

**VITA (RTI)**

**Annual Report and Consolidated Audited Financial Statements**

**for the financial year ended 31 December 2022**

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

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

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## VITA (RTI) REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Trustees</b>	Lancelot O'Brien Céline Reilly Margaret Tiernan Niall Kelly Janet Muir (Appointed 30 March 2023) Ronan McCabe (Appointed 30 March 2023) Helen O'Connor (Appointed 30 March 2023) Nicola Ruane (Appointed 30 March 2023) Deirdre Clifford (Resigned 21 April 2022) Patricia Kane (Resigned 15 December 2022) Stewart Gee (Resigned 29 May 2023) Damien Farren (Resigned 25 August 2023)
<b>Company Secretary</b>	Neil Munday
<b>Charity Number</b>	9670
<b>Charities Regulatory Authority Number</b>	20024192
<b>Company Registration Number</b>	152968
<b>Registered Office and Principal Address</b>	Equity House Upper Ormond Quay Dublin 7
<b>Auditors</b>	Crowleys DFK Unlimited Company Chartered Accountants and Statutory Audit Firm 16/17 College Green Dublin 2 D02 V078
<b>Principal Bankers</b>	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
<b>Solicitors</b>	Mason Hayes & Curran Solicitors South Bank House Barrow Street Dublin 4

## VITA (RTI) CHAIRPERSON'S REPORT

for the financial year ended 31 December 2022

Vita's work in 2022 once again demonstrated its determination to deliver on our strategic plan and the values which underpin it. Notwithstanding the challenges of Covid 19 and in-country conflicts, work progressed on the new Vita Green Impact Fund (VGIF) related programming and our flagship community model. The related investment in VGIF and the rollout of the VGIF programmes in 2023 will enable communities in Ethiopia and Eritrea, in partnership with Vita, to deliver at a scale that can make a positive impact on the lives of people in these communities and in particular places women at the centre of developing and delivering improvements.

The merger with the UK charity, New Hope, was advanced, as was the establishment and operations of the USA board thereby enhancing the overall Vita Group structure. The most significant organisational undertaking was the establishment of the structure of the new Vita Green Impact Fund (VGIF), launched in early 2023. With expert legal advice from Arthur Cox in Ireland, Sidley Austin from the UK and Morrison Foerster from the USA, an innovative legal and governance structure was created which Vita expects to be a model in the sector. This Fund, set up as a Designated Activity Company (DAC), independent of Vita, with its own independent governance and management, will significantly widen Vita's mission and reach, while protecting Vita's charitable credentials and development mandate. The Vita Board approved an impact investment of €900,000 in the new Fund which provides an asset lock for profits of the Fund to flow back into development. This followed a series of board and management sessions to rework the Fund structure for maximum impact and benefit for the communities whom Vita serves. Impact investment from the Catholic religious in the USA, as well as Irish philanthropists was secured to reach the €10 million investment threshold required.

In 2022, Vita continued the work initiated in 2021 on the new 2021-25 organisational strategy and the establishment of best practice governance structures, This continued in 2022 as Vita achieved the Triple Lock governance status with the Charities Institute Ireland. This included strengthening board committee oversight of Vita operations, including programmes and fundraising. Board succession towards year end brought significant new capability in key domains, including finance, investment, and sustainability. Policy development continued with board approval of new policies around safeguarding, governance, human resources, and reserves management. Systems enhancement continued through adoption of a new finance software to provide the Dublin office with real-time on-line visibility on transaction posting of country programming. Innovation is fundamental to Vita's strategy, and we continue to build core competence in our innovation areas of community led development, carbon finance, as well as in focus areas such as potato.

Vita works in challenging development environments but, despite significant geo-political events, partnerships in Ethiopia and Eritrea continue to develop for the betterment of resource-poor communities and for this we are very grateful. Vita is also fortunate to have enduring partnerships with leading institutional donors, including Irish Aid, the European Union, GIZ and UN IFAD. Vita enjoys exemplary relations with Irish Aid which we hope to enhance around our innovation focus areas. The partnership with Teagasc, particularly around dairy in Eritrea, is flourishing while a new partnership with Penn State University around digitalisation in agriculture is starting to take shape. Vita's values are grounded in our origination out of the Irish religious orders and ongoing deep friendship with the Sisters of Mercy in Ireland and globally. We highly value our Irish micro-grant partners, as well as philanthropists in Ireland and overseas, whose support over many years has been our bedrock. We are extremely grateful for such partners and friends alike and we are redoubling our efforts to demonstrate value for their money, consistent with our ethos, with plans to reach over 1.5 million people in the coming four years.

**Céline Reilly**  
Chairperson

# VITA (RTI) CHIEF EXECUTIVE'S REPORT

for the financial year ended 31 December 2022

The rural communities whom Vita serves in Ethiopia and Eritrea, continued to experience a multiplicity of challenge through 2022. Even though the Covid epidemic receded and the conflict in Northern Ethiopia was resolved, other problems endured. Climate change ravaged the physical environment and farming prospects, even while political challenges undermined economic development. Ugly geo-politic developments imposed an additional external burden. Still, we marvel at the rich culture and endless resilience of women, families, and communities. Galvanising the power of rural communities through community led development is Vita's mantra and the Community Led Learning Centre in Arba Minch in Ethiopia commenced research and learning projects to enhance the approach.

Vita aspires to support women and their families with the building blocks for a sustainable livelihood – food, energy, water, finance – and provision of clean cookstoves, safe water and trees funded by carbon finance is a scalable solution piloted by Vita. In 2022, progress to establish the successor to the pilot VGIF were well developed. In May 2023, the Vita Green Impact Fund (VGIF) completed its €10m capital funding to enable scale up such services to 1.3m people across Ethiopia. Close partnership with local government and application of a "by women, with women, for women" implementation structure will bring an exciting gender mainstreaming and women's empowerment dimension to Fund operations.

Vita has had a long association with potato and with all our history and expertise, Ireland has much to offer by combining science, business, and development to support potato farmers. In 2022, Vita led in setting up potato coalitions in Ethiopia and Eritrea with strong government support. New social enterprise models which can provide precious improved seed potato to farmers are currently under formulation. Bringing new money into development through impact investment remained a key focus for Vita through 2022 and such funding is expected to support seed potato development.

Vita now employs one hundred people, seventy-five in Ethiopia, thirteen in Eritrea and twelve in Ireland. We are blessed by their endless dedication and professionalism, which enables us to deliver results for rural communities way out of proportion to our size. Vita's exemplary partnerships with local government line ministries and rural development offices in Ethiopia and Eritrea were enhanced through new long term development partnerships signed in 2022 which will bring further leverage to programmes.

Vita is seeking to expand our funding base beyond Ireland and there was considerable success in the USA as well as UK in raising both investment funds for the Vita Green Impact Fund and grants for programmes. Indeed, grants were raised from Canada, Germany, Wales, Switzerland, Australia showing how international Vita operations have become. Throughout 2022, there was concerted systems development covering programme quality and learning, accounting software and digitalisation. Such systems will enhance our impact, accountability, and value for money into the future.

**John Weakliam**  
Chief Executive

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

## INTRODUCTION

The trustees present their Trustees' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 December 2022.

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

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

In this report the trustees of VITA (RTI) present a summary of its purpose, governance, activities, achievements and finances for the financial year 2022.

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 and, 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.

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

## Background

Vita (RTI) is an Irish International Development Agency founded in Ireland in 1989 under the name Refugee Trust by Father Kevin Doheny, 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.

### Review of 2022

Vita had a successful year in 2022 with thriving programmes and partnerships and further progress in advancing our development ambitions and organisational capability.

Total Income 2022	Total Income 2021	% Change	Reason
€5,057,575	€5,179,886	-2.36%	Carbon sales
Total Reserves 2022	Total Reserves 2021	% Change	Unrestricted Reserves
€1,969,571	€1,358,308	+45.00%	€1,852,097

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There was a €1,107,859 increase in unrestricted reserves, helped particularly by the pilot VGIF fund transfer from restricted funds following fulfilment of the restricted objectives. Through 2022, Vita maintained a stable financial situation which allowed programmes to proceed without interruption and allowed Vita to develop important new initiatives.

## Pilot Vita Green Impact Fund (pVGIF)

During 2022, the €2m pilot Vita Green Impact Fund ("proof of concept") made progress in developing markets for the carbon offsets generated by the Fund. During 2022, with the benefit of carbon offset sales contracts of €1,439,882 and a net surplus of €864,573, the final tranches of the loan capital were repaid.

## Vita Green Impact Fund (VGIF)

There was significant progress made in sponsoring a scale-up of the Vita Green Impact Fund, set up as an independent DAC, funding for which was in place in May 2023. For VGIF, Vita has invested €900,000 and will act as the Project Developer on behalf of the DAC. Vita will receive direct programme funding from the DAC. As co-financing DAC funding, Vita will also seek to raise grants as additional programme support. Combined, this additional funding will develop Vita's organisational capacity building.

## Structure and Governance

At an 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. This was renewed for 2023.

Throughout 2022, Vita programmes were implemented to a high standard, providing donors with impact and accountability in line with funding agreements. With Covid 19 related restrictions lifting, 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 was finalised in 2022 and is effective from September 2023 when Vita will become the sole member of New Hope LLantwit Major (New Hope) and subject to final legal approval, the name will change to Vita Impact, UK.

## Programmes Update:

### Agriculture and Livelihoods

With several major actions coming to a close at the end of 2022, endline evaluations provided an opportunity to reflect on progress and impact made in their respective fields since their inception. The Irish Aid Programme Grant II has supported Vita's programmes in both Ethiopia and Eritrea since 2017, especially in the key strategic priority of improving access to quality, clean and high-yield seed in potato and other key crops.

In both countries, Vita's work in agriculture over the previous six years has aimed to strengthen household food security and resilience to climate change. The programme continued to focus on building the capacities of farmers and producer's groups, extension services and supporting institutions in community-based seed multiplication, soil and water conservation and other climate smart agricultural practices in 2022, with a particular focus on strengthening farmers' institutions at local level. A summary of progress on selected KPIs is provided in the table below.

Country	Intended outcome	Indicator- Irish Aid Programme Grant II	% change from baseline (2017) to end of programme (2022) <sup>1</sup>
Ethiopia	Reduced food insecurity	<i>Average number of months per year where households could not meet all food needs through their own production and sales</i>	42% decrease
Eritrea			48% decrease
Ethiopia	Improved Household Dietary Diversity	<i>Average Household Dietary Diversity Score<sup>2</sup></i>	117% increase
Eritrea			40% increase
Ethiopia	Increased agricultural production in selected crops/products	<i>Average yields per hectare in quintals (Ethiopia) and tonnes (Eritrea) among farmers producing seed potato</i>	113% increase among male farmers, 248% increase among female farmers
Eritrea			169% increase
Eritrea		<i>Average milk yields, litres/cow/day/household</i>	500% increase
Ethiopia		<i>Average yields per hectare of highland maize (quintals)</i>	24% increase

<sup>1</sup> Data from an Independent external evaluation of Vita's Irish Aid Programme Grant II. In all selected indicators changes met or surpassed End of Programme targets.

<sup>2</sup> <https://www.fao.org/nutrition/assessment/tools/household-dietary-diversity/en/>



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Eritrea		Average yields hectare of wheat (tonnes)	268% increase
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Irish Aid support continued to contribute to improved production of quality, clean potato seed in both countries, where access to clean seed remains the primary constraint on potato's potential to contribute to food security and rural economic development. Vita played a leading role in establishing the Irish Potato Research and Development Association (IPRaDA), which was formally registered as a national civil society association in Ethiopia in 2023. This platform for knowledge sharing and collaboration will promote the role of potato in Ethiopia's development, bringing together state agencies, NGOs, research institutions and other actors.

**A case study of Vita's work in Ethiopia:**

**Food security and better incomes for women farmers in Ethiopia funded by Irish Aid**

Potato farmers in Ethiopia don't have infrastructure to store their potatoes. Farmers are forced to sell their crop soon after harvest when prices are at their lowest. Seed potato that farmers keep for their own use often gets spoilt.

Vita has assisted farmers to build potato stores called Diffused Light Stores (DLS) for safe storage of seed potato.

Aberash Ayisa, mother of three, is a member of Vita-supported potato cooperative. She says the project has had many benefits for her and her family, and for other farmers.

*"This new technology has increased availability of disease-free, high-yielding potato seed. Now, we have better food security and more income from selling surplus potatoes" she said.*



Aberash Ayisa, potato seed cooperative member, stands at the door of the Diffused Light Store where she stores potatoes. Doko Denbo Kebele, Chencha woreda, Gamo zone, SNNPR, Ethiopia  
Photographer: Misgana Gobeze, Vita Ethiopia Communication & Publication Officer

Vita is promoting cultivation of potato because as it is a climate-smart crop, is nutritious, easy to grow and has a great market value.



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Aberash Ayisa makes her family a potato lunch. Doko Denbo kebele, Chencha woreda, Gamo zone, SNNPR, Ethiopia.  
Photographer: Misgana Gobeze, Vita Ethiopia Communication & Publication Officer

Aberash is happy with her yields and the nutritional benefits that potatoes bring to her whole family.

Complimenting this work in 2023 has been Vita's partnership with Penn State University in Gamo Zone, Ethiopia, in which youth-led "Dream Teams" were established to work alongside farmers and support adaptation to climate change. This includes the use of innovative digital tools<sup>3</sup> to diagnose crop diseases such as late blight and bacterial wilt. Over 2023, the Ethiopia Dream Team visited 1242 farms, diagnosing crop diseases, and informing preventative action among farmers.

The 11th World Potato Congress was hosted in Dublin in June 2023, bringing together diverse delegates from around the world from the research, development, and agribusiness sectors. Vita staff and programme partners from both Eritrea and Ethiopia were active participants in the Congress, presenting on innovative work in their respective fields and countries supported by Vita. The Congress formally adopted the Dublin Declaration<sup>4</sup> which calls on actors in the global potato value chain to invest in "potato solutions" to advance the UN Sustainable Development Agenda 2030. Partly inspired by participation in this event, the Ministry of Agriculture in Eritrea organized an inaugural Asmara Potato Conference in September 2022, bringing a range of national regional actors together, from farmers groups to UN bodies, to advance the role of the potato in the country's development.

Several programmes supported by the European Union in Ethiopia and Eritrea continued through 2023, achieving important milestones and evidence of impact. A four-year project entitled "Improved CSO Capacity to Support Sustainable Community Seed Systems" in Eritrea ended in December 2022. Piloting decentralized multiplication of potato and cereal seed among local-level farmer's associations, the yields of seed potato and wheat among participants increased by 2.5 and 2.5 folds respectively over the course of the programme. This was observed to contribute to increased incomes and food security for the 3,765 participating farmers and their households (over 10,000 people), while increasing the availability of high quality, clean seed for the wider farming population. Most importantly, the program proved that with the necessary supervision and support, farmer and community-led seed multiplication can be successful in this context. The rich learning from the programme will be reflected upon by farmers, agricultural experts, and researchers in a National Seed Conference to be held in Asmara in September 2023.

<sup>3</sup> <https://plantvillage.psu.edu/>

<sup>4</sup> <https://youtu.be/8VnP-ej6lZE>

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The ongoing EU-financed project "Cross Sector Action for Climate Smart Communities; Strengthening soil fertility and climate change adaptation in the Eritrean Highlands" completed its second year of implementation in 2022. This project continued to deliver tangible short-term outcomes for participating wheat farmers, while supporting access to new technology, knowledge and innovation in soil nutrient management that is expected to have impact at national level in the long term. Highlights from 2022 included the establishment of two mini field-laboratories furnished with soil sample analysis equipment, bringing services closer to farmers, and enabling improved collaboration between researchers, extension workers and farmers on soil fertility management. The capacity of the national laboratory to conduct soil sample testing and analysis was also significantly enhanced. 30 leading researchers and key agriculture service providers were also trained in soil nutrient decision-support tools and methodologies that are new to the country. This is expected to enable farmers to make science-backed decisions on managing soil health as suitable to their specific requirements.

In Ethiopia, the project Enhancing Job Opportunities and Employability for Youth and Women (EU-EnJOY) completed its third year of implementation, supporting access to economic opportunities in Wolayta and Silte Zones in Southern Ethiopia through skills and enterprise development, and the strengthening of supporting services. Major milestones in 2022 included the renovation and equipping of 6 "One Stop Job Centres" enabling them to provide more effective services to job seekers, and enterprise development support provided to 50 micro, small and medium enterprises run by youth and women to increase the income they generate through their businesses.

### **Access to Safe Water**

Over 2023, Vita was heavily engaged in preparatory work as a service provider for the Vita Green Impact Fund (VGIF). Launched in 2023, this is expected to reach 1.3 million people in rural Ethiopia and Eritrea with carbon-saving cookstoves and access to safe water over the coming years. However, Vita's WASH programmes in 2023 continued to contribute to the provision of safe water from protected sources, collectable within a 30-minute round trip for 192,667 people (53,880 in Ethiopia and 138,787 people in Eritrea). Again, the opportunity for external evaluations in 2023 provided metrics to compare against the per-programme situation; only 18% of this targeted population reported using a safe source for drinking water in 2017, and in many instances, women faced a round trip of between 1 and 4 hours. The prevalence of water borne disease among these communities decreased by 35% in Ethiopia and 66% in Eritrea since the repairs of rural water points commenced in 2017, supported by notable increases in handwashing behaviour over the course of 2022.

In December 2022, Vita was invited by long-term partner Sisters of Mercy to join the Water Task Force of Mercy Global Action (MGA), the congregation's global advocacy wing, in advance of the UN Water Conference. As an active participant in the task force, Vita helped shape the direction and content of MGA's representation at the conference<sup>5</sup>, including through provision of video material shot and produced by communities in Gamo Zone with Vita's support.

### **Access to fuel-efficient cookstoves**

Vita continued refining and piloting the innovative "Community-Led Total" approach to carbon-saving cookstove adoption, a product of many years of collaboration with local communities, government service providers and the CLTS Foundation. A successful pilot was conducted in several village clusters in Gamo Zone, Ethiopia over 2021-2022, with 100% adoption rates achieved for 50% more fuel-efficient mirt stove for cooking injera, the staple bread prepared with fermented teff across the majority of Ethiopia and Eritrea, and the tikikil model for boiling. A total of 1,335 households in these communities adopted these models in 2022 and stopped cooking with "three-stone" open fires.

Overall, the adoption of improved cookstoves among the programme's targeted communities in Ethiopia has led to a 43% reduction in daily fuelwood use for cooking. The impact at household and community level has predominantly been experienced as labour savings by those primarily engaged in fuelwood collection and food preparation - i.e., women and girls. Households reported reduced total hours and frequency of trips to collect fuelwood, and reduced household expenditure (by up to 75%) on fuelwood<sup>6</sup>.

Supporting adoption of fuel-efficient cookstove models to reduce demand on biomass was complimented in Gamo Zone by Vita's engagement in the Forest for Futures project coordinated by GIZ. Under this initiative in 2022 131 hectares of trees were planted, while 1457 hectares of degraded woodland were protected.

<sup>5</sup> <https://www.mercyworld.org/f/45074/x/85de4d18bf/mga-world-water-day-and-the-un-water-conference.pdf>

<sup>6</sup> Panacea Consultants PGII Learn Final Evaluation Report 2022, p24



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## Thank you

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

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

Thanks also to the following organisations:

- AoP Action on Poverty (Australia)
- Bank of Ireland Staff Charitable Fund
- Carton Family Foundation
- Dublin City Council World Development Fund
- Electric Aid
- Fórsa Developing World Fund
- Franciscan Sisters of Mercy
- Human Concern International (Canada)
- Quinn Family Foundation
- RTE One World Fund
- SHARP - HSE
- Sisters of Mercy

### **A case study highlighting the impact of Vita's work in Eritrea:**

Sustainable Access to Clean Water in Eritrea: A partnership between Vita and SMBC



#### **Midterm Case Study**

SMBC is currently partnering with Vita to bring safe water to fifteen villages in rural Eritrea, by repairing broken down water points and training communities in repairs and maintenance so they can function without interruption. The project will provide access to safe water for 6,000 people in communities where women and girls were previously walking long distances to collect water from unsafe, seasonal sources. By reducing demand for fuelwood required to boil dirty water to purify it, the project when complete will also generate an estimated 1,875 tonnes of CO<sub>2</sub>e (carbon emissions savings) annually.

The project is well underway and is expected to be fully complete by March 2023. Due to the remote nature of some of the villages targeted and the harsh climate, the window to conduct essential repairs can be dependent on seasonal factors. Below is a case study from one of the water points already completed under the project and how it has impacted the lives of a 16-year-old girl and her community.

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Lulya (pictured above) is a 16-year-old girl and the eldest child of five. She is an enthusiastic 10th grade student at the local secondary school, and her favourite subject is handicrafts. Her family live in the village of Weqerti, a remote community of approximately four hundred people located 50km south of Eritrea's capital. The village is situated on a semi-arid high plateau running down the centre of the country to the Ethiopian border, where water is scarce. Under this project supported by SMBC, the village now has sustainable access to safe water. What is more, community members have received training in maintaining and making basic repairs to the infrastructure and have access to a store of spare parts - meaning the borehole can operate continuously without always requiring special assistance from technicians located far away.

In recent years, Lulya needed to assist her family in collecting sufficient water each day. This interrupted her learning. The village borehole, installed thirty years ago, fell into disrepair and has not been functional for the last two years. Access to the spare parts required to rehabilitate is challenging in Eritrea, and the water resources departments of local government are overstretched. Families in Lulya's village had to walk long distances each day to collect water from seasonal streams, dams and unprotected, shallow hand dug wells. Not only has this been an enormous burden on their time (it is a task that overwhelmingly falls to women and girls), but the water they were collecting was unsafe and often contaminated. Diarrhoea is a major cause of illness and even a factor in the death among children under five in Eritrea, and other vulnerable members of the community.

*"It was very unsafe to drink the water from the surface sources" Lulya remembers. "We all used to often suffer from diarrhoea and stomach aches - and the clinic is about 20km away".*



**Above:** two of the dangerous sources Lulya's community had been collecting water from. The dam pictured on the right was completely dry for lengthy periods of the year.



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Thanks to this project, the broken-down hand pump at the water point in Lulya's village is now working. This has made an enormous difference in the lives of the community. This impact can be seen through a reduction in their exposure to disease and infection; they have enough water for drinking cooking and cleaning, and those trips to the clinic for stomach complaints have all but disappeared.



**Above:** Lulya and her family can make the journey to collect water in a less than 20 minute round trip from her home, and with the help of their donkey, need only make one or two trips to the water point per day.

*"Since the borehole has been back in use, not one member of my family has had to visit the clinic - that means we have also been saved the cost of the medical expenses."*

Being able to access safe water from within a 20-minute round trip from their homes has relieved this community of a massive burden on their time, which cut across all aspects of life. Women in Weqerti now have more time to spend on their farms and other income generating activities, and the things that make life worth living - such as calling in on friends and attending community events and meetings. For Lulya, there is no question what the most significant impact in her life is:

*"Since the borehole was restored, I have not missed a single class at school. I also am not worn out when I get there. I have enough energy to study, especially handcrafts."*

### Future Developments

Vita's biggest strategic initiative unfolding in 2023 is the partnership with the new Vita Green Impact Fund (VGIF). This will fund Vita projects which aim to provide access to clean cookstoves and safe water for over 1.3 million people. Vita's investment of €900,000 in the new fund will ensure that future surpluses flow back to the communities we serve. Vita will continue to promote impact investment to bring new funding into development and particularly in our focus areas, including potato.

Vita will build up organisational reserves and financial capacity from 2023 with surplus funds applied to expand programming and organizational capabilities. Retained surpluses from the pilot Vita Green Impact Fund (pVGIF) 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 2023:

- Continuation of the pilot Vita Green Impact Fund and launching of the new Fund
- New Irish Aid Civil Society partnerships focused on agriculture (seed potato and cereals) in Ethiopia and Eritrea
- New EU funded agriculture and livelihoods projects in Ethiopia and Eritrea
- Carrying out screening and due diligence with a view to the establishment of a third programme country by 2025
- Irish Potato Coalition; activation of the newly established Irish Potato Research and Development Association in Ethiopia and its equivalent, the National Potato Council of Eritrea, including securing of multi-annual core funding
- Development of seed potato enterprise in Ethiopia
- Implementing the "Climate Innovation in Africa" programme with a focus on research and learning around community led development and carbon finance.
- Building new institutional donor relationships with IFAD, Penn State University, and others
- 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



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## 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.

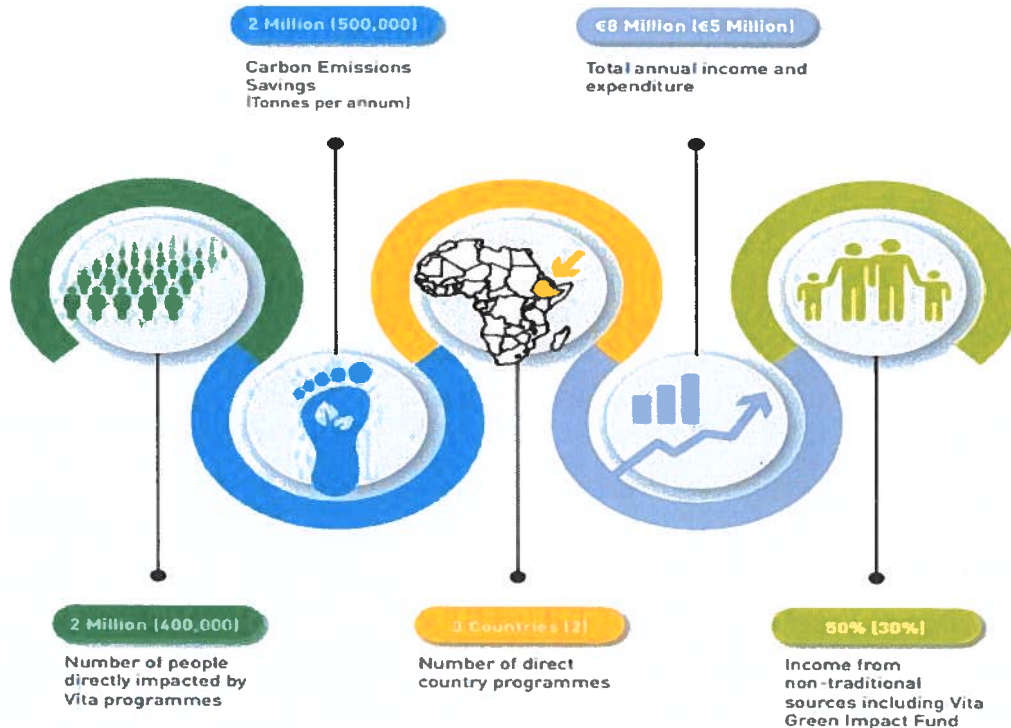
Innovation will be a binding theme across the organisation's work in the years ahead; innovative service delivery approaches at community level, developed and scaled up through innovative partnerships, supported by innovative models for financing international development. The scaling of innovative models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



For further information on the 2021-2025 strategic plan, please refer to the link below: [Strategy-Documents-August-5-1.pdf \(vitaimpact.org\)](#)

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.

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

## 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.

Although overall income decreased by €122,310, income from charitable activities (excluding carbon sales income) increased by €210,730, continuing the trend from 2021, which reflects ongoing confidence from donors. Donations and legacies decreased by €26,979.

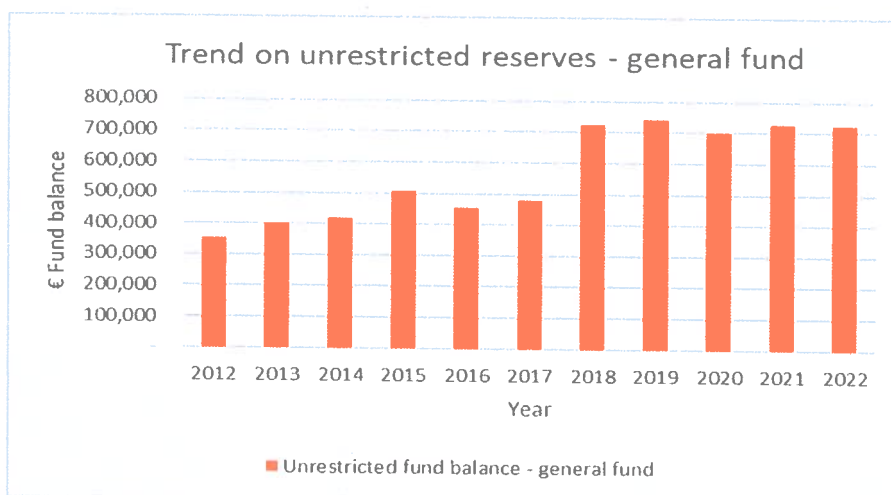
Overall, expenditure, decreased to €4,446,308. Most of the decrease is accounted for with the reduced cost of sales for the sale of carbon credits of €575,309. Fewer carbon credits were sold but at a higher price which led to an increased surplus at year end. This led to an overall surplus of €611,263 made up of a deficit on unrestricted funds of €370,775 and a restricted surplus of €982,042.

With the repayment of the loans related to the pilot VGIF in 2022, all restrictions on the fund were fulfilled and the balance of reserves of the pilot Vita Green Impact Fund of €1,478,634 was transferred to unrestricted funds and are designated for covering any unrestricted deficits, along with project funding for ongoing and future projects in Africa.

At the end of the year, the group has total assets of €2,991,178 (2021: €3,893,594) and total liabilities of €1,021,607 (2021: 2,629,289). The decrease in total assets and total liabilities reflects the repayment of the loan. The net assets of the group increased in the year by €611,263.

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 2022, the level of unrestricted general fund reserves balance continues to exceed €700,000.



## Reserves

To ensure the long-term viability of the organisation, the amount held in reserves is critical. Vita over the past few years has worked hard to build these reserves to ensure financial security and stability. The Vita Reserves Policy was reviewed in 2021 and approved by the Vita Board in March 2022, the revised Reserves policy came into effect by the end of 2022 once the pilot VGIF loans were repaid and surplus funds transferred into unrestricted funds.

The Board of Vita confirms that restricted and endowment funds must be spent in a specific way in line with the funding conditions or requirements of the donor. As such, the policy specifically refers to its treatment of unrestricted reserves.

Vita has identified four separate purposes for designated funds:

(i) To meet Vita's commitments when planned expenditure is expected to exceed its income on advancing charitable purposes. In effect, the board plans its current budget on the strength and availability of designated reserves to provide for any planned deficit. A planned deficit is often required to ensure that unfinished programmes are funded in excess of current year resources, so that they can reach full completion without interruption. As Vita's board does not envisage approving a planned budget deficit more than 5% of total planned income, the level of designated funds assigned to this purpose will be consistent with this parameter. This designated funding level will be reviewed regularly by the board.

## VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

(ii) To provide for any unforeseen circumstances which have the potential to interfere with planned income in the foreseeable future. A shortfall can occur for a variety of reasons, including a decision by a donor to delay or withhold funding, or the cancellation of planned giving donations because of adverse media attention in relation to some aspect of Vita's or other charities activities. To cater for any such shortfalls, which would result in programme interruptions, Vita requires significant designated funds to tide it over until the board or management can rectify the problem. The board wishes to have designated funds on hand, equivalent to three months' expenditure, so that activities will not suffer in the period immediately after the occurrence of the difficulty. The board will periodically review this designated fund level as Vita grows and evolves.

(iii) To recognise the amount of designated funds that are invested in fixed assets and are therefore not free and available to finance normal Vita operations. In addition, it is because these assets are usually used by the charity to deliver its activities or services and as such cannot be sold to meet a funding deficit.

(iv) To fund a future specified commitment or project.

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.

At the end of 2022, Vita has designated €900,000 for investing in the new Vita Green Impact Fund (VGIF). The balance of the pilot VGIF (pVGIF) transfer funded the unrestricted deficit and is set aside for other project funding. The general fund of €725,462 (2021: €730,552) will be used as set out above.

	2022 €	2021 €
<b>Unrestricted funds</b>		
VGIF Designated Fund	900,000	-
pVGIF Designated Fund	207,859	-
Fixed Asset Fund	18,776	13,692
General Fund	725,462	730,552
<b>Total Unrestricted Funds</b>	<b>1,852,097</b>	<b>744,244</b>
<b>Restricted Funds</b>	<b>117,474</b>	<b>614,064</b>
<b>Total Funds</b>	<b>1,969,571</b>	<b>1,358,308</b>

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

## 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, and ad-hoc meetings, a strategic review, as well as regular sub-committee meetings focused on programme, funding, audit, finance, and governance oversight. In addition, it provides support for management. The Board advertises for new Board members in a competitive process to replace members who retired or resigned and bring in new skills to the Board. The Board may co-opt new Board members to meet skill requirements or fill ad-hoc vacancies.

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.

### 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. This was renewed for 2023.

### Composition of the Board and Board Appointment Process

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

The role of the Board is distinct from that of the Executive Management Team. No member of the Executive Management is a member of the Board. The Executive Management have been delegated day to day management of Vita, including the preparation of strategic plans, policies and budgets which are in turn considered for approval by the Board. The Board subsequently monitors the implementation and performance of those approved plans. The Board is a voluntary Board with no Board member receiving remuneration for services to Vita, except for the reimbursement of expenses incurred on behalf of Vita.

### Committees of the Board and Terms of Reference

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

- i) Audit, Risk and Finance Committee (ARF)
- ii) Programme Committee
- iii) Fundraising and Communications Committee
- iv) New Business Development Committee (NBD)

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

## VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

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.

Policy:	Approved by Board on:
Audit	March 2022
Board Policy	March 2022
Child Safeguarding - Ireland	December 2022
Code of Conduct for Directors	March 2022
Expenses	March 2022
Fundraising	March 2022
GDPR	June 2023
Human Resources	March 2023
Partnership	March 2022
Reserves	March 2022
Volunteer	March 2022
Vulnerable Adult Safeguarding	December 2022

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

The Board met four times in 2022, introducing hybrid meetings as Covid 19 restrictions were eased and attendance of current members is noted in the table below:

Director	Meetings	% Attendance
Céline Reilly – Chair	4/4	100%
Deirdre Clifford (resigned 21 April 2022)	0/1	0%
Damian Farren	3/4	75%
Stewart Gee	4/4	100%
Patricia Kane (resigned 15 December 2022)	0/3	0%
Niall Kelly	4/4	100%
Lance O'Brien	4/4	100%
Sr. Margaret Tiernan	4/4	100%

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

Committee	Meetings	Attendance
Audit, Risk and Finance	4	100%
Fundraising & Communications	5	66.7%
Programmes	4	66.7%
New Business Development	4	100%
UK Oversight Committee	1	100%



# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

## 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:

- Deirdre Clifford (resigned 21 April 2022)
- Damian Farren (resigned 25 August 2023)
- Stewart Gee (resigned 29 May 2023)
- Patricia Kane (resigned 15 December 2022)
- Niall Kelly
- Lancelot O'Brien
- Céline Reilly
- Sr. Margaret Tiernan

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

- Ronan McCabe (appointed 30 March 2023)
- Janet Muir (appointed 30 March 2023)
- Nicola Ruane (appointed 30 March 2023)
- Helen O'Connor (appointed 30 March 2023)

## 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 2022. 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 2022

In 2022 key risks were identified as & mitigating actions were taken.

## 1. Corporate Governance Risk (incl Board engagement risk)

**Mitigations:** 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 relevant experience on the Board. Reviews in all areas are conducted by management & the Board.

**Developments in 2022/3** - 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 was awarded in September 2022. This was renewed for 2023. 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 and inductions for new Trustees continue. 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. For significant new projects such as the new Green Impact Fund, for which Vita is both the project developer and investor, where additional Board oversight and scrutiny prior to Board approval worked towards mitigating this risk.

## 2. Fraud and Country level governance and oversight

**Mitigations:** 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 each country of operation, and risks are reviewed on a Country, Management and Board level annually or more if circumstances require.

**Developments in 2022/3** - Policies and processes reviewed and updated in each country of operation with internal audits completed for Eritrea and Ethiopia in past twelve months. In Ethiopia, the planned cloud-based Accounting System was developed in 2022 and rolled out in 2023. This is resulting in increased transparency and accountability, which will facilitate improved and more effective reporting. An internal review structure is being rolled out in September 2023 to review controls, processes, and systems.

## 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 2022/3** - 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 were budgeted for in 2022 and filled to address staff overstretch and increase capacity for future grant funding. The 2023 staff survey will be carried out in Q4 of 2023 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 2022/3** -The committee has continued to monitor the activities to ensure that reserves remain stable. This has been maintained since 2020 at over €700,000. In 2021, a multi-annual budget process incorporated into the 2022-24 Business Plan will help manage the call on the unrestricted reserves and identify future pinch-points. In March 2022, an updated Reserves Policy was adopted to guide reserves' planning. The repayment of the loans for pVGIF has freed up funds for future designation for projects.

## 5. Cash flow sensitivities

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

**Developments in 2022/3** - 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

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

**Development in 2022/3** - 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. A review of security in line with Irish Aid's ongoing assistance has commenced with a revised policy and roll out plan to be available in November 2023.

## VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

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

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

**Developments in 2022/3** - 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 ongoing restrictions caused by Covid 19 and security risks in country. Alternative sources of income are being sought such as GIF and new donors in the UK and US through subsidiary entities.

### **8. Dependency on specific income sources**

**Mitigations:** 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 Vita Green Impact Fund to help diversify future funding. New Business Committee actively engages with new sources.,

**Developments in 2022/3** - Alternative sources of income have been secured such as GIF and new donors in the US through subsidiary entities. This is ongoing and will be strengthened with the finalisation of the UK structure in September 2023.

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.

### **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.

# VITA (RTI) TRUSTEES' ANNUAL REPORT

for the financial year ended 31 December 2022

## ADDITIONAL REFERENCE AND ADMINISTRATIVE DETAILS

### Compliance with Sector-Wide Legislation and Standards

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

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

See page 3 for the main reference and administrative details.

### Transactions Involving Trustees

There were no contracts or transactions in relation to the business of the company in which the Trustees had any interest at any time during the year ended 31st December 2022.

### Post Balance Sheet Events

Vita's biggest strategic initiative unfolding in 2023 is the partnership with the new Vita Green Impact Fund (VGIF). This will fund Vita projects which aim to provide access to clean cookstoves and safe water for over 1.3 million people. Vita's investment of €900,000 in the new fund will ensure that future surpluses flow back to the communities we serve. In 2023, Vita expects to receive advance grant funding of €2.1m to implement the associated climate programmes and cover the 2023 related expenditure.

### Auditors

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

### Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014, 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 company's office at Equity House, Upper Ormond Quay, Dublin 7.

Approved by the Board of Trustees on Friday October 20, 2023 and signed on its behalf by:



\_\_\_\_\_  
Céline Reilly  
Trustee

20 / 10 / 2023



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

20 / 10 / 2023

## VITA (RTI) TRUSTEES' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2022

The trustees, who are also directors of VITA (RTI) for the purposes of company law, are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with the Companies Act 2014 and applicable 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, 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 Friday October 20, 2023 and signed on its behalf by:**



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**Céline Reilly**  
Trustee

20 / 10 / 2023



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**Niall Kelly**  
Trustee

20 / 10 / 2023



# 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) ('the Charity') for the financial year ended 31 December 2022 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 2022 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"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described 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 the 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

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

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

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.

# 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, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

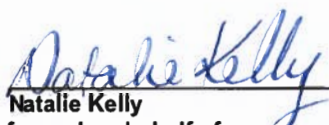
### Auditor's responsibilities for the audit of the financial statements

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 the 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 provided 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 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 V 378

20/10/2023

## **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 2022

	Notes	Unrestricted Funds 2022 €	Restricted Funds 2022 €	Total Funds 2022 €	Unrestricted Funds 2021 €	Restricted Funds 2021 €	Total Funds 2021 €
<b>Income</b>							
Donations and legacies	5.1	556,783	117,471	674,254	701,233	-	701,233
Charitable activities	5.2	-	3,931,789	3,931,789	-	4,168,311	4,168,311
Other trading activities	5.3	31,532	420,000	451,532	40,342	270,000	310,342
<b>Total income</b>		<b>588,315</b>	<b>4,469,260</b>	<b>5,057,575</b>	<b>741,575</b>	<b>4,438,311</b>	<b>5,179,886</b>
<b>Expenditure</b>							
Raising funds	6.1	285,710	-	285,710	222,984	-	222,984
Charitable activities	6.2	673,386	3,487,216	4,160,602	476,984	4,179,707	4,656,691
<b>Total Expenditure</b>		<b>959,096</b>	<b>3,487,216</b>	<b>4,446,312</b>	<b>699,968</b>	<b>4,179,707</b>	<b>4,879,675</b>
<b>Net income/(expenditure)</b>		<b>(370,781)</b>	<b>982,044</b>	<b>611,263</b>	<b>41,607</b>	<b>258,604</b>	<b>300,211</b>
Transfers between funds		1,478,634	(1,478,634)	-	-	-	-
<b>Net movement in funds for the financial year</b>		<b>1,107,853</b>	<b>(496,590)</b>	<b>611,263</b>	<b>41,607</b>	<b>258,604</b>	<b>300,211</b>
<b>Reconciliation of funds:</b>							
Total funds beginning of the year	18	744,244	614,064	1,358,308	702,637	355,460	1,058,097
<b>Total funds at the end of the year</b>		<b>1,852,097</b>	<b>117,474</b>	<b>1,969,571</b>	<b>744,244</b>	<b>614,064</b>	<b>1,358,308</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 2022

	Notes	2022 €	2021 €
<b>Fixed Assets</b>			
Intangible assets	11	11,766	11,300
Tangible assets	12	7,010	2,392
		<u>18,776</u>	<u>13,692</u>
<b>Current Assets</b>			
Stocks	13	669,318	671,890
Debtors	14	912,918	898,381
Cash at bank and in hand		1,390,166	2,403,635
		<u>2,972,402</u>	<u>3,973,906</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(1,021,607)</u>	<u>(2,629,290)</u>
<b>Net Current Assets</b>		<u>1,950,795</u>	<u>1,344,616</u>
<b>Total Assets less Current Liabilities</b>		<u>1,969,571</u>	<u>1,358,308</u>
<b>Funds</b>			
Restricted trust funds		117,474	614,064
Unrestricted reserves		1,852,097	744,244
<b>Total funds</b>	17	<u>1,969,571</u>	<u>1,358,308</u>

Approved by the Board of Trustees on Friday October 20, 2023 and signed on its behalf by:

*Céline Reilly*

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

20 / 10 / 2023

*Niall Kelly*

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

20 / 10 / 2023




**VITA (RTI)**  
**COMPANY BALANCE SHEET**

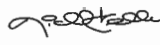
as at 31 December 2022

	Notes	2022 €	2021 €
<b>Fixed Assets</b>			
Intangible assets	11	11,766	11,300
Tangible assets	12	7,010	2,392
		<u>18,776</u>	<u>13,692</u>
<b>Current Assets</b>			
Stocks	13	669,318	671,890
Debtors	14	862,917	848,380
Cash at bank and in hand		1,349,646	2,370,516
		<u>2,881,881</u>	<u>3,890,786</u>
<b>Creditors: Amounts falling due within one year</b>	<b>15</b>	<b>(1,021,607)</b>	<b>(2,629,290)</b>
<b>Net Current Assets</b>		<u><b>1,860,274</b></u>	<u><b>1,261,496</b></u>
<b>Total Assets less Current Liabilities</b>		<u><u><b>1,879,050</b></u></u>	<u><u><b>1,275,188</b></u></u>
<b>Funds</b>			
Restricted trust funds		117,474	614,064
Unrestricted reserves		1,761,576	661,124
<b>Total funds</b>		<u><u><b>1,879,050</b></u></u>	<u><u><b>1,275,188</b></u></u>

Approved by the Board of Trustees on Friday October 20, 2023 and signed on its behalf by:

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

20 / 10 / 2023

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

20 / 10 / 2023

**VITA (RTI)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the financial year ended 31 December 2022

	Notes	2022 €	2021 €
<b>Cash flows from operating activities</b>			
Net movement in funds		611,263	300,211
Adjustments for:			
Depreciation		1,534	2,133
Amortisation of intangibles		1,625	-
		<u>614,422</u>	<u>302,344</u>
Movements in working capital:			
Movement in stocks		2,572	927,213
Movement in debtors		(14,537)	(149,899)
Movement in creditors		(1,085,867)	(408,411)
		<u>(877,832)</u>	<u>(431,097)</u>
Cash (used in)/generated from operations		<u>(483,410)</u>	<u>671,247</u>
<b>Cash flows from investing activities</b>			
Payments to acquire intangible assets		(2,091)	(12,475)
Payments to acquire tangible assets		(6,152)	(1,076)
		<u>(8,243)</u>	<u>(13,551)</u>
Net cash used in investment activities		<u>(8,243)</u>	<u>(13,551)</u>
<b>Cash flows from financing activities</b>			
New long term loan		-	(522,000)
New short term loan		(521,816)	(522,184)
		<u>(521,816)</u>	<u>(1,044,184)</u>
Net cash used in financing activities		<u>(521,816)</u>	<u>(1,044,184)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,013,469)</b>	<b>(386,488)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,403,635</b>	<b>2,790,123</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>21</b>	<b><u>1,390,166</u></b>	<b><u>2,403,635</u></b>

# VITA (RTI)

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

### 1. GENERAL INFORMATION

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### **Basis of preparation**

The financial statements have been prepared on the going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102", 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 2022 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**

General funds represent amounts which are expendable at the discretion of the Group in furtherance of the objectives of the charity.

Designated funds represent amounts that the Group has, at its discretion, set aside for specific purposes. These funds would otherwise form part of the general funds of the charity. Specifically, the Group sets aside funds to protect its ongoing programmes and activities from unexpected variations in income, to allow it to invest in new strategic opportunities, to finance fixed assets and to cover planned future deficits.

Fixed Asset Fund represents amounts held on the balance sheet that are currently invested in fixed assets and so are not available for future expenditure by the charity and are therefore excluded from general funds.

#### **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.

# VITA (RTI) NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2022

## **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.

## **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.

## **Pilot VITA Green Impact Fund (pVGIF)**

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

Sales of the voluntary carbon credits are recognised in the year in which they occur. The corresponding pVGIF 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 may generate future value beyond repayment of loans. This will be recognised as the carbon credits are sold.

The loans were repaid in line with the loan agreements, subject to voluntary carbon sales continuing beyond the pVGIF project expenditure. As the loans were repaid during the period, all surplus funds were 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 company in an independently administered fund.

# VITA (RTI) NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2022

## Accrued Income

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

## 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
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## 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).

## Research and development

Development expenditure is written off in the same year unless the trustees are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the charity is expected to benefit.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

#### Accounting for depreciation:

The company provides for depreciation on its tangible fixed assets. Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives. The trustees review on an on-going basis the charge to depreciation to ensure it is consistent with the expected residual value applicable to the different categories of tangibles. The total amount of assets subject to depreciation is €7,010 (2021: €2,392).

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

continued

for the financial year ended 31 December 2022

**Going Concern**

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

**Useful Lives of Tangible Fixed Assets**

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

**4. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES**

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

**5. INCOME**

**5.1 DONATIONS AND LEGACIES**

	Unrestricted Funds €	Restricted Funds €	Total 2022 €	Unrestricted Funds €	Restricted Funds €	Total 2021 €
Donations and legacies	280,651	97,546	378,197	271,211	-	271,211
Donations from Irish Religious Communities	16,880	-	16,880	4,002	-	4,002
Corporate donations	37,040	-	37,040	33,770	-	33,770
Legacies	30,000	-	30,000	32,119	-	32,119
Microgrants	192,212	19,925	212,137	360,131	-	360,131
	<u>556,783</u>	<u>117,471</u>	<u>674,254</u>	<u>701,233</u>	<u>-</u>	<u>701,233</u>

**5.2 CHARITABLE ACTIVITIES**

	Unrestricted Funds €	Restricted Funds €	Total 2022 €	Unrestricted Funds €	Restricted Funds €	Total 2021 €
European Union	-	1,653,108	1,653,108	-	1,558,434	1,558,434
Irish Aid – PGII Partner	-	581,263	581,263	-	539,520	539,520
Department of Agriculture	-	100,000	100,000	-	-	-
Self Help Africa	-	30,000	30,000	-	50,000	50,000
Action on Poverty	-	60,000	60,000	-	40,946	40,946
GIZ	-	67,536	67,536	-	33,394	33,394
UN OCHA	-	-	-	-	58,884	58,884
Carbon sales income	-	1,439,882	1,439,882	-	1,887,133	1,887,133
	<u>-</u>	<u>3,931,789</u>	<u>3,931,789</u>	<u>-</u>	<u>4,168,311</u>	<u>4,168,311</u>

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

continued

for the financial year ended 31 December 2022

**5.3 OTHER TRADING ACTIVITIES**

	<b>Unrestricted Funds €</b>	<b>Restricted Funds €</b>	<b>Total 2022 €</b>	<b>Unrestricted Funds €</b>	<b>Restricted Funds €</b>	<b>Total 2021 €</b>
Community events and campaigns	31,532	-	31,532	40,342	-	40,342
Climate project income	-	420,000	420,000	-	270,000	270,000
	<b>31,532</b>	<b>420,000</b>	<b>451,532</b>	<b>40,342</b>	<b>270,000</b>	<b>310,342</b>

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

**6. EXPENDITURE**  
**6.1 RAISING FUNDS**

	<b>Unrestricted Funds €</b>	<b>Restricted Funds €</b>	<b>Total 2022 €</b>	<b>Unrestricted Funds €</b>	<b>Restricted Funds €</b>	<b>Total 2021 €</b>
Direct costs	85,642	-	85,642	47,714	-	47,714
Support costs (note 7)	200,068	-	200,068	175,270	-	175,270
	<b>285,710</b>	<b>-</b>	<b>285,710</b>	<b>222,984</b>	<b>-</b>	<b>222,984</b>

**6.2 CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds €</b>	<b>Restricted Funds €</b>	<b>Total 2022 €</b>	<b>Unrestricted Funds €</b>	<b>Restricted Funds €</b>	<b>Total 2021 €</b>
Direct costs	247,550	2,821,830	3,069,380	99,534	2,476,889	2,576,423
pVGIF costs of sales (note 23)	-	575,309	575,309	-	1,604,472	1,604,472
Support costs (note 7)	302,049	90,077	392,126	231,892	98,346	330,238
Governance costs (note 7)	123,787	-	123,787	145,558	-	145,558
	<b>673,386</b>	<b>3,487,216</b>	<b>4,160,602</b>	<b>476,984</b>	<b>4,179,707</b>	<b>4,656,691</b>



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

for the financial year ended 31 December 2022

continued

**7. ANALYSIS OF SUPPORT COSTS**

	<b>Cost of Generating Funds</b>	<b>Charitable Activities</b>	<b>Governance Costs</b>	<b>Total</b>
	€	€	€	€
<b>SUPPORT COSTS 2022</b>				
Staff and related costs	159,486	228,986	63,326	451,798
Office and other costs	40,582	63,631	57,716	161,929
Other support costs	-	4,473	-	4,473
Legal and professional costs	-	4,959	2,745	7,704
pVGIF Support Costs	-	90,077	-	90,077
	<u>200,068</u>	<u>392,126</u>	<u>123,787</u>	<u>715,981</u>
Restricted	-	90,077	-	90,077
Unrestricted	200,068	302,049	123,787	625,904
	<u>200,068</u>	<u>392,126</u>	<u>123,787</u>	<u>715,981</u>

	<b>Cost of Generating Funds</b>	<b>Charitable Activities</b>	<b>Governance Costs</b>	<b>Total</b>
	€	€	€	€
<b>SUPPORT COSTS 2021</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
pVGIF Support Costs	-	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**

	<b>2022</b>	<b>2021</b>
	€	€
<b>Net Income is stated after charging/(crediting):</b>		
Depreciation of tangible assets	1,535	2,133
Amortisation of CRM system	1,625	-
Deficit/(surplus) on foreign currencies	4,120	(8,879)
Auditor's remuneration:		
- audit services	25,584	17,220
Other accounting costs	10,000	-
	<u>42,864</u>	<u>10,474</u>

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

for the financial year ended 31 December 2022

continued

**9. EMPLOYEES AND REMUNERATION**

**Number of employees**

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

	<b>2022</b>	2021
	<b>Number</b>	Number
Administration	<u>9</u>	<u>9</u>
The staff costs comprise:		
	<b>2022</b>	2021
	€	€
Wages and salaries	<b>457,958</b>	477,094
Social security costs	<b>52,463</b>	50,864
Pension costs	<b>17,826</b>	17,458
	<u><b>528,247</b></u>	<u>545,416</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 €17,826 (2021: €17,458). 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 €305,300 (2021: €304,270), (2020: €263,930), (2019: €253,688)). This figure includes the total remuneration payable to the Chief Executive of €98,400, (2021: €100,500), (2020: €99,540), (2019: €94,999)).

No Board member receives any remuneration other than re-imbursement for business expenses. In 2022 a total of €nil (2021: €nil) was reimbursed to Board members as business expenses.

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

	<b>2022</b>	2021
	<b>Number of</b>	Number of
	<b>Employees</b>	Employees
€60,001 - €70,000	<b>2</b>	2
€70,001 - €80,000	<b>1</b>	-
€90,001 - €100,000	<b>1</b>	1
	<u><b>4</b></u>	<u>3</u>

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

continued

for the financial year ended 31 December 2022

**11. INTANGIBLE FIXED ASSETS**  
**Group and Company**

	<b>Computer Software €</b>	<b>Development Costs €</b>
<b>Cost</b>		
At 1 January 2022	6,325	6,150
Additions	2,091	-
At 31 December 2022	<u>8,416</u>	<u>6,150</u>
<b>Provision for diminution in value</b>		
At 1 January 2022	791	384
Charge for financial year	857	768
At 31 December 2022	<u>1,648</u>	<u>1,152</u>
<b>Net book value</b>		
At 31 December 2022	<u><b>6,768</b></u>	<u><b>4,998</b></u>
At 31 December 2021	<u>5,534</u>	<u>5,766</u>

**12. TANGIBLE FIXED ASSETS**  
**Group and Company**

	<b>Computer equipment €</b>
<b>Cost</b>	
At 1 January 2022	7,660
Additions	6,152
At 31 December 2022	<u>13,812</u>
<b>Depreciation</b>	
At 1 January 2022	5,268
Charge for the financial year	1,534
At 31 December 2022	<u>6,802</u>
<b>Net book value</b>	
At 31 December 2022	<u><b>7,010</b></u>
At 31 December 2021	<u>2,392</u>

**13. STOCKS**  
**Group and Company**

	<b>€</b>	<b>€</b>
Finished goods and goods for resale	<u><b>669,318</b></u>	<u>671,890</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 Pilot Vita Green Impact Fund (pVGIF).

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

continued

for the financial year ended 31 December 2022

14. DEBTORS	2022	2021
Group	€	€
Trade debtors	53,784	473,161
Other debtors	529,323	257,952
Prepayments	6,271	12,223
Accrued Income	323,540	155,045
	<u>912,918</u>	<u>898,381</u>
	2022	2021
	€	€
<b>Company</b>		
Trade debtors	53,784	473,161
Other debtors	479,323	207,952
Prepayments	6,271	12,223
Accrued Income	323,540	155,045
	<u>862,918</u>	<u>848,381</u>
<b>15. CREDITORS</b>		
<b>Group and Company</b>		
	2022	2021
	€	€
<b>Amounts falling due within one year</b>		
Trade creditors	80,385	64,185
<i>Amounts owed to credit institutions</i>		
Credit Card	2,057	-
pVGIF Loan	-	521,816
Taxation and social security costs	17,815	15,249
Other creditors	513,878	513,323
Accruals	79,435	365,294
Deferred Income	328,037	1,149,423
	<u>1,021,607</u>	<u>2,629,290</u>
<b>16. RESERVES</b>		
	2022	2021
	€	€
At the beginning of the year	1,358,308	1,058,097
Surplus for the financial year	611,263	300,211
	<u>1,969,571</u>	<u>1,358,308</u>
<b>16.1 RESERVES SPLIT</b>		
	2022	2021
	€	€
<i>Unrestricted Funds</i>		
VGIF Designated Fund	900,000	-
pVGIF Designated Fund	207,859	-
Fixed Asset Fund	18,776	13,692
General Fund	725,462	730,552
	<u>1,852,097</u>	<u>744,244</u>
<i>Restricted Funds</i>	117,474	614,064
	<u>1,969,571</u>	<u>1,358,308</u>

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

continued

for the financial year ended 31 December 2022

**17. FUNDS**

**17.1 RECONCILIATION OF MOVEMENT IN FUNDS**

	Unrestricted Funds €	Restricted Funds €	Total Funds €
At 1 January 2021	702,637	355,460	1,058,097
Movement during the financial year	41,607	258,604	300,211
At 31 December 2021	744,244	614,064	1,358,308
Movement during the financial year	1,107,853	(496,590)	611,263
At 31 December 2022	<u>1,852,097</u>	<u>117,474</u>	<u>1,969,571</u>

**17.2 ANALYSIS OF MOVEMENTS ON FUNDS**

	Balance 1 January 2022 €	Income €	Expenditure €	Transfers between funds €	Balance 31 December 2022 €
<b>Restricted funds</b>					
Restricted	614,064	4,469,260	3,487,216	(1,478,634)	117,474
<b>Unrestricted funds</b>					
Unrestricted reserves	744,244	588,315	959,096	1,478,634	1,852,097
<b>Total funds</b>	<u>1,358,308</u>	<u>5,057,575</u>	<u>4,446,312</u>	<u>-</u>	<u>1,969,571</u>

**17.3 ANALYSIS OF NET ASSETS BY FUND**

	Fixed assets - charity use €	Current assets €	Current liabilities €	Total €
Restricted trust funds	-	961,444	(843,970)	117,474
Unrestricted reserves	18,776	2,010,958	(177,637)	1,852,097
	<u>18,776</u>	<u>2,972,402</u>	<u>(1,021,607)</u>	<u>1,969,571</u>

**18. STATUS**

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.

**19. 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 2022, expenses paid to directors was €Nil (2021: €Nil).

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



# VITA (RTI) NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2022

<b>20. CASH AND CASH EQUIVALENTS</b>	<b>2022</b>	<b>2021</b>
<b>Group and Company</b>	<b>€</b>	<b>€</b>
Cash and bank balances	1,390,166	1,608,845
Cash equivalents	-	794,790
	<u>1,390,166</u>	<u>2,403,635</u>

## 21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Opening balance	Cash flows	Closing balance
	€	€	€
Short-term borrowings	(521,816)	521,816	-
<b>Total liabilities from financing activities</b>	<u>(521,816)</u>	<u>521,816</u>	<u>-</u>
<b>Total Cash at bank and in hand</b>			<u>1,390,166</u>
<b>Total net debt</b>			<u>1,390,166</u>

## 22. POST-BALANCE SHEET EVENTS

Vita's biggest strategic initiative unfolding in 2023 is the partnership with the new Vita Green Impact Fund (VGIF). This will fund Vita projects which aim to provide access to clean cookstoves and safe water for over 1.3 million people. Vita's investment of €900,000 in the new fund will ensure that future surpluses flow back to the communities we serve. In 2023, Vita expects to receive advance grant funding of €2.1m to implement the associated climate programmes and cover the 2023 related expenditure.

## 23. PILOT VITA GREEN IMPACT FUND (pVGIF)

The Pilot Vita Green Impact Fund (pVGIF) 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 pVGIF 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 pVGIF 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 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 pVGIF, 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 pVGIF 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 were repaid in line with the loan agreements, subject to voluntary carbon sales continuing beyond the pVGIF project expenditure. As the loans were repaid during the period, all surplus funds were 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.

**VITA (RTI)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2022

continued

**PILOT VITA GREEN IMPACT FUND (pVGIF) (continued)**

<b>Summary breakdown to 31.12.2022</b>	<b>To 31.12.2021</b>	<b>I&amp;E in period</b>	<b>To 31.12.2022</b>
	€	€	€
Sales of carbon credits	3,786,564	1,439,882	5,226,446
Opening Inventory	-	671,889	-
Direct Costs	3,777,785	572,736	4,350,521
Closing Inventory	(671,889)	(669,316)	(669,316)
Carbon credits released to SOFA	(3,105,896)	(575,309)	(3,681,205)
<b>Surplus to restricted funds</b>	<b>680,668</b>	<b>864,573</b>	<b>1,545,241</b>
Other direct costs covered by pVGIF	(66,605)	-	(66,605)
<b>pVGIF – Restricted fund at year end</b>	<b>614,063</b>	<b>864,573</b>	<b>1,478,636</b>
***Transferred to Unrestricted			1,478,636

<b>Detailed breakdown to 31.12.2022</b>	<b>To 31.12.2021</b>	<b>I&amp;E in period</b>	<b>To 31.12.2022</b>
	€	€	€
Sales of carbon credits	3,786,564	1,439,882	5,226,446
Opening value of inventory	-	671,889	-
Direct Costs:			
Accreditation costs	1,415,614	243,704	1,659,318
pVGIF Management Fee	778,500	110,000	888,500
pVGIF Operational costs	992,000	160,000	1,152,000
Other direct costs	107,873	(6,316)	101,557
Loan interest	156,600	-	156,600
Eritrea direct costs	117,963	30,000	147,936
Ethiopia direct costs	209,235	35,348	244,583
	<b>3,777,785</b>	<b>572,736</b>	<b>4,350,521</b>
Closing value of inventory	(671,889)	(669,316)	(669,316)
<b>Cost of Sales</b>	<b>(3,105,896)</b>	<b>(575,309)</b>	<b>(3,681,205)</b>
<b>Surplus to restricted funds</b>	<b>680,668</b>	<b>864,573</b>	<b>1,545,241</b>
Other direct costs covered by pVGIF	(66,605)	-	(66,605)
<b>pVGIF – Restricted fund at year end</b>	<b>614,063</b>	<b>864,573</b>	<b>1,478,636</b>
***Transferred to Unrestricted			1,478,636

**24. APPROVAL OF FINANCIAL STATEMENTS**

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

20 / 10 / 2023