year	300,211	87,688	
At 31 December 2021	<u>1,358,308</u>	<u>1,058,097</u>	
<b>18. FUNDS</b>			
<b>18.1 RECONCILIATION OF MOVEMENT IN FUNDS</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>€</b>	<b>€</b>	<b>€</b>
At 1 January 2020	744,100	226,309	970,409
Movement during the financial year	(41,463)	129,151	87,688
At 31 December 2020	702,637	355,460	1,058,097
Movement during the financial year	41,607	258,604	300,211
At 31 December 2021	<u>744,244</u>	<u>614,064</u>	<u>1,358,308</u>

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2021

continued

**18.2 ANALYSIS OF MOVEMENTS ON FUNDS**

	Balance 1 January 2021 €	Income €	Expenditure €	Transfers between funds €	Balance 31 December 2021 €
<b>Restricted funds</b>					
Restricted	355,460	4,438,311	4,179,707	-	614,064
<b>Unrestricted funds</b>					
Unrestricted General	702,637	741,575	699,968	-	744,244
<b>Total funds</b>	<b>1,058,097</b>	<b>5,179,886</b>	<b>4,879,675</b>	<b>-</b>	<b>1,358,308</b>

**18.3 ANALYSIS OF NET ASSETS BY FUND**

	Fixed assets - charity use €	Current assets €	Current liabilities €	Total €
Restricted trust funds	-	3,122,683	(2,508,619)	614,064
Unrestricted general funds	13,692	851,223	(120,671)	744,244
	<b>13,692</b>	<b>3,973,906</b>	<b>(2,629,290)</b>	<b>1,358,308</b>

**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. 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 2021, expenses paid to directors was €Nil (2020: €Nil).

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

**21. CASH AND CASH EQUIVALENTS**

	2021 €	2020 €
Cash and bank balances	1,608,845	2,273,176
Cash equivalents	794,790	493,594
	<b>2,403,635</b>	<b>2,766,770</b>

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2021

continued

**22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	€	€	€
Long-term borrowings	(522,000)	522,000	-
Short-term borrowings	(1,044,000)	522,184	(521,816)
<b>Total liabilities from financing activities</b>	<u>(1,566,000)</u>	<u>1,044,184</u>	<u>(521,816)</u>
<b>Total Cash at bank and in hand (Note 21)</b>			<u>2,403,635</u>
<b>Total net debt</b>			<u>1,881,819</u>

**23. 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.

**24. COMPARATIVE FIGURES**

The comparative figures have been restated for illustrative purposes only to reanalysis accounts held for Ethiopia and Eritrea from debtors to debtors, bank and cash and creditors.

# VITA (RTI) NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021

continued

## 25. 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 and Eritrea. The purpose of VGIF is to create a sustainable mechanism for financing development work in Africa; enable scale up of community energy and water supply programmes and position Vita as a leader in social impact investment and carbon finance. The VGIF is focused on two main product areas:

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

The loans raised for VGIF are non-recourse and held on the balance sheet. These funds are used to fund the activities of the VGIF and to fund carbon accreditation services who validate the carbon sales. Alongside grant income, sourced through Vita's partners, 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 costs to cover Vita's own costs. These are charged to VGIF, which in addition to direct costs contribute to the inventory costs. Both the income and related cost of sales are recognised during the year in which they occur. Costs related to grant income are expensed in the year in which they occur and do not contribute to additional inventory costs.

Sales of the voluntary carbon credits are recognised in the year in which they occur. The corresponding VGIF expenditure is recognised in the Statement of Financial Activities (SOFA) at this time.

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

The loans will be repaid in line with the loan agreements, subject to voluntary carbon sales continuing beyond the VGIF project expenditure. Once the loans are repaid in 2022, all surplus funds will be transferred to unrestricted funds and designated in line with the 2022 revised Reserves Policy and be designated for specific funding as required at that time.

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

### Summary Key Metrics against Investment Memorandum Targets to 2021

	Cumulative Investment Memorandum Target to end 2021	Actual cumulative to end 2021	Variance
Loans in €	1,500,000	1,566,000	+4%
Grant in €	500,000	495,313	-1%
Carbon credits sold	1,415,213	1,411,771	0%
Carbon Income €	4,745,760	4,281,477	-10%
Cost of Sales €	3,530,774	3,105,856	-12%
Fund Surplus €	714,986	624,083	-13%

Overall to end of 2021, the VGIF has performed generally in line with targets set in the Investment Memorandum and given buoyant 2022 carbon credit prices, is well positioned to repay the third and final tranche with interest to investors in Q4 2022. Beyond 2022, the VGIF has a carbon issuance pipeline through to 2031 and will generate a substantial further surplus to re-invest into climate action programmes in Africa.

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2021

continued

**25. VITA GREEN IMPACT FUND (VGIF) (continued)**

<b>Summary breakdown to 31.12.2021</b>	<b>To 31.12.2020</b>	<b>I&amp;E in period</b>	<b>To 31.12.2021</b>
	€	€	€
Sales of carbon credits	1,899,431	1,887,133	3,786,564
Opening Inventory	-	1,599,102	-
Direct Costs	3,100,525	677,260	3,777,785
Closing Inventory	<u>(1,599,102)</u>	<u>(671,890)</u>	<u>(671,890)</u>
Carbon credits released to SOFA	<u>(1,501,423)</u>	<u>(1,604,472)</u>	<u>(3,105,895)</u>
<b>Surplus to restricted funds</b>	<b>398,008</b>	<b>282,661</b>	<b>680,669</b>
Other direct costs covered by VGIF	42,548	24,057	66,605
<b>VGIF – Restricted fund at year end</b>	<b><u>355,460</u></b>	<b><u>258,604</u></b>	<b><u>614,064</u></b>

<b>Detailed breakdown to 31.12.2021</b>	<b>To 31.12.2020</b>	<b>I&amp;E in period</b>	<b>To 31.12.2021</b>
	€	€	€
Sales of carbon credits	1,899,431	1,887,133	3,786,564
Opening value of inventory	-	1,599,102	-
Direct Costs:			
Accreditation costs	1,083,160	332,454	1,415,614
VGIF Management Fee	668,500	110,000	778,500
VGIF Operational costs	832,000	160,000	992,000
Loan interest	156,600	-	156,600
Eritrea direct costs	178,088	47,748	225,836
Ethiopia direct costs	182,177	27,058	209,235
	<u>3,100,525</u>	<u>677,260</u>	<u>3,777,785</u>
Closing value of inventory	<u>(1,599,102)</u>	<u>(671,890)</u>	<u>(671,890)</u>
Cost of Sales	<u>(1,501,423)</u>	<u>(1,604,472)</u>	<u>(3,105,895)</u>
<b>Surplus to restricted funds</b>	<b><u>398,008</u></b>	<b><u>282,661</u></b>	<b><u>680,669</u></b>

**26. APPROVAL OF FINANCIAL STATEMENTS**

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

13/10/2022