



gorta
make hunger history

**ANNUAL
REPORT
20
12**



Gorta walkers depart Oldbridge House, Drogheda, Co.Louth at the final stage of Gorta's Famine Commemoration Walk on May 13th 2012.



Annual Report 2012

Front Cover

Miso Zimba pictured in her home village of Anderson, Zambia. The construction of water boreholes through the support of Gorta and its partner Community Orientated Development Programme (CODEP) in the Chipata district, has meant that children no longer have to walk long distances for water and can now spend more time attending school.



A youth worker decobbing the first crop of maize in the Kirambi district of Rwanda where Gorta and its partner Medical Missionaries of Mary have introduced a food security and nutrition programme

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Foreword from the Chairman

In 2012, figures released by the Food and Agriculture Organization of the United Nations (FAO) told us some very stark facts. Africa was the only region where the number of hungry grew, from 175 million to 239 million in the last two decades, with nearly 20 million added in the past four years. Shockingly, around one in four people in Africa suffer from chronic hunger. In Gorta we prioritise nutrition in our work with local communities in sub-Saharan Africa, with an emphasis on building the resilience of local food systems.

Building this resilience will, in turn, reduce the vulnerability of smallholder farmers and strengthen their ability to invest in sustainable livelihoods. Through working with our partners, we have seen small holder farmers become small-business farmers and it is because of this development that further opportunities arise for profitable growth. Enabling a farmer to move from simply providing for himself and his family, to generating a sufficient income to re-invest in the business or even employ another individual sounds like an obvious process. However in Africa, it is a process which faces many challenges – such as a lack of finance, difficulty in accessing markets and a gap in knowledge and skills.

As the world population continues to grow rapidly, concerns are mounting about the increased amount of pressure on resources such as land and water and the rising demand for food. Many of the farming systems in Africa have not reached their full productive potential and the focus must now be on producing greater yields, better nutrition levels and higher incomes.

Throughout 2012, I believe that Gorta's work reflected this philosophy. Central to our programmes is that supporting individuals to realize their full potential leads to the eradication of poverty and to the creation of prosperity. We continue our role in strengthening the capacity and capability of our overseas partners and communities through initiatives such as farmer to farmer exchange visits, technical workshops, on-site training and networking and knowledge sharing schemes. If the

NGOs of Ireland are to robustly face the challenge of increasing Africa's capacity for success, it is essential that we work together to increase Africa's capacity by investing in agricultural market systems, creating strong local and national economies and therefore, jobs.

This kind of rationale dominated our annual World Food Day conference, which saw a host of distinguished speakers discussing the theme of Agricultural Cooperatives: Key to Feeding the World'. The conference, which was sponsored by the Department of Agriculture, Food and the Marine, was a huge success and saw speakers such as Simon Coveney TD, Minister for Agriculture, Food and the Marine, Dr. Carol Djeddah, Senior Officer with the Food and Agriculture Organization (FAO) of the United Nations and Albert Boogaard, Programme Manager Africa, Rabobank Foundation. Gorta also held its annual World Water Day conference in March of 2012 which dealt with the theme of 'The Role of Watershed Management in Protecting the Village Environment'. It discussed many of the challenges faced by communities in relation to the management of water. Water is a vital element of farming and its protection is essential to the productive potential of small holder farmers in Africa.

It is vital to note that these, and all of the achievements Gorta has had to date, are possible only because of the support we receive. No idea is too big when you have so many people behind you, willing you to succeed. It is thanks to our tens of thousands of



Gorta Chairman, Sean Gaule speaking at Gorta's annual World Food Day conference, October 16th 2012. The theme of the conference was 'Agricultural Cooperatives: Key to Feeding the World'.

regular donors that we have been able to grow and to develop our overseas programmes and directly benefit hundreds of thousands of people in Africa and India. Fundraising is of course still absolutely critical and we continue to seek out new opportunities to run alongside our mainstay campaigns – 'Soup for Life' and 'Lifetime Gifts' – both of which were very successful in 2012.

As an organisation, Gorta has a clear aim, an aim it has had since it was first established in 1965 and that is to end hunger. In order to fully achieve this aim, in 2012 the Gorta Board commissioned a full organisational review, audit and assessment of Gorta which is currently examining all aspects of the company. This strategic review aims to bring Gorta into line with standards of best organisational governance and practice and is being done in the best interests of Gorta, its staff, its clients and its donors. The Gorta Board received a preliminary report in December 2012 and immediately took action to implement the

recommendations. The Gorta CEO has been on long term sick leave since November 2012. Board member, Mr Tom Kirley has carried out the CEO role on a voluntary basis since December.

Gorta relies on a multitude of people to carry out its work on a daily basis - its talented team of professional and hard-working staff, its volunteers and its Board, Council and sub-Committee members. It is the enthusiasm, commitment and professionalism shown by all of these people that makes Gorta what it is, and enables us to continue to fight against the injustice of hunger and poverty.

Go raibh mile maith agaibh go léir.

Seán Gaule
Chairman

Our Mission and Values

VISION

Gorta's vision is a world where there is no hunger or poverty and where the poorest communities have the means to create more prosperous futures for themselves and their children.

VALUES

Gorta will ensure that all our decisions, actions, and stakeholder interactions conform to the organisation's moral and professional principles. These principles are the foundation for the organisation's culture and values.

| | |
|---------------|--------------|
| Ethical | Businesslike |
| Donor Focused | Caring |
| Partnership | Innovative |
| Inspiring | Advocates |

MISSION

Through its work, Gorta aims at empowering communities to eradicate hunger and poverty, with particular emphasis on food and water security, contributing to people's unrestricted access to secure and environmentally sustainable livelihoods.

Our mission is:

- To promote best practice in the area of sustainable long-term development in communities, especially in sub-Saharan Africa
- To be a catalyst for the creation, safeguarding and transfer of best practice in food and water security
- To be a facilitator in channelling goodwill, resources and / expertise to communities most in need.

In so doing, Gorta will develop and promote models of pragmatic and effective best practice to be shared with those individuals and groups with whom we work in a spirit of partnership.



Boy from Kinthe Kunda village in The Gambia on his way to plough his land with two oxen.

Patron, Board, Council and Committees

COUNCIL MEMBERS

Mr David Andrews
Ms Mary Buchalter
Mr Tom Burke
Mr Michael J. Butler
Mr Thomas P. Cannon
Sr. Hilary Claffey
Mr Andy Cole
Ms Phil Conyngham
Mr Martin Crowe
Mr Mike Cunningham
Mr Martin Donnellan
Mr Brendan Donohue
Mr Paul Doran
Mr Liam Fitzgerald
Ms Anne Fitzgerald
Ms Carmel Fox
Ms Deirdre Fox
Ms Agnes Gannon
Mr Sean Gaule
Mr Joe Haughton
Mr Kevin Higgins
Mr Billy Holmes
Mr Simon Holmes
Mr Liam Hyland
Mr Frank Keane
Mr Brian Kehoe
Ms Aileen Kennelly
Mr Tom Kirley
Mr Eugene Leddy
Professor Denis I.F. Lucey
Ms Monica McGettrick
Mr Tom McGuinness
Mr Pat Murphy
Mr Bernard O'Farrell
Dr. David O'Connor
Mr Michael O'Dowd
Dr. Joe Phelan
Mr Bob Sherriff
Ms Paula Slaterry
Ms Maura Walsh
Mr Jeremy Woolwich
Mr James Wyse

PATRON

Michael D Higgins, President of Ireland

BOARD

Mr Sean Gaule, Chairman
Mr Brian Kehoe, Vice-Chairman
Mr Kevin Higgins, President of Gorta
Mr Andy Cole
Professor Denis I.F. Lucey
Ms Deirdre Fox
Mr Tom Kirley, Chairman, Programmes Committee

PROGRAMMES COMMITTEE

Mr Tom Kirley, Chairman
Mr Bob Sheriff
Dr Joe Phelan
Ms Agnes Gannon
Ms Mary Buchalter
Ms Anne Fitzgerald

FINANCE COMMITTEE

Mr Michael Butler
Mr Brian Kehoe
Mr Frank Keane

NOTES

- (i) Mr Andy Cole resigned as Chairman of the Board of Directors in August 2012
- (ii) Mr Sean Gaule was appointed Chairman of the Board of Directors in August 2012
- (iii) Ms Mary Buchalter resigned as Chairperson of the Programmes Committee in August 2012
- (iv) Mr. Tom Kirley was appointed as Chairman of the Programmes Committee in August 2012
- (v) Mr Sean Gaule, Mr Tom Burke and Sister Hilary Claffey resigned as Programme Committee members August 2012

Regional Director's Report

In East Africa, Gorta predominately works in four countries - Kenya, Uganda, Tanzania and Zambia. Throughout 2012, our work focused on eradicating hunger by working with rural communities to increase their agricultural productivity, improve their household food security, strengthen rural livelihoods and encourage small enterprise development, enhance community empowerment and contribute to improved healthcare. All this is done in a spirit of partnership with local non-governmental organizations (NGOs), local government structures, UN agencies, research institutions and local communities, and underpinned by a science-development-business approach.

TANZANIA

In 2012, Gorta's programmes in Tanzania focused at improving livelihoods through integrated water resource management and improving food security. So far dams and water tanks have been constructed in Same and Korogwe Districts, providing adequate irrigation and domestic water to 81,525 people. This has resulted in increased access to clean and safe water for domestic use as well as knock-on improvement in the production of fruits and vegetables, with yields increasing by 40%. There was also a notable increase in the irrigation levels in the area and a reduction in the reliance on rain for agricultural activities. 78% of the households that Gorta works with have reported eating at least three balanced meals per day as opposed to two meals in 2011. Over 500,000 assorted agroforestry trees have been planted and awareness has been increased on forests, soil and water management. Through our programmes in Tanzania, communities living adjacent to forests in West Usambara have established committees engaged in patrolling the forest to ensure that no illegal logging and mining is taking place. As a result, forest fires have reduced and the whole watershed area is well conserved and contributing more positively to the communities in the area. Farmer field schools have also been established through which various trainings are delivered and a honey processing plant established, generating both a source of food and an income for many families in the area. Food security has also been improved through the introduction of drought tolerant maize and legumes.

UGANDA

In Uganda, Gorta reached over 150,000 direct beneficiaries and 1,138,000 indirect beneficiaries with 78% of the targeted households accessing clean and safe water and 87% able to eat three decent meals per day. This was achieved through Gorta's partnership with 14 local organisations spread out in Central, South Western and West Nile regions of Uganda. Programmes focused on increasing smallholder agricultural productivity for household food security and market opportunities, water, sanitation and hygiene and natural resource management. Gorta's interventions in Uganda have resulted into adoption of better farming practices that has led to increased agricultural productivity in terms of crop and livestock yields with crops like millet tripling in yield (from 249kg/acre in 2011 to 947 kg/acre in 2012), household incomes increased with one cropping season fetching an average of \$254 up from \$50 in 2011. Decision-making by women over assets improved thus marking significant steps forward socially. Gorta's programmes also focused on improving relationships with local government structures, more participation in district and sub county planning with a greater focus on food and nutrition security interventions.

ZAMBIA

Gorta continued to work in integrated watershed management, beekeeping, fish farming and vocational skills training programmes in Zambia throughout 2012. A key achievement during the period included increased



Vincent Cleary, Managing Director of Glenisk and Rebecca Amukhoye, Gorta Regional Director, pictured at Gorta's World Food Day Conference 2012.

honey production and bee products for sale in both local and international markets, with 150 tonnes of honey being produced and sold. Through fish farming, 100 fish ponds were established and are now producing over 130 tonnes of frozen and dried fish for the area. In our watershed management programmes, signs of reduced erosion are visible on the walls of the gabion dams, silt accumulation has increased and importantly, flooding incidences in the low lying villages have ceased. Additionally, over 135,000 agro forestry trees were planted and the hygiene situation in the area has been majorly improved through construction of latrines.

KENYA

Gorta continued its work in Kenya throughout 2012 where we worked with partner organizations dealing in the areas of food and nutrition security, and water and sanitation, 38,000 direct beneficiaries were reached during the reporting period. Gorta also responded to a humanitarian crisis caused by a severe drought in the horn of Africa reaching out to over 13,000 children under the age of five threatened by starvation in Lodwar and Wenje Parish in Tana Delta. Gorta is piloting an innovative area development programme with a strong focus on agro-food enterprises in Keringet. Vocational training opportunities have been provided to farmers

throughout the region, through our support to Baraka Agricultural College. Trainees undergo courses in sustainable agriculture and return to their communities as extension officers, with the aim to transfer the acquired knowledge into specific community development initiatives.

Gorta will continue to focus on developing sustainable solutions that can be scaled up and will continue to build evidence of good working practices. This means facilitating learning and experience sharing among partner organizations and across countries, thus supporting more rural families to transform their lives. An example of this is our two regional workshops that were held in 2012 - one on beekeeping in Tanzania and the other on Watershed Management which was held in Zambia.

As we enter 2013 it is important to learn from past experiences – both positive and negative – and to design improved, effective and efficient interventions that will enhance our efforts in making hunger history an actual reality.

Rebecca Amukhoye
Regional Director

The Gambia

Life Expectancy: 59 yrs
Population: 1.5million



Nigeria

Life Expectancy: 53 yrs
Population: 140million



Uganda

Life Expectancy: 55 yrs
Population: 34.1million



Kenya

Life Expectancy: 58 yrs
Population: 42.4million



Rwanda

Life Expectancy: 56 yrs
Population: 11.3million



Tanzania

Life Expectancy: 59 yrs
Population: 47.1million



Zambia

Life Expectancy: 50 yrs
Population: 13million



Malawi

Life Expectancy: 55 yrs
Population: 15million



Map Legend



Food Security
& Nutrition



Livelihoods
& Enterprise
Development



Water &
Sanitation



Education



Health

Overseas Programmes



India

Life Expectancy: 66 yrs
Population: 1.2billion



Gorta focuses on the main programme areas of **Food and Nutrition** security: **Water & Sanitation; Livelihoods and Enterprise Development**; enhanced by the promotion of **Health and Education** initiatives within specific projects.

Gorta works with some of the poorest communities in sub Saharan Africa, with a particular focus on Kenya, Tanzania, Uganda and Zambia. Additional programmes carried out in Nigeria, Rwanda, Malawi, The Gambia and India.

Our programmes are planned and carried out in partnership with local organisations and community groups with the aim of empowering the local people to achieve self-sufficiency.



Leema Nina Sinoik, a Maasai farmer in Longido District of northern Tanzania. Gorta is supporting Leema through SARI by providing her with the new seeds, training on how to apply appropriate methods of agriculture to her farm and seed multiplication.

Food Security & Nutrition

Gorta addresses food and nutrition security by providing support to small holder farmers, helping them to diversify and increase their crop yields. This is vital to improve nutrition at household level and reduce both the over-reliance on a single staple crop and the adverse effects of climate change.

Gorta also promotes the adoption of improved methods of farming that will create sustainable, long term food security. This includes investing in forest restoration, tree nurseries and the protection of biodiversity which are now evident in our food security programmes.

In the Wakiso District of central Uganda communities have been facing problems relating to food insecurity and malnutrition. A lack of food containing essential nutrients has led to high nutrient deficiency levels particularly among children in the area. Gorta has partnered with local organisation, **Agency for Integrated Rural Development (AFIRD)**, on a food and nutrition security programme, working with 20 groups comprising of 25 members each. These groups are made up of vulnerable and marginalised people including widows, youths, orphans and people living with HIV/AIDS. The project is aimed at improving food and nutrition security among rural households. It provides them with access to improved seeds and planting materials for crops with essential nutrients and increasing their nutrition knowledge and awareness.

A revolving fund approach has been established whereby a group passes on a quantity of seeds to other families in their community; these seeds are then multiplied and used to grow produce. The seeds from the following crop are then passed on to another family. In 2012, 126 households had received and planted mango seedlings, avocado and caliantra tree seedlings with 98 households receiving and planting amaranth, a leafy vegetable which is rich in vitamin A and iron. Food and nutrition security training and poultry management training has also been conducted. Steel wire meshes were distributed to 10 farmer groups to protect chickens from predators. Beneficiaries of the programme are now planning to expand their seed base

and commence large scale multiplication of the scarce seeds to generate a larger income.

"I and my household members are now assured of food and we are planning to sell the surplus. The income we are hoping to earn from these crops, will help us complete our house and buy our own land, since most of the land we work on is being rented" - Mr Mibili Edward

Gorta also works to bridge the gap between the farmers and agricultural research by supporting the development of improved varieties of crops and vegetables. This is evident in Gorta's partnership with the **Selian Agricultural Research Institute (SARI)** in northern Tanzania. The aim of the programme is to carry out research on food crops, natural resource management, farming systems and livestock for the small holder farmer in the Longido, Mwanga and Same Districts.

This project provided remote small holder farmers with training on drought tolerant maize and grain legume varieties, the establishment of demonstration plots, seed distribution and training on seed multiplication. Farming methods such as spacing and intercropping have also been taught along with training in composting and the use of organic fertilizer. Bakari Msang, a beneficiary in the Same District reveals *"last year I only got five bags of maize and this year I expect to harvest twenty bags."*

Farmers were trained on how to collect clean seed from their maize crop which they can then use to replant the next season and also sell on to other farmers. Through Farmer Field Days, the beneficiaries are able to showcase these methods and share their experiences of particular farming techniques to other farmers in the district.



Spotlight on Gorta's partner in Rwanda — Medical Missionaries of Mary

Gorta has been working in partnership with the **Medical Missionaries of Mary (MMM)** in Kirambi, central Rwanda since 2000. The programme - Kirambi Community Health and Development Programme - works primarily in the areas of food security, health and trauma counselling to address community health needs. It focuses on mothers and children, public health, treatment care and support to people with HIV/AIDS.

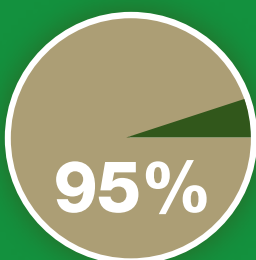
A survey conducted by the MMMs in 1998 in the area of the Kirambi Health Centre highlighted that 38% of the children under the age of 5 years suffered from malnutrition. Families in Rwanda rely heavily on agriculture as their main means of income and food for their household while climate change, erosion, community conflicts, high birth rate and lack of adequate knowledge of healthcare and life skills all contribute to the high rate of malnutrition and poverty related diseases. The average household has just 1 acre of land which is often very acidic and the poorest families cannot afford to purchase lime to put on the lands, and therefore yields are limited.

Through Gorta's partnership with the MMM's the programme was able to completely eradicate severe malnutrition and the current reported cases are basic malnutrition cases and not life threatening.

This was achieved through provision of improved crop yields, nutrition education, village demonstrations on preparation of simple balanced diets, ensuring household food availability and diversity, child weight and growth monitoring at the village level.

There is a clear link between agriculture and nutrition where skills on food production are passed on to the community by staff and the volunteer agricultural extension workers. The programme also provides training in cooking and nutrition to women with malnourished children in order for them to improve their understanding of the nutritional value of the variety of food available locally.

SOME OF THE KEY ACHIEVEMENTS INCLUDE (AS AT YEAR END 2012):



Each year, 95% of the children attending the nutrition clinics for the severely malnourished improve their nutrition status.

30,292

The programme targets 8 districts in Kirambi with a population of 30,292.



Malnutrition is reduced from 22% (2008) to 10% in children living in the catchment area of Kirambi Health centre by March 2013.



Food production increased by 20% within the groups working with the programme.

20%





Consolée is pictured sorting beans in the Kirambi district of Rwanda where Gorta and its partner MMM's have introduced a food security and nutrition programme.



Alice Banda tending to her crops in the communal plot in Mphindira village, Zambia

Water & Sanitation

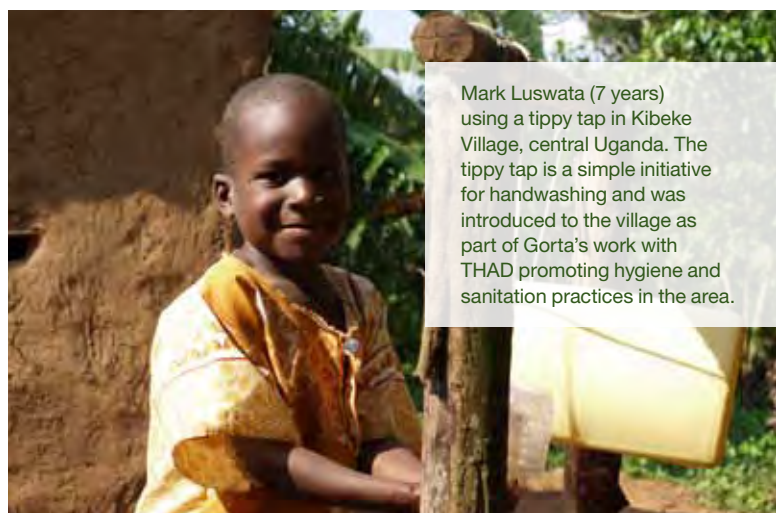
Gorta's water security projects aim to support the development of integrated watershed management programmes and provide clean and safe drinking water at household level with improved access to sanitation.

Gorta recognises the importance of water security and is working with partners to develop integrated water management schemes, where communities can harness rainwater, improve irrigation practices and recharge groundwater in order to conserve the environment and prevent wells from drying up. Gorta works to enhance agriculture productivity, through the protection and conservation of natural ecosystems and increase smallholder farmers' resilience to environmental and market fluctuations and extremes.

Improving access to clean water for communities reduces the costs of having to provide the necessary healthcare to treat people suffering from water and sanitation related diseases. Gorta's partnership with the **Literacy Action and Development Agency (LADA)** aims to reduce the occurrences of waterborne diseases in the districts of Rukungiri, Kanungu and Mitooma in south west Uganda by addressing water and sanitation issues. The high occurrence of these diseases in the area was due to the use of water collected from unsafe sources. This initiative specifically targets 62 villages, comprising of 7,750 households, with the aim of improving their access to clean and safe water. Activities have included the protection of 26 shallow wells and five springs, as well as the training of 217 water user committees. The project has also established six eco-schools which have hygiene and latrine facilities and tree planting demonstration plots.

To mark World Water Day on March 22nd 2012, Gorta's seminar on *The Role of Watershed Management in Protecting the Village Environment*, initiated the implementation of a *New Generation Watershed Management Programme*, in collaboration with Food and Agriculture Organization of the United Nations (FAO) and involving Gorta's partners in The Gambia, Tanzania and Zambia. The aim of the programme is to scale up partners' watershed management work and harmonize their operational approach at regional level and develop replicable models of best practice to be used in influencing regional trends.

Gorta analyses water interventions as part of a broader framework that takes into account environmental conservation and livelihood strategies. This is evident through Gorta's partnership with the **Community Orientated Development Programme (CODEP)** in Zambia where the provision of latrines, rearing of small ruminants, microfinance schemes, bee-keeping and training in small enterprises all exists through the accompaniment of soil and water conservation. To date 405,000 trees have been planted in various wood lots, 80 latrines were constructed in five villages, 200 goats were provided to 25 farmer groups and 35 village level micro-credit schemes were established.



Mark Luswata (7 years) using a tippy tap in Kibeke Village, central Uganda. The tippy tap is a simple initiative for handwashing and was introduced to the village as part of Gorta's work with THAD promoting hygiene and sanitation practices in the area.



Spotlight on Gorta's partner in the Gambia — ADWAC

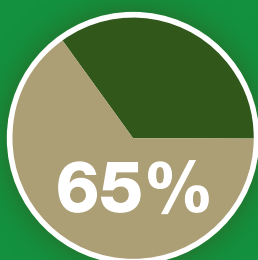
The Agency for the Development of Women and Children (ADWAC) is a local NGO that provides support to communities in rural regions of the Gambia. Gorta and ADWAC have been in partnership since 2002 on a number of agriculture and livelihood interventions in the Njaba Kunda eco-zone of the North Bank.

In the Gambia, and in particular the North Bank Region, agriculture remains the most significant economic activity employing more than 90% of the population. However, over the past 30 years, agricultural production has drastically decreased as a result of poor soil fertility, environmental degradation and above all inadequate and erratic rainfall, which greatly affect the food security and income status of people in the region.

The implementation of a watershed management approach by Gorta and ADWAC since 2008 has resulted in significant positive changes in the lives of the rural population in terms of food security, flood and erosion control as well as local community institutions. This is evident in the villages of Nawleru and Kerr Pateh where continued flooding was a major contributor to environmental and livelihood degradation as well as the destruction of property. ADWAC, through the support of Gorta, has reduced the annual flood risk for almost 60 households in the lowlands. This has, in turn, reduced soil erosion and diverted the water to an area where it can be recycled.

Another activity involved the construction of 4.5 kilometres of salty water retention dykes, resulting in over 200 hectares of land being reclaimed for agricultural use. This has also meant that the women no longer need to walk the 16km round trip in order to cultivate rice fields for their families during the harvest. As a result of this intervention, the journey to the rice fields has been reduced to 300 metres for the female farmers in the Kinteh Kunda and Marong Kunda villages, meaning more time can be allocated to other activities such as participation in self-help groups. Gorta and ADWAC supported the provision of start-up capital for 10 women's groups in the Njaba Kunda eco-zone. These groups benefit 513 women. The fund will be utilized in various small-scale enterprises such as petty trading, vegetable production, and life skills. The profits will be used to support feeding at household level and to pay children's school and medical bills.

SOME OF THE KEY ACHIEVEMENTS INCLUDE (AS AT YEAR END 2012):



65 % of households in Kinteh Kunda, Marong Kunda, Karantaba and Mandori have been able to produce enough rice to feed their families for a minimum of 6 months as opposed to a maximum of three months previously

2,000

Over 2,000 women have adequate access to high yielding rice seeds for cultivation



← 8,170m →

8,170m length of diversion bunds were constructed to divert excess water as well as protect surrounding communities from floods and its effects

Food production yields for rice have increased by 50%

50%





Children from the Wayaworr village sit on the slopes of the Wayaworr storage dam. The dam was rehabilitated as a water storage facility through the Gorta's partnership with ADWAC in the Gambia.



Kitovu staff member Francis Sebbula buying produce at the harvest festival from gorta agriculture group participants in Uganda

Livelihoods & Enterprise Development

Gorta's livelihoods and enterprise development programmes focus on income generation, security and enterprise promotion. Income security greatly reduces peoples' vulnerability to food shortages, poor health and poverty. Gorta works with small holder farmers, promoting farming as a business and facilitating the creation of farmer groups and associations. This also includes providing better storage and processing capacity and access to markets. Gorta's support of enterprise development is particularly focused on the agri-food sector and progressively looking to support off-farm enterprises.

Gorta is also focused on creating opportunities for employment that enhances prosperity and well-being at both household and community level. Since partnering with **Environment and Development in Zambia (EDZ)** in 2001, Gorta is supporting an initiative that empowers women to set up their own beekeeping enterprises by producing honey that can be marketed locally and exported. The produce is processed into liquid honey, wax and other by-products and is then packaged in containers for various markets in Zambia and also exported to Zimbabwe and South Africa.

In 2012, the programme expanded to include the practice of fish farming as an additional enterprise and income-generating activity for 110 households in the North Western Province of the country - where approximately 80% of the population are unable to meet their basic nutritional needs.

There is a large demand for fish in Zambia, which is primarily supplied by imports and an objective of the programme is to address this through local enterprise that will lead to supplying local markets. The benefits of introducing fish farming is that it provides an extra source of income and nutrition and also provides a safety buffer if honey production is affected by disease.

The programme aims to establish two fish ponds per farmer which will have the capacity to grow between 5,000-10,000 young fish per season. Through the support of Gorta and EDZ, 60 fish ponds and storage

facilities have now been constructed with markets secured and follow-up fish farmer training carried out in the Kabompo area. The programme offers an opportunity for these farmers to diversify their incomes while also generating employment opportunities, especially in villages and rural areas where the fish farms are located.



Women selling honey in Musongole, Zambia, as part of an EDZ and Gorta programme



Spotlight on Gorta's partner in Zambia — Alliance for Nutrition and Reconstruction

Gorta's partnership with the **Alliance for Nutrition and Reconstruction (ANR)** in the Choma district in southern Zambia began in 2010. Poor rainfall and subsequent poor harvests had reduced food levels for the local communities, despite the presence of good soils in the district.

The area has an abundant amount of indigenous fruits and vegetables which, if processed correctly, can be used for consumption at household level. Gorta and ANR's main objective is to overcome food wastage. This achieves food security for the local population and at the same time utilize natural resources on a sustainable basis, supporting income and employment generation and economic growth.

The programme has implemented food processing activities that include wild mushroom, mango and banana fruit for value addition and oyster mushroom growing for food and income. Local self-help groups were established. They were trained on growing, sorting & processing the products. Two boreholes were also drilled at processing centres located in Namaanza and Simunkombwe so that participating food processors can access safe and clean water for

cleaning the raw materials. ANR also carry out eight week entrepreneurship courses that include training on market research, marketing and sales, customer service and accounting practices.

The oyster mushroom production project supported by Gorta and ANR is a productive entrepreneurial venture as it requires very little capital investment outlay and can be undertaken at household level especially among women. The sales promotion of the mushroom product is carried out through a meals system, which serves as a platform for interaction and the exchange of ideas among upcoming entrepreneurs in the project and surrounding areas. The income from the sales of the processed products is used to buy food, pay school fees for children and to purchase small livestock such as goats, chickens and pigs.

SOME OF THE KEY ACHIEVEMENTS INCLUDE (AS AT YEAR END 2012):

3,750

The programme targets 750 people directly and 3,750 indirectly



One member, Sunday Mukonka, has expanded his retail business by opening a bigger shop in which he sells various merchandise to community members. He was one of the participants who took part in Entrepreneurship Training Workshop.

Increased food processing activities of indigenous vegetables, wild mushroom, mango and banana fruit for value addition and oyster mushroom growing for food and income.

Self-Help Groups (SHG) participate in Agricultural Shows to promote sales of their processed products, information sharing and networking. Two SHGs achieved an increase of 40% over 2011 sales at the District Agricultural Show.

2012 SALES



2011 SALES



Household income of participating farmers has increased by 70% since 2010

Oyster mushroom production activity has been expanded in two centres as it has been embraced for its short-term investment and high income return in addition to its high nutritive value.



Wild mushrooms examined for quality before processing by trained processors as part of Gorta's partnership with ANR in Zambia



Health

Gorta's partnership with **Kitovu Mobile AIDS Organisation** in Uganda has been on-going since 2008 and encompasses a number of community development initiatives on food security, health and agricultural skills. The objective of the partnership is to improve these three areas across 800 households. HIV/AIDS has had a devastating impact on a community - setting back any development path and reducing the overall life expectancy of the population.

Four out of five people living with HIV/AIDS in Uganda and who are stable on anti-retroviral therapy still struggle to maintain their basic needs due to poverty and the stigma associated with the virus. The anti-retroviral treatment (ART) can have strong side effects for those who are undernourished so a sense of dependency may exist among those suffering from the disease.

The Gorta-Kitovu Mobile AIDS programme targets the most vulnerable who include HIV/AIDS sufferers, their families, orphans and other vulnerable children, widows and grandmothers. Every year Kitovu Mobile works with up to 200 new people, training them on animal and crop production, nutrition, hygiene, gender and environmental issues as well as strategic planning. A savings scheme is also created and at the end of each project year Kitovu provides seed funding to each group, as they strive to become self-sufficient. The goal of this programme is to improve the quality of life of the beneficiaries by increasing food production,

decreasing poverty levels, increasing protein intake, increasing the number of income generating activities started, improving farming practices at community level, adhering to the ARTs and monitoring CD4 counts for early detection and treatment of other infections.

Gorta has also worked with the College of Surgeons of East, Central and Southern Africa (COSECSA) in Lusaka Zambia since 2010. This partnership resulted in the launch of a pioneering **Ear Nose and Throat (ENT)** mobile clinic which has resulted in medical teams conducting outreach clinics in rural locations outside the capital city, Lusaka. The mobile clinic offers out-patient services and treatments to rural communities suffering from simple health issues such as ear and throat infections, which, if untreated, can be life-threatening. The objective of this project is to reach people with ENT related illnesses in rural areas, allowing them to be medically examined and treated so that they can return to education and employment. In some serious cases the mobile clinic can transport the patients to the Beit Cure Hospital in Lusaka for lifesaving surgery.

The ENT theatre activity in the past year has included 520 operations of which 297 used general anaesthesia and 223 used local anaesthesia. In the first year of operation alone, approximately 4,000 patient interactions including school screening for deafness in children occurred in the mobile clinic, as well as 3,307 Microscopic Ear Assessments, 579 Nasendoscopic Examinations, 3,493 Hearing Tests and approximately 300 Hearing Aids fitted.

The programme also aims to develop an ENT syllabus for students in Zambia who wish to specialise in this area. In time this will ensure that there is a strong supply of local surgeons to carry on the work.



Dr. Kieran O' Driscoll, a consultant ENT surgeon based in Tullamore Co. Offaly is pictured with Dr Nancy Marambo, a UTH Post-Grad ENT Student inside the ENT Vehicle in Zambia.



Education

Since 1997 Gorta has worked with Baraka Agricultural College (BAC) and has been sponsoring students to undertake a certificate course in Sustainable Agriculture and Rural Development (SARD). This is a comprehensive course that gives students the skills necessary to facilitate their community's development once they return to their locality.

The course takes sixteen months to complete and students undergo twelve months training in the college classroom followed by a field placement for four months. The training covers crop and animal production, environmental conservation, business management, agricultural engineering and rural development related modules. The students also build up their capacities in the areas of Business Planning, Project Management, Youth Development and Conflict Management. The Business Planning course is to enable the graduates to develop viable business plans for enterprise which will provide them with a source of income and develop their self-reliance.

The *Diploma in Sustainable Agriculture and Rural Development* was initiated in 2006 and since then Gorta has sponsored four diploma students. John Bowen, a beneficiary of this scholarship commented that *"the course has helped me to create a better future for me, my family and even other community members. I now host field days where I showcase my newly learned farming techniques to other district members so that they too can learn to improve their quality of life"*.

Gorta has worked in partnership with AFARD in the West Nile region of Uganda since 2002. The West Nile Development Initiative (WENDI) programmes was jointly identified by AFARD and Gorta in 2008 with the aim of empowering rural marginalized communities so they can achieve secure and self-sustaining livelihoods. The programme is in its fifth year and is supporting 82 beneficiary organisations, comprising of 10,205 households (73,958 people). It is an integrated area based programme and addresses five key thematic areas of: food security, economic security, health security, education security and good governance.

A Scaling-Up education programme is one particular component of the WENDI programme where particular emphasis is placed on increasing education awareness, particularly on reducing the level of female child drop-outs from primary school. One of the beneficiary communities - Gotlembe Village - had not seen any girl make the move from primary to secondary school prior to the programmes. To help facilitate this, the community formed an education committee comprising of both male and female teachers and community opinion leaders to identify education fund beneficiaries and to monitor programme progress. This type of programme has an even wider impact as it benefits all the people in the area not just individuals that are attached to the WENDI programme.



Students who attend Baraka Agricultural College where Gorta is supporting Baraka College by funding courses such as Sustainable Agriculture and Rural Development (SARD)

Fundraising & Communications

Gorta's two mainstay fundraising campaigns took place once again in 2012. Both campaigns were supported by modest advertising campaigns and more intensive social media strategies.

'Soup for Life' continued to get bigger and better with the number of participants growing to include restaurants in every county in Ireland. In 2012, the total number of participants was 276 which was a significant increase of 134% on the 2011 number of participants. 'Soup for Life' developed from being purely conducted in the hospitality sector to the participation of non-sector organisations such as IBEC, NUIG, Bank of Ireland, Dún Laoghaire College of Art Design and Technology, Waterford County Council, Africa Centre and Leinster House. Cully and Sully remained Gorta's main partner throughout the campaign but it also enjoyed considerable support from Insomnia and Love Irish Food. The funds raised have more than doubled from 2011 figures.

In Gorta's Christmas gifts campaign 'GIVE: with Lifetime Gifts' The gift of 'goats' remained the most popular gift in the campaign with it contributing the most to the overall total. The 2012 campaign saw a significant increase in 'general or additional' donations which would suggest the public wants their money to be used in the essential areas. Overall, GIVE saw the direct effect of a decrease in consumer spending with the total funds raised being slightly down from 2011 figures. This is a problem faced by many in the business of selling charity gifts and will remain so until a more confident attitude to spending returns.

It is a great compliment to Gorta's loyal and longstanding national network of volunteers and supporters that community based income, campaigns and programmes remained strong in 2012. While 2012 saw a slight decline in income from church gate collections it also marked a strong year of volunteer recruitment and merchandise appeals. It is particularly encouraging for the community fundraising team to have collaborated with Rotary Ireland (District 1160) to hold a very successful merchandise appeal at its annual conference in Galway. Gorta are very much looking forward to developing this emerging and mutually complimentary relationship in the future.

Gorta's retail sector has had another difficult year as financial pressures on consumers continue to have an impact on spending. However, in spite of this, Gorta's shops in Cork, Limerick and Portlaoise performed very well. This is mostly due to the fact that the staff and volunteers in these shops have been able to ensure a constant supply of donated goods to their respective shops. In 2012, negotiations took place with landlords and local authorities with a view to reducing rents



Helping launch Gorta's 2012 Lifetime Gifts campaign are Dylan O'Broin and Pippa O'Connor.



NUIG students Caroline and Evan participated in Gorta's Soup for Life campaign 2012.

and rates. These negotiations were successful and subsequent reductions took place meaning that the shops were enabled to become more competitive and savings were found in all aspects of the retail network. Overall, Gorta's retail network did well in 2012 despite operating in a difficult climate and is facing into 2013 with optimism and determination.

Gorta's annual newsletter was distributed in November 2012 as part of the Christmas mailing. The newsletter, which presented case studies on Gorta's work on the ground, was distributed to almost 40,000 donors in Ireland and the UK. Media interest in Gorta's campaigns increased in 2012 with significant interest in 'Soup for Life' and 'Lifetime Gifts' continuing in both the local and regional press. As well as this, an opinion piece by the CEO was carried in the Irish Examiner in October 2012 which urged the agri-sector in Ireland to lend their skills to developing enterprises in Africa. The World

Food Day conference was particularly successful in the media with national radio interviews and print coverage secured.

The work that Gorta does in sub-Saharan African and the fundraising campaigns it runs here in Ireland are dependent on two factors - good will and volunteerism. Without our volunteers and supporters, Gorta would be unable to undertake the work we need to do. Some of our volunteers sadly passed away in 2012 and to them Gorta owes them a debt of gratitude and thanks.

Gorta held fundraising walks in Ballina Co. Mayo and Drogheda, Co. Louth as part of the National Famine Commemorations' programme of events. These walks were attended by hundreds of people and not only remembered all those who died during the Great Famine in Ireland many years ago but also supported Gorta's programmes to alleviate hunger in sub Saharan Africa today.

Gorta World Events

WORLD WATER DAY

The inaugural Gorta World Water conference was held in March of 2012 and addressed the theme of 'The Role of Watershed Management in Protecting the Village Environment' and the discussion on the day was mainly focused on the challenges being faced by communities in relation to the management of water.



Gorta Regional Director, Rebecca Amukhoye and Minister of State for Trade and Development, Joe Costello T.D., pictured outside the Irish Information Centre on Dublin's O'Connell Street

Water is an absolutely vital element of farming and its protection is essential to the productive potential of small holder farmers in Africa. At the World Water Day symposium, Gorta highlighted the necessity for efficient use of limited freshwater resources with a particular focus on ensuring the food supply for current and future generations.

By 2025, 1.8 billion people will be living in countries or regions with absolute water scarcity, and two-thirds of the world's population could be living under water stressed conditions and it is commonly known that agriculture is the biggest user of water on the globe.

In the past five years Gorta has engaged significantly in the area of natural resource management, environmental conservation and watershed management, acknowledging the key role these play in enhancing communities' sustainable livelihoods.

Speakers at the event included Minister of State for Trade and Development, Joe Costello TD; Dr Thomas Hofer, Team Leader (Watershed Management and Mountains), Forestry Department, Food and Agriculture Organization of the United Nations (FAO); Ron Rosen, Water Management Specialist; George Chiley, Community Oriented Development Programme (CODEP); Tony Simons, Director General of the World Agroforestry Centre (ICRAF) and Head of Water Task Force of International Union Forest Research Organisations (IUFRO); and, Aidan Fitzpatrick, Senior Development Specialist, Irish Aid.



Simon Coveney T.D., Minister for Agriculture Food and the Marine pictured outside the Department of Agriculture on Dublin's Kildare Street at the launch of Gorta's World Food Day conference 2012.

WORLD FOOD DAY

The annual Gorta World Food Day conference was held in October 2012 and once again saw a host of speakers addressing a common theme. This year, the theme really reflected Gorta's core philosophy and was entitled 'Agricultural Cooperatives: Key to Feeding the World'.

The discussion on the day was mainly focussed on how cooperatives can have a role in developing rural economies and also how collective action can have a significant impact on poverty and hunger.

The conference, which was sponsored by the Department of Agriculture, Food and the Marine, was a huge success and had speakers such as Simon Coveney TD, Minister for Agriculture, Food and the Marine; Dr. Carol Djeddah, Senior Officer with FAO; Albert Boogaard, Programme Manager Africa, Rabobank Foundation; Seamus O'Donohue, CEO, Irish Cooperative Organisation Society and Vincent Cleary, Managing Director, Glenisk.

On the day, Gorta announced that it is entering into a strategic partnership with Irish owned company Glenisk. A dairy food processing facility in the Rift Valley in Keringet, Kenya - which is financially supported by Gorta - will be at the centre of the partnership and will aim to create gainful employment and develop skills in the area.



Gorta's World Food Day conference 2012 took place at the Clyde Court Hotel, Dublin. The theme for the conference was entitled 'Agricultural Cooperatives: Key to Feeding the World'



Athanasie is pictured in the Kirambi district of Rwanda where Gorta and its partner MMM's have introduced a food security and nutrition programme.

Accounts

Reports and Consolidated Financial Statements for the year ended – **31 December 2012**

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Reference and Administration

| | |
|-------------------------|---|
| TRUSTEES | Mr. Seán Gaule (Chairman) Mr. Brian Kehoe (Vice Chairman) Mr. Andy Cole Ms. Deirdre Fox Mr. Kevin Higgins Prof. Denis I. F. Lucey Mr. Tom Kirley |
| SECRETARY | Mr. Malachy Cardiff |
| CHIEF EXECUTIVE OFFICER | Tom Kirley, Acting CEO |
| REGISTERED OFFICE | 12 Herbert Street Dublin 2, IRELAND |
| SOLICITORS | Gallagher Shatter & Co. 4 Upper Ely Place Dublin 2, IRELAND |
| PRINCIPAL BANKERS | Bank of Ireland Head Office Branch Lower Baggot Street Dublin 2, IRELAND Bank of Ireland 65 St Vincent Street Glasgow, G25HT, SCOTLAND Permanent TSB 2-4 Upper Baggot Street Dublin 4, IRELAND EBS 13 Lr. Baggot Street, Dublin 2, IRELAND AIB 1-4 Lower Baggot Street Dublin 2, IRELAND |
| AUDITORS | Deloitte & Touche Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2, IRELAND |
| COMPANY NUMBER | 28228 |
| CHARITY NUMBER | CHY 5678 |

Report of the Trustees for the Year Ended 31 December 2012

The Trustees present their annual report and consolidated financial statements of the charity for the year ended 31 December 2012.

Group companies

Gorta's consolidated financial statements combine the activities of Gorta in Ireland and Gorta UK, a company limited by guarantee operating in the United Kingdom.

Each of the Group companies is a registered charity in its own jurisdiction. GORTA UK is a registered charity with the Office of the Scottish Charity Regulatory under registration number SC 272970. Gorta's charitable activities in the developing world are carried out in association with each of the Group companies.

Vision

The vision of Gorta is a world where there is no hunger or poverty and where the poorest communities have the means to create more prosperous futures for themselves and their children.

Mission

Through its work, Gorta aims at empowering communities to eradicate hunger and poverty, with particular emphasis on food and water security, contributing to people's unrestricted access to secure and environmentally sustainable livelihoods.

Our mission is:

- To promote best practices in the area of sustainable long-term development in communities, especially in sub-Saharan Africa
- To be a catalyst for the creation, safeguarding and transfer of best practice in food and water security
- To be a facilitator in channelling goodwill, resources and expertise to communities most in need.

In so doing, Gorta will develop and promote models of pragmatic and effective best practice to be shared with those individuals and groups with whom we work in a spirit of partnership.

Values

Gorta will ensure that all our decisions, actions and stakeholder interactions conform to the organisation's moral and professional principles. These principles are the foundation for the organisation's culture and values:

| | |
|----------------------|-------------------------------------|
| Ethical | Businesslike |
| Donor Focussed | Caring |
| Partnership Focussed | Innovative |
| Inspiring | Advocate of food and water security |

How we will achieve our Mission

Gorta is an independent, international development NGO and the Irish affiliate of the Food and Agriculture Organisation of the United Nations (FAO). We are a not for profit organisation working to the highest professional, business and ethical standards.

Our intention is to contribute meaningfully to the eradication of the causes of hunger and poverty in the world. We are not an emergency relief organisation.

Our approach to long term development is holistic, multi-disciplinary and creative. We encourage integrated solutions recognising the inter-dependent relationship that exists between food and water security, health, education and social enterprise.

Objects and Policies

Gorta is an international non-governmental, non-political, non-religious organisation created as a charitable legal entity in the Republic of Ireland in 1965. It is an independent charitable organisation constituted as a company limited by guarantee. The Memorandum of Association defines the organisation's 'Objects' as being:

- a) The assistance and advancement of people in need in the less developed areas of the world with particular emphasis on the poorest of the poor, those suffering from hunger and those least capable of helping themselves.
- b) Advancing the objectives of the Food and Agriculture Organisation of the United Nations (FAO) in matters of food security and long-term sustainable development.

(continued over)

- c) The empowerment of the local people in developing areas to own their own projects with a view to achieving self-sufficiency.
- d) The doing of all such other lawful things as are incidental to and conducive to the attainment of the foregoing objects.

In striving to achieve its objectives, Gorta works on empowering communities to eradicate hunger and poverty with particular emphasis on food and water security – especially in Kenya, Uganda, Tanzania and Zambia.

Sustainable Development

We support both small projects and large programmes. We seek to leverage small projects into larger programmes to maximize the extent of their positive impacts. We are respectful of the culture, needs and wishes of the communities we work with and proactively seek out their views on and participation in programme development and implementation.

We are committed to the principle of empowering communities and helping them to help themselves, rather than simply providing funds. Put into practice this means communities making a contribution of some kind themselves. It may be in terms of labour, equipment, money, passing on help and/or advice to other projects, or other ‘in kind’ contributions. Only in the most exceptional cases will Gorta fund 100% of a project or programme.

Where appropriate, Gorta will work with local communities to set up businesses to contribute to the success and sustainability of programmes.

Our primary targets are some of the poorest, most disadvantaged communities in sub Saharan Africa, with particular focus on Kenya, Uganda, Tanzania and Zambia.

Gorta has full time, professional development workers, appropriately resourced, who support and mentor our Programme Partners. We identify these local partners and provide training and support to help them develop.

In addition, Gorta also supports a limited number of projects in Nigeria, Rwanda, Malawi, The Gambia and India. We also support potential partners in other countries on an exceptional basis in response to a request from other Irish or UK connections, other NGO's, or where there is an opportunity to learn from or develop best practice that can be transferred elsewhere.

We proactively support specialist academic institutions in the countries in which we operate that focus on agriculture, horticulture, hydrology and agro forestry to assist communities to tackle the challenges they face.

We have a role in education and advocacy on behalf of communities needing long-term development. Whilst we are ‘apolitical’ we will be their voice.

Our Development Approach

Through capacity and capability building, Gorta encourages individuals and communities to invest in diversified and economically viable initiatives that lead to sustainable and prosperous livelihoods, while at the same time building communities’ resilience to shocks.

Gorta has achieved much through the power of collaboration, working with local community groups, exchanging knowledge and learning with other organisations, lobbying and consulting with governments and joining forces with private sector companies on pioneering projects.

Gorta focuses on the areas of:

- Food Security and Nutrition
- Water and Sanitation
- Health
- Education
- Livelihoods

Food Security and Nutrition: Gorta aims to address food and nutrition security through enhancing the availability, the adequacy and accessibility of food. Gorta works on improving agricultural practices that promote and increase crop production and diversification while at the same time enhancing nutritional outcomes. We support smallholder farmers and pastoralists to diversify and increase their crops yields, to reduce farmers’ vulnerability to the adverse effects of climate change and enable them to adopt improved methods of farming, thus creating sustainable, long term food security. Investing in forest restoration, tree nurseries and protection of biodiversity is becoming more prevalent in our food security programmes. We also work to bridge the gap between farmers and agricultural research by implementing the development of improved sustainable varieties of crops and vegetables in the field.

Water and Sanitation: Well managed water resources are both sustainable and productive. Access to water helps fulfil basic needs at household level, and allows agriculture and local business to contribute to food security. Gorta recognises the importance of water and is working with partners to develop integrated water management schemes, where communities can harness rainwater, improve irrigation practices and recharge ground water to conserve the environment and prevent wells from drying up. Gorta’s water security projects aim to provide clean and safe drinking water at household level that benefit rural communities by improving agricultural techniques, thus contributing to peoples livelihoods.

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Health: The promotion of health is a prerequisite to achieving adequate living standards and improved potential for self help. Poor health is both a cause and effect of poverty. Gorta addresses health issues by focussing on hygiene and sanitation, adequate nutrition and the provision of community care. As HIV/AIDS is hugely prevalent in sub-Saharan Africa, Gorta has joined with a number of organisations to provide care and support to people and families living with HIV/AIDS.

Education: Education is vital to improve the prospects of those experiencing hunger and extreme poverty. Gorta, through the provision of agricultural training and life skills development, works to promote agricultural best practices in order to further improve the food security of households and communities. Gorta has a long-standing history in supporting vocational training, entrepreneurial skills and income generating activities. Gorta recognises the importance of linking farmers, especially smallholders, with trained extension workers and facilitating the transfer of knowledge with regard to sustainable farming practices.

Livelihoods: Within livelihoods, Gorta's emphasis is on income generation, income security and enterprise promotion. Income security greatly reduces peoples' vulnerability to food shortages, poor health and poverty. Gorta supports skills training for income-generating activity, especially among womens' groups, and provides access to the necessary credit. Wherever possible, Gorta works with smallholder farmers to promote farming as a business, assisting in providing better produce storage, processing and marketing. Gorta's focus is on creating opportunities for gainful employment that enhance prosperity and well-being at household and community level.

Combined, these programmes help create sustainable improvements to the living standards of poor communities especially in parts of sub Saharan Africa. Capacity and capability building efforts remain key in Gorta's work with a view to creating gainful opportunities and prosperous futures for the people of Africa.

The programmes place particular emphasis on:

- Integrated economic, social and environmental development
- Opportunity diversification
- Promotion of gainful employment
- Entrepreneurship development
- Community ownership
- Replicable models of success

Partnerships

We act responsibly in regard to our donors' funds. We keep our costs to the minimum consistent with our need to be effective, ensuring the maximum amount can be used where it matters most. We are committed to being in communication with our donors, keeping them informed as to how their contribution is being used effectively.

Gorta works with a network of local partner groups with objectives similar to its own in the countries in which it operates. Wherever practical, and consistent with the responsible use of our donors' funds/ resources, Gorta will work with local community resources, skills and knowledge.

We see ourselves as facilitators, providing opportunities for communities, businesses, workplace and social groups, families and individuals to make a contribution to the fight against hunger and drought especially in sub-Saharan Africa.

We recognise that we cannot achieve our vision on our own. It can only be achieved through developing and working in long term partnership with local and national government, local communities, other 'expert' organisations, businesses and individuals who have complementary skills to our own. Meaningful partnership is central to our approach.

We raise funds through a wide range of sources and will never become overly dependent upon just one source. We look to new technology as a method of cost efficient communication with our donors.

The network of volunteers across our retail and community fundraising infrastructure has been a source of great strength and resilience over the years. We are committed to maintaining and growing a strong, healthy community organisation including a County Infrastructure and the Gorta Council.

Ethical Behaviour

We are an open learning organisation, developing and sharing 'best practice' with our peers and partners. Gorta believes in the importance of education and training.

Gorta will ensure that all our decisions, actions, and stakeholder interactions conform to the organisation's moral and professional principles. These principles are the foundation for the organisation's culture and values.

The principles apply to all individuals involved in the organisation, from employees to members of the Board of Directors and Council, and are communicated and reinforced on a regular basis. They ensure Gorta's mission and vision are aligned with its ethical principles empowering people to make effective decisions with confidence.

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Principal Activities

The Company is a registered charity and therefore the report and results are presented in a form which complies with the requirements of the Companies Acts, 1963 to 2012 and although not obliged to comply with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", as issued by the Charity Commissioners for England and Wales in October 2005, the Company has implemented its recommendations where relevant in these financial statements. The main activities of the Company are charitable. The financial statements have been prepared in accordance with the accounting policies set out on pages 14 to 16 to the financial statements.

Financial Results

The current challenging economic environment has seen a reduction both in donations received during the year and in sales at our ten charity shops. Notwithstanding this, Gorta has continued to invest significantly in programmes of work with dedicated strategic partners, especially in sub Saharan Africa.

The financial results are outlined in the Statement of Financial Activities (SOFA).

Future Activities

For the coming year, existing and new partnership and programme activity will be focused particularly in Kenya, Uganda, Zambia, and Tanzania. (Gorta has scaled back its operations in Malawi to facilitate greater focus and programme growth in the other four countries). Gorta intends to continue its strategy of utilising an element of its reserves (as heretofore) to meet the demands facing partners in the future, and it is those reserves that provide certainty for the often critical multi-annual funding needs of partners.

Grant making Process

Each proposal is reviewed by the responsible manager/officer. If it is in line with Gorta's strategy, it is sent to the Programmes Committee for review. Where the Programmes Committee recommends a project or programme the proposal is then sent to the Board for approval.

Trustees and Corporate Governance

The Trustees in office during the period and at the date of this report are set out on page 2. New Trustees are elected by the Council of Gorta and each serve for a period of three years. They can be re-elected or replaced by newly elected Trustees from the Council of Gorta.

The Trustees believe that committing to a high level of Corporate Governance is essential to achieving the optimal standard of operation of the Company's Activities. To accomplish this, the Board has a competent executive team.

There is clear division of responsibility at the company with the Board retaining control of major decisions, with the Chief Executive responsible for devising strategy and policy within the authority delegated to him by the Board.

The Board is responsible for providing leadership, setting strategy and ensuring control. The Company has a clear and detailed process for reporting management information to the Board. The Board is provided with regular information, which includes key performance and risk indicators for all aspects of the organisation. The Board meets regularly as required and met 10 times during 2012.

The Trustees recognise their overall responsibility for Gorta's systems of internal control and for reviewing their effectiveness. They have delegated responsibility for the implementation of this system to the Executive Team. This system includes financial controls, which enable the Board to meet its responsibilities for the integrity and accuracy of the Company's accounting records.

In 2012, Gorta commissioned a consultancy firm to conduct a full organisational review, audit and assessment of Gorta and its operations. The Board of Gorta believes that this review was necessary in the best interests of Gorta, its staff, its clients and its donors. The results of this review will be incorporated into a larger, organisation wide programme of strategy development during 2013.

Sub-committees established for good governance including, but not confined to Board members are:

Audit and Finance Committee

The function of the Audit and Finance Committee is to review internal financial controls, treasury and risk management processes. It liaises with external auditors and reports directly to the Board. It also monitors and reviews the financial performance of the Company. It provides an independent review of the annual budgets, monthly management and financial accounts and makes recommendations to the Board where relevant.

Programmes Committee

This Committee is charged with considering key decisions relating to the support of overseas programmes and partners. In particular, it has the following delegated responsibilities:

- Appraisal of programmes and project submissions received by Gorta, prior to the submission of such proposals to the Board for approval.
- Assessment and development of partners, in both donor and developing countries, with whom Gorta works and co-operates.
- Project and Programme monitoring, evaluation and development.

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- In conjunction with the in-house Programmes Team, development and enhancement of policies and processes, including monitoring and evaluation, to reflect best practice.

The Board has created a procedure of compliance which addresses the Board's wider responsibility to maintain, review and report on all internal controls, including financial, operational and compliance risk management.

Gorta Hunger Secretariat

In April 2010, the Gorta Hunger Secretariat was launched as a 'policy arm' - an initiative aimed at capitalising on Gorta's forty seven years of experience and harnessing it to inform policy processes at both national and international levels. The main objectives of Gorta's Hunger Secretariat are to:

- Be a catalyst for the promotion of a comprehensive and coordinated understanding of the interactions between hunger and poverty.
- Provide a forum – in Ireland and abroad – that facilitates sharing of best practices in relation to food and nutrition security.
- Contribute to the literature dealing with food and nutrition security in the context of the fight against hunger and poverty and the promotion of sustainable livelihoods and more prosperous futures for those least capable of helping themselves.
- Advance the recommendations of the Hunger Task Force.
- Support the attainment of the Millennium Development Goals, especially MDG1 (eradication of hunger and poverty), and contribute to policy development at the UN, including FAO, other international institutions, and the EU, in relation to 2015 and beyond.
- Contribute to Gorta's Strategy development and Programme activities

Environment

As part of Gorta's Vision we strive to achieve environmental justice for all. Gorta's programmes embrace the UN Millennium Development Goals which challenge all of us to respond to tackle poverty, hunger, disease, lack of shelter and exclusion – while promoting gender equality, healthcare, education, environmental sustainability and economic opportunity.

We proactively support specialist educational institutions in priority countries focusing on agriculture, horticulture, hydrology and agro forestry to produce graduates equipped to tackle the challenges their communities face.

Gorta has a proactive approach to conducting our business in a manner that protects the environment.

Gorta is compliant with relevant environmental legislation.

Statement of Public Benefit

Gorta supports programmes that help transform the lives of those in some of the poorest communities in the countries in which we operate with emphasis on food security, nutrition, empowerment of women and improving the health of children to ensure growth and development

Dividends and Retention

The Company is precluded by its Memorandum of Association from paying dividends either as part of normal operations or on a distribution of its assets in the event of a winding-up.

Health and Safety

Gorta is committed to managing and conducting its work activities in such a way as to ensure - so far as is reasonably practicable - the safety, health and welfare at work of its employees and volunteers.

The Safety Statement, in accordance with Section 20 of the Safety, Health and Welfare at Work Act 2005, outlines the policy of Gorta in relation to the management of health, safety and welfare.

Gorta management continuously monitors compliance in line with legislative requirements.

Voluntary Help and Gifts in Kind

The Trustees are very grateful to the hundreds of volunteers throughout Ireland who helped the organisation during the year by their participation on Board sub-committees; membership of County Committees; assisting in our charity shops and carrying other fundraising activities, including Church Gate collections on behalf of Gorta during the year. The public have been very generous in providing gifts in kind, particularly donations of items for resale through our network of nine charity shops in Ireland.

Organisational Structure

The charity was previously solely based in Ireland but Gorta UK, a company limited by guarantee and a registered charity was incorporated in the UK on 6th September 2004.

To achieve its objectives, the charity raises funds in Ireland through a network of charity shops, which sell second hand goods donated by the public. Further details of these activities are set out in note 2 to the financial statements. Gorta also has a network of voluntary local community groups in a number of counties that raise money through fundraising events.

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Gorta's head office raises money directly for the organisation by organising fundraising events, promoting continuous giving and seeking subscriptions and donations from the general public. It also obtains funds from bequests.

The Trustees met 10 times during 2012 and retain overall responsibility for the strategic development of the charity in close liaison with the Executive team.

The Chief Executive Officer manages the operation of the charity with delegated divisional responsibility to the following:

Corporate Partnerships, Marketing and Communications;
Finance and Administration;
Programmes.

Management and Staff

We appreciate and acknowledge the role played by Gorta's staff, based in Ireland and in Africa. The ongoing growth of Gorta's work is due to their dedication and commitment.

We are committed to the continuing development of our staff and Gorta allocate resources annually towards a comprehensive training and development programme.

Gorta is an equal opportunities employer and we recognise the need to ensure we have high calibre staff and volunteers to achieve our vision and objectives.

Post Balance Sheet events

There were no significant events affecting the company since the year-end.

Companies (Amendment) Act, 1986

The reporting requirements of the Companies (Amendment) Act, 1986 relating to financial statements do not apply to the Company, as it is a company limited by guarantee not having a share capital.

Books of Account

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act, 1990, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the company's office at 12 Herbert Street, Dublin 2.

Auditors

Deloitte & Touche, Chartered Accountants continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Approved by the trustees and signed on their behalf by:

Signed on behalf of the Board:

Seán Gaule
Trustee

T Kirley
Trustee

14 June 2013

Statement of Trustees' Responsibilities

Irish company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources of the company for that year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper books of account which disclose with reasonable accuracy

at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2012.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board:

Seán Gaule
Trustee

T Kirley
Trustee

14 June 2013

Independent Auditors' Report to the Members of Gorta – The Freedom from Hunger Council of Ireland

We have audited the financial statements of Gorta– The Freedom from Hunger Council of Ireland for the year ended 31 December 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Consolidated Financial Statements for

the year ended 31 December 2012 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- Give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's and parent company's net outgoing resources for the year then ended; and
- Have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

Matters on which we are required to report by the Companies Acts, 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company's financial statements are in agreement with the books of account.
- In our opinion the information given in the report of the trustees is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Kevin Sheehan

For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin, IRELAND.

14 June 2013

Statement of Accounting Policies

The Primary Accounting policies adopted by Gorta are:

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BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 1963 to 2012. The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) (Revised 2005) "Accounting and Reporting by Charities". The financial statements are presented in euro (€) under the historical cost convention.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiary undertaking, Gorta UK. Gorta UK is a company limited by guarantee in the UK and is a registered charity in Scotland. All transactions and balances with Gorta UK have been eliminated in their preparation.

INCOMING RESOURCES

(i) Income from voluntary donations is recognised when received. As with many similar charitable organisations, independent groups from time to time organise fundraising activities and may operate

bank accounts in the name of Gorta. However, as amounts collected in this way are outside the control of the company, they are not included in the financial statements until received by Gorta.

(ii) Proceeds from the sale of donated goods are recognised in the financial statements in the period in which they are realised. Volunteer time is not included in the financial statements.

(iii) Grants from the government and other agencies have been included as income from activities in furtherance of the charity's objects and accounted for on a receivable basis.

(iv) Legacies are included when the amount is received by the charity or into an executor bank account for distribution to the charity at a near future date.

(v) Interest income is recognised on a receivable basis.

(vi) Revenue refunds in respect of tax relief on voluntary donations are recognised on a receivable basis.

(continued over)

RECOGNITION OF EXPENDITURE

Expenditure is included when incurred, and includes attributable VAT which cannot be recovered.

Grants payable for development projects are included in the Statement of Financial Activities (SOFA) when approved by the Trustees and agreed with the recipient organisation. The value of such grants unpaid at the year end is accrued.

A designated fund is established for expenditure which has been committed to projects, but remains unspent at the year end.

The majority of costs are directly attributable to specific activities. Certain shared staff costs are apportioned to activities in furtherance of the objects of the charity support costs. Other overhead costs are not apportioned and are shown as full administration or fundraising costs.

FUNDRAISING COSTS

These include the salaries and direct fundraising expenditure to promote fundraising, including events.

SUPPORT COSTS

Support costs represent the cost to head office of administering projects. The resources expended on charitable activities have been classified to comply with SORP 2005. Such costs include the direct costs of the charitable activities together with those Support costs (Finance and Administration cost) incurred that enable these activities to be undertaken. These have been allocated across the activities based on headcount.

COSTS OF MANAGING AND ADMINISTERING THE CHARITY

These represent costs incurred running and managing the organisation, including managing and safeguarding the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

GIFTS IN KIND

Items donated for resale are included in shop income when sold and no value is placed on stock at the year end. Any other gifts in kind which are deemed non-material so are not included in the financial statements. Gifts in kind that can be valued with reasonable confidence will be included in the financial statements.

OPERATING LEASES

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities (SOFA).

CAPITALISATION AND DEPRECIATION OF TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of fixed

assets is provided on cost in equal instalments over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

| | |
|--------------------------------|---------------------|
| Shop fittings | 20% Straight line |
| Office furniture and equipment | 20% Straight line |
| Computer equipment | 33.3% Straight line |
| Motor vehicles | 33.3% Straight line |

FUNDS ACCOUNTING

Funds held by the charity are:

Unrestricted funds- these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds - these are funds which have been set aside for particular purposes by the company itself, in furtherance of the company's charitable objects.

Restricted funds- these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

RESERVES POLICY

In order to secure the long term viability of Gorta and to maintain the smooth operation of the organisation, it is critical to ensure that the organisation has adequate reserves.

The level of reserves needs to cover the following activities of the organisation:

- Provide funding for sustainable Programmes.
- Meet contractual liabilities such as lease agreements, statutory staff payments and payments to creditors.
- Maintain a required level of funding available for overseas programmes during times of financial difficulty where fundraising income is diminished.
- Meet unanticipated expenses such as repairs and maintenance, currency variances and legal costs.
- To facilitate programme/project continuation especially where a partner submits a new or additional phase proposal in advance of the current activity being completed, in order to meet seasonal requirements (i.e. farming season) and prevent development gaps
- Cover day to day expenditure of Gorta.
- Ensure there is adequate funding should any winding up costs ever arise.
- Provide for any other unanticipated expenditure of significance.

(continued over)

RESERVES POLICY (CONTINUED)

The Board may designate unrestricted reserves for specific future expenditure such as Long Term Programmes, sinking funds to cover repairs to Fixed Assets (or as required under the terms of any lease relating to premises etc.) and any other potential future requirement(s).

Gorta has a reserves policy based on foreseeable expenditure and in particular, long-term commitments to projects. In addition, a general reserve is specifically set aside to ensure the operation of the organisation for 12 months, based on historical running costs and programme expenditure.

Gorta will continue its strategy to utilise an element of its existing reserves over the coming years to help meet the funding requirements of partners.

INVESTMENT POLICY

The Trustees of Gorta are restricted from investing the funds of the charity in long-term investments as all monies held by the charity are deemed to be immediately available for charitable use. All cash balances for planned development work are held in deposit accounts at the highest interest rates available at the time of investment. Appropriate cash balances are also held for the essential purpose of expanding and consolidating the fundraising base.

FOREIGN CURRENCIES

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities (SOFA).

The balance sheet for the subsidiary is translated at the prevailing year end rates and included in the consolidated balance sheet. The statement of financial activities for the subsidiary is translated at an average rate for the year and included in the consolidated statement of financial activities. Any exchange gains or losses arising on consolidation are recognised in the statement of financial activities.

PENSION SCHEME

The charity operates a defined contribution scheme for employees. The assets of the scheme are held and managed separately from those of the charity by the pension company Bank of Ireland Life. The annual contributions are charged to the Statement of Financial Activities (SOFA).

TAXATION

No charge to taxation arises due to the exempt status of the Company and its subsidiary. Irrecoverable value added tax is expensed as incurred.

Consolidated Statement of Financial Activities

including Income and Expenditure Account and Statement of Recognised Gains and Losses for the Year Ended 31 December 2012

| | Notes | 2012 Restricted Funds € | 2012 Unrestricted Funds € | 2012 Designated Funds € | 2012 Total € | 2011 Total € |
|--|-----------|----------------------------------|------------------------------------|----------------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming Resources From Generated Funds | | | | | | |
| Voluntary Income | | | | | | |
| Donations and Fundraising Income | 1 | 109,805 | 4,177,782 | - | 4,287,587 | 5,327,983 |
| Gift In Kind | 1 | - | - | - | - | 3,000 |
| Other | | | | | | |
| Trading Activities Income | 2 | - | 753,709 | 91,692 | 845,401 | 917,561 |
| Investment Income | | - | 507,623 | - | 507,623 | 563,054 |
| Incoming Resources from Charitable Activities | | | | | | |
| Revenue Based Grants | 3 | 166,681 | - | - | 166,681 | 168,821 |
| FÁS Limerick CE Scheme | | 164,585 | - | - | 164,585 | 309,412 |
| Total incoming resources | | 441,071 | 5,439,114 | 91,692 | 5,971,877 | 7,289,831 |
| RESOURCES EXPENDED | | | | | | |
| Charitable Activities | | | | | | |
| Programmes Costs | 7 | 306,815 | 9,751,870 | 91,692 | 10,150,377 | 4,094,641 |
| Advocacy | | - | 22,392 | - | 22,392 | 7,488 |
| Costs of generating funds | | | | | | |
| Costs of Generating Trading Income | 2 | - | 730,262 | - | 730,262 | 747,936 |
| FÁS Limerick CE Scheme | | 164,585 | 1,760 | - | 166,345 | 309,412 |
| Costs of Generating Voluntary Income | 4 | | 1,093,746 | - | 1,093,746 | 965,626 |
| Governance Costs | | | | | | |
| Governance Costs | 6 | - | 85,990 | - | 85,990 | 37,353 |
| Currency Loss | | - | 20,086 | - | 20,086 | 35,023 |
| Total resources expended | | 471,400 | 11,706,106 | 91,692 | 12,269,198 | 6,197,479 |
| NET (OUTGOING)/ INCOMING RESOURCES | | (30,329) | (6,266,992) | - | (6,297,321) | 1,092,352 |
| Total Funds Brought Forward | 22 | 30,329 | 12,617,132 | 601,407 | 13,248,868 | 12,156,516 |
| Transfers Between Funds | 22 | - | 317,135 | (317,135) | - | - |
| Total Funds Carried Forward | 22 | - | 6,667,275 | 284,272 | 6,951,547 | 13,248,868 |

There are no recognised gains or losses other than the net movement in funds arising from continuing operations for the year.

The financial statements were approved by the Board of Trustees on 14 June 2013 and signed on its behalf by:

Seán Gaule
Trustee

T. Kirley
Trustee

Consolidated Balance Sheet as at 31 December 2012

| | Notes | 2012 € | 2011 € |
|---|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Other tangible assets | 12 | 47,170 | 36,202 |
| | | 47,170 | 36,202 |
| CURRENT ASSETS | | | |
| Short term investments | 13 | 95,893 | 86,114 |
| Cash in bank and at hand | 14 | 13,617,501 | 16,715,381 |
| Debtors | 15 | 252,713 | 176,352 |
| | | 13,966,107 | 16,977,847 |
| CREDITORS - AMOUNTS DUE WITHIN ONE YEAR | | | |
| Creditors, accruals and deferred income | 16 | (5,865,900) | (3,189,844) |
| NET CURRENT ASSETS | | 8,100,207 | 13,824,205 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 8,147,377 | 13,788,003 |
| Long term liabilities | | | |
| Creditors (Amount Falling Due after one year) | 17 | (1,195,830) | (575,337) |
| NET ASSETS (Including Pension Liability) | | 6,951,547 | 13,248,868 |
| RESERVES | | | |
| Accumulated funds - restricted | 22 | - | 30,329 |
| Accumulated funds - unrestricted | 22 | 6,667,275 | 12,617,132 |
| Accumulated funds - designated | 22 | 284,272 | 601,407 |
| Total Charity Funds | | 6,951,547 | 13,248,868 |

The financial statements were approved by the Board of Trustees on 14 June 2013 and signed on its behalf by:

Seán Gaule
Trustee

T. Kirley
Trustee

Balance Sheet

as at 31 December 2012

| | Notes | 2012 € | 2011 € |
|---|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 47,170 | 36,202 |
| | | 47,170 | 36,202 |
| CURRENT ASSETS | | | |
| Short term investments | 13 | 95,893 | 86,114 |
| Cash in bank and at hand | 14 | 11,442,709 | 15,003,628 |
| Debtors | 15 | 686,925 | 152,076 |
| | | 12,225,527 | 15,241,818 |
| CREDITORS - AMOUNTS DUE WITHIN ONE YEAR | | | |
| Creditors, accruals and deferred income | 16 | (4,358,866) | (2,693,378) |
| NET CURRENT ASSETS | | 7,866,661 | 12,548,440 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 7,913,831 | 12,584,642 |
| Long term liabilities | | | |
| Creditors (Amount Falling Due after one year) | 17 | (969,665) | (457,270) |
| NET ASSETS (Including Pension Liability) | | 6,944,166 | 12,127,372 |
| RESERVES | | | |
| Accumulated funds - restricted | 22 | - | 30,329 |
| Accumulated funds - unrestricted | 22 | 6,659,894 | 11,662,771 |
| Accumulated funds - designated | 22 | 284,272 | 434,272 |
| | | 6,944,166 | 12,127,372 |

The financial statements were approved by the Board of Trustees on 14 June 2013 and signed on its behalf by:

Seán Gaule
Trustee

T. Kirley
Trustee

Consolidated Cashflow Statement for the year ended 31 December 2012

| | Notes | 2012 € | 2011 € |
|---|-------|-------------------|-------------------|
| Net cash (outflow) from charitable activities | 20 | (3,544,853) | (1,615,510) |
| Capital expenditure and financial investment | | | |
| Interest Received | 24 | 507,623 | 563,054 |
| Payments to acquire tangible fixed assets | 12 | (60,650) | - |
| | | 446,973 | 563,054 |
| (Decrease) in cash | 20 | (3,097,880) | (1,052,456) |
| Net funds at 1 January | | 16,715,381 | 17,767,837 |
| NET FUNDS AT 31 DECEMBER | | 13,617,501 | 16,715,381 |

The accompanying notes form an integral part of this statement.

Reconciliation Of Movement In Funds To Net Cash Inflow/(Outflow) From Financial Activities

| | 2012 € | 2011 € |
|---|-------------------|-------------------|
| Opening Cash Balance as at 1 January | 16,715,381 | 17,767,837 |
| Movement in Funds in the year | (6,297,321) | 1,092,352 |
| Add back Depreciation | 49,682 | 38,070 |
| Less purchase of Fixed Assets | (60,650) | - |
| Less movement in Investments | (9,779) | (86,114) |
| Less Change in Debtors | (76,361) | 206,578 |
| Less Change in Creditors- amounts due within one year | 2,676,056 | (1,887,122) |
| Less Change in Creditors- amounts due over one year | 620,493 | (416,220) |
| Closing cash balance as at 31 December | 13,617,501 | 16,715,381 |

Notes to the Consolidated Financial Statements for the year ended 31 December 2012

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1. Voluntary income

| | 2012 Restricted Funds € | 2012 Unrestricted Funds € | 2012 Total Funds € | 2011 Total Funds € |
|-------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Committed giving | - | 3,809,645 | 3,809,645 | 4,718,582 |
| Legacies | - | 127,766 | 127,766 | 227,091 |
| Committee income | 20,278 | 58,931 | 79,209 | 90,644 |
| General donations | 59,527 | 113,261 | 172,788 | 212,434 |
| Gift Aid Refunds | - | 68,179 | 68,179 | 79,232 |
| Trócaire | - | 30,000 | 30,000 | - |
| Sub Total | 109,805 | 4,177,782 | 4,287,587 | 5,327,983 |
| Gift in Kind | - | - | - | 3,000 |
| | 109,805 | 4,177,782 | 4,287,587 | 5,330,983 |

* Committed Giving includes €96,197 (2011 : €436,117) of Tax Refunds for Annual Donations over €250

2. Activities for generating funds: trading income

| | 2012 € | 2011 € |
|------------------------------------|------------------|------------------|
| Turnover from donated goods | 845,401 | 917,561 |
| Less costs: | | |
| Operating expenses | (639,137) | (678,734) |
| Support Costs (Note 5) | - | - |
| Management expenses | (91,125) | (69,202) |
| | (730,262) | (747,936) |
| Total net trading income | 115,139 | 169,625 |

Trading income represents income from the sale of donated goods through the charity's shops.

3. Incoming resources from charitable activities

| | 2012 € | 2011 € |
|---|----------------|----------------|
| Irish Aid | 150,000 | 150,000 |
| Department of Agriculture, Fisheries and Food | 16,681 | 18,821 |
| | 166,681 | 168,821 |

4. Cost of generating voluntary income

Cost of generating voluntary income represents fundraising costs to raise both restricted and unrestricted income, excluding trading sales. This is analysed as follows:

| | 2012 € | 2011 € |
|----------------------------------|------------------|----------------|
| Salaries and pensions | 313,109 | 276,512 |
| Standing order/direct debit fees | - | 37,896 |
| Support Costs (Note 5) | 239,757 | 217,732 |
| Other fundraising expenses | 512,292 | 394,041 |
| Fundraising initiatives | 28,588 | 31,380 |
| PR Expenses | - | 7,905 |
| Bank charges | - | 160 |
| | 1,093,746 | 965,626 |

5. Breakdown of costs of charitable activity

The resources expended on charitable activities have been classified to comply with SORP 2005. Such costs include the direct costs of the charitable activities together with those Support costs (Finance and Administration cost) incurred that enable these activities to be undertaken. These have been allocated across the activities based on headcount. Total support costs for 2012 were 3.8% (2011:8.2%) of total costs.

Headcount and Administration costs traditionally reflected in Support Services have been allocated to the activities based on direct headcount in the Direct Services as follows:

Costs of Generating Voluntary Income 52% (2011: 43%)

Programmes' Costs 48% (2011: 57%)

Costs of Generating Trading Income 0% (2011: 0%)

These costs totalling €462,593 are reflected in the Statement of Financial Activity as follows:

| Support Cost Breakdown by Activity | Costs of Generating Voluntary Income € | Programmes Costs € | Costs of Generating Trading Income € | 2012 € | 2011 € |
|---|--|--------------------------|--|----------------|----------------|
| IT/ Computer | 8,978 | 8,354 | - | 17,332 | 12,191 |
| Postage, stationery and communications | 4,659 | 4,335 | - | 8,994 | 8,267 |
| Premises | 22,438 | 20,879 | - | 43,317 | 47,681 |
| Professional fees (Incl recruitment and legal) | 36,121 | 33,342 | - | 69,463 | 68,591 |
| Finance, HR and Admin | 154,147 | 143,443 | - | 297,590 | 356,066 |
| Support expenses | 13,414 | 12,483 | - | 25,897 | 13,558 |
| | 239,757 | 222,836 | - | 462,593 | 506,354 |

6. Governance costs

| | 2012 € | 2011 € |
|-------------------|---------------|---------------|
| Professional fees | 12,190 | 37,353 |
| Strategic Review | 73,800 | - |
| | 85,990 | 37,353 |

7. Expenditure on charitable activities

Expenditure on charitable activities can be analysed as shown below. Many of these programmes achieve results in more than one of these categories, but are analysed for these purposes under the principal category only.

| Country | Country Support Expenses € | Food Security € | Livelihoods € | Water and Sanitation € | Health € | Education € | Management Costs € | Total 2012 € | Total 2011 € |
|---|----------------------------------|-----------------------|------------------|------------------------------|----------------|----------------|--------------------------|--------------------|--------------------|
| Uganda | 154,309 | 1,918,214 | 214,986 | 191,645 | 36,442 | 167,581 | 134,734 | 2,817,911 | 1,737,107 |
| Malawi* | (10,924) | - | 110,271 | - | - | - | 23,928 | 123,275 | (571,288) |
| Zambia | 5,780 | 1,415 | 503,462 | - | 72,763 | - | 34,108 | 617,528 | 169,699 |
| Tanzania | 8,788 | 27,269 | 122,492 | 123,734 | - | (192) | 42,053 | 324,144 | 432,598 |
| Kenya | 57,679 | 445,247 | 2,458,853 | 115,815 | - | 166,910 | 70,944 | 3,315,448 | 1,191,313 |
| India | - | - | - | - | 652,684 | 266,142 | - | 918,826 | 308,518 |
| The Gambia | - | - | 9,014 | - | - | - | - | 9,014 | 253,432 |
| Nigeria | - | - | 23,704 | - | - | - | - | 23,704 | 15,869 |
| Regional** | - | - | - | 1,474,360 | - | - | - | 1,474,360 | - |
| Rwanda | - | - | - | - | 57,422 | - | - | 57,422 | (10,414) |
| Overseas travel, staff and support costs | 244,162 | - | - | - | - | - | 224,583 | 468,745 | 567,807 |
| Sub Total | 459,794 | 2,392,145 | 3,442,782 | 1,905,554 | 819,311 | 600,441 | 530,350 | 10,150,377 | 4,094,641 |
| Advocacy | 22,392 | - | - | - | - | - | - | 22,392 | 7,488 |
| Total | 482,186 | 2,392,145 | 3,442,782 | 1,905,554 | 819,311 | 600,441 | 530,350 | 10,172,769 | 4,102,129 |

* Malawi included adjustments in the prior year in relation to programme approvals which did not proceed.

** Regional watershed covers Zambia, Tanzania and The Gambia.

8. Net (Outgoing) / Incoming Resources

| The net (outgoing) / incoming resources for the year are stated after charging: | 2012 € | 2011 € |
|--|---------------|---------------|
| Audit fees | 18,294 | 29,520 |
| Depreciation | 46,682 | 38,070 |
| Auditor's remuneration | 2012 | 2011 |
| Group auditor's remuneration: - annual statutory audit: | € | € |
| Gorta | 16,794 | 24,907 |
| Gorta UK | 1,500 | 4,613 |
| | 18,294 | 29,520 |

The auditor's remuneration fee is in respect of audit only. No amounts were paid to the auditors in relation to advisory, tax advisory or other assurance services.

9. Resources expended

Included in resources expended are wages, salaries and pension costs comprising:

| | 2012 € | 2011 € |
|----------------------|------------------|------------------|
| Wages and salaries | 1,119,298 | 1,181,127 |
| Social welfare costs | 92,425 | 105,202 |
| Pension costs | 57,315 | 73,315 |
| | 1,269,038 | 1,359,644 |

Employees

The average number of people employed by the company during the year was calculated as follows:

| | 2012 € | 2011 € |
|--------------------------------|-----------|-----------|
| - Operating shops (part-time) | 15 | 20 |
| - Managing shops | 4 | 1 |
| - IT / Operations | 2 | 2 |
| - Administration | 4 | 5 |
| - Programme support | 6 | 9 |
| - Marketing and communications | 8 | 6 |
| | 39 | 43 |

10. Trustee expenses

Trustees are not remunerated, but are entitled to be reimbursed for out of pocket expenses incurred in the course of carrying out their duties. These amounted to €Nil (2011: €3,393).

11. Taxation

As a result of the company's charitable status, no charge to corporation tax arises under the provision of Section 207 of the Taxes Consolidation Act 1997. Irrecoverable Value Added Tax is expensed as incurred.

12. Fixed assets

GROUP and GORTA:

| | Shop Fittings € | Lease Premiums € | Office Furniture and Equipment € | Motor Vehicles € | Total € |
|--------------------------|-----------------------|------------------------|---|------------------------|------------|
| Cost | | | | | |
| At beginning of year | 225,817 | 82,651 | 99,995 | 103,186 | 511,649 |
| Additions | - | - | - | 60,650 | 60,650 |
| At end of year | 225,817 | 82,651 | 99,995 | 163,836 | 572,299 |
| Depreciation | | | | | |
| At beginning of year | 225,664 | 82,651 | 98,340 | 68,792 | 475,447 |
| Charge for year | 153 | - | 1,655 | 47,874 | 49,682 |
| At end of year | 225,817 | 82,651 | 99,995 | 116,666 | 525,129 |
| Net book value at | | | | | |
| At 31 Dec 2012 | - | - | - | 47,170 | 47,170 |
| At 31 Dec 2011 | 153 | - | 1,655 | 34,394 | 36,202 |

13. Short Term Investments

GROUP and GORTA:

Investments relate to a bequest of shares, the market value of which at 31 December 2012 was €95,893 (2011:€86,114).

14. Cash at bank and in hand

(a) GROUP

| By fund designation: | 2012 € | 2011 € |
|---------------------------|-------------------|-------------------|
| Unrestricted | 13,133,258 | 16,083,645 |
| Designated | 451,707 | 601,407 |
| Restricted | 32,536 | 30,329 |
| | 13,617,501 | 16,715,381 |
| By account type: | 2012 € | 2011 € |
| Deposit accounts | 11,620,687 | 14,909,157 |
| Current accounts | 1,847,276 | 1,705,245 |
| County committee accounts | 149,283 | 100,854 |
| Petty cash | 242 | 112 |
| Prize Bonds | 13 | 13 |
| | 13,617,501 | 16,715,381 |

14. Cash at bank and in hand *(continued)*

(b) GORTA

By fund designation:

| | 2012 € | 2011 € |
|--------------|-------------------|-------------------|
| Unrestricted | 11,125,901 | 14,539,027 |
| Designated | 284,272 | 434,272 |
| Restricted | 32,536 | 30,329 |
| | 11,442,709 | 15,003,628 |

By account type:

| | 2012 € | 2011 € |
|---------------------------|-------------------|-------------------|
| Deposit accounts | 11,620,687 | 14,909,157 |
| Current accounts | (327,516) | (6,508) |
| County committee accounts | 149,283 | 100,854 |
| Petty cash | 242 | 112 |
| Prize Bonds | 13 | 13 |
| | 11,442,709 | 15,003,628 |

15. Debtors

(a) GROUP

| | 2012 € | 2011 € |
|-------------------------------|----------------|----------------|
| Gift Aid Refunds Due | 16,209 | 24,063 |
| Prepayments and Other debtors | 66,996 | 50,946 |
| Accrued Income | 169,508 | 101,343 |
| | 252,713 | 176,352 |

(b) GORTA

| | 2012 € | 2011 € |
|--|----------------|----------------|
| Amount due from connected charity (Note 5) | 460,209 | - |
| Prepayments and Other debtors | 57,208 | 50,733 |
| Accrued Income | 169,508 | 101,343 |
| | 686,925 | 152,076 |

16. Creditors, Accruals and Deferred Income

| Amounts falling due within one year: (a) GROUP | 2012 € | 2011 € |
|--|------------------|------------------|
| Projects deferred expenditure | 5,658,479 | 2,966,461 |
| Suppliers' amounts due at year end | 151,762 | 38,487 |
| Accruals | 31,679 | 153,299 |
| Pension Liability | 1,354 | 5,848 |
| PAYE/PRSI Liability | 22,626 | 25,749 |
| | 5,865,900 | 3,189,844 |

| Amounts falling due within one year: (b) GORTA | 2012 € | 2011 € |
|--|------------------|------------------|
| Projects deferred expenditure | 4,153,716 | 2,504,391 |
| Suppliers' amounts due at year end | 151,763 | 38,487 |
| Accruals | 29,407 | 112,892 |
| Amounts due to connected charity (Note 25) | - | 6,011 |
| Pension Liability | 1,354 | 5,848 |
| PAYE/PRSI Liability | 22,626 | 25,749 |
| | 4,358,866 | 2,693,378 |

17. Creditors (Amounts falling due after more than one year)

| | 2012 € | 2011 € |
|--------------------------------------|------------------|----------------|
| (b) GROUP | | |
| Projects deferred expenditure | 1,195,830 | 575,337 |
| (b) GORTA | | |
| Projects deferred expenditure | 969,665 | 457,270 |

Projects deferred expenditure falling due after one year represents the balance arising on approved projects payable in 2014 or later.

18. Commitments

Annual commitments under non-cancellable operating leases for land and buildings which expire:

- Head office - €101,579. This lease expires in 2022.
- Total for ten shops - €227,460. These leases are held for periods up to 25 years.

19. Pension scheme

The company operates an employer sponsored, defined contribution pension scheme. During the year, the company made contributions in respect of 12 of its employees. The assets of the scheme are held separately from those of the company, in externally managed funds.

The pension expense for the year amounted to €57,315 (2011: €73,315).

Balance outstanding at year end €1,354.(2011: €5,848)

20. Reconciliation of net (outgoing) / incoming resources to net cash outflow from charitable activities

| | 2012 € | 2011 € |
|--|--------------------|--------------------|
| NET (OUTGOING) / INCOMING RESOURCES | (6,297,321) | 1,092,352 |
| Depreciation | 49,682 | 38,070 |
| (Increase) in Investments | (9,779) | (86,114) |
| (Increase) /decrease in debtors | (76,361) | 206,578 |
| Increase / (decrease) in creditors | 3,296,549 | (2,303,342) |
| Adjustment for interest received or similar | (507,623) | (563,054) |
| NET CASH OUTFLOW FROM CHARITABLE ACTIVITIES | (3,544,853) | (1,615,510) |

ANALYSIS OF CHANGES IN CASH BALANCES

| | At 1 January 2012 € | Cashflows 2012 € | At 31 December 2012 € |
|---------------------------------|---------------------------|------------------------|-----------------------------|
| Cash at bank and in hand | 16,715,381 | (3,097,880) | 13,617,501 |

21. Legal status of the company

GORTA

The Company is limited by guarantee and does not have a share capital. Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding €1.27.

The Company is prohibited by its constitution from distributing any of its reserves by way of a dividend or otherwise to its members.

In accordance with Section 24 of the Companies Act, 1963, the company is exempt from including the word "limited" in its name.

As a company limited by guarantee is exempt from the reporting and disclosure requirement of the Companies (Amendment) Act, 1986.

GORTA UK

The company is limited by guarantee and does not have a share capital. Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he/she is a member, or within one year after he/she ceases to be a member for payment of the company's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the right on the contributories among themselves.

21. Legal status of the company (continued)

The Group is exempt from taxation due to its charitable status in Ireland (Revenue Commissioners registration no. CHY 5678), and in the United Kingdom (The Office of the Scottish Charity Regulator registration no. SC 272970).

Gorta's consolidated financial statements combine the activities of Gorta in Ireland and Gorta UK, a company limited by guarantee operating in the United Kingdom. The net incoming resources for the year, and the retained reserves of each of the group companies at the year-end are detailed below.

| | Net (outgoing) resources for the year end € | Retained resources at the year end € |
|--------------------|---|--|
| Gorta | (5,183,206) | 6,944,166 |
| Gorta UK | (1,114,115) | 7,381 |
| GROUP TOTAL | (6,297,321) | 6,951,547 |

22. Reserves

| | Restricted Funds € | Unrestricted Fund € | Designated Funds | | | Total Funds € |
|--------------------------------------|--------------------------|---------------------------|-------------------------|--------------------------|----------------------|---------------------|
| | | | Committed Funds € | General Reserves € | Fixed Assets € | |
| (a) GROUP | | | | | | |
| Opening balance at 1/01/2012 | 30,329 | 12,617,132 | 317,135 | 248,070 | 36,202 | 13,248,868 |
| (Deficit) for the year | (30,329) | (6,266,992) | - | - | - | (6,297,321) |
| Transfer between funds | - | 317,135 | (317,135) | (10,968) | 10,968 | - |
| Closing balance at 31/12/2012 | - | 6,667,275 | - | 237,102 | 47,170 | 6,951,547 |

| | Restricted Funds € | Unrestricted Fund € | Designated Funds | | | Total Funds € |
|--------------------------------------|--------------------------|---------------------------|-------------------------|--------------------------|----------------------|---------------------|
| | | | Committed Funds € | General Reserves € | Fixed Assets € | |
| (b) GORTA | | | | | | |
| Opening balance at 1/01/2012 | 30,329 | 11,662,771 | 150,000 | 248,070 | 36,202 | 12,127,372 |
| (Deficit) for the year | (30,329) | (5,152,877) | - | - | - | (5,183,206) |
| Transfer between funds | - | 150,000 | (150,000) | (10,968) | 10,968 | - |
| Closing balance at 31/12/2012 | - | 6,659,894 | - | 237,102 | 47,170 | 6,944,166 |

*In 2010, a €450,000 multi-annual grant was approved by Irish Aid for Gorta (which relates to partnership programmes in Uganda). In 2010 and 2011, €300,000 of this three year funding programme has been allocated

23. Total funds

| | Restricted Funds € | Unrestricted Funds € | Designated Funds € | Total Funds € |
|--|--------------------------|----------------------------|--------------------------|---------------------|
| (i) Reconciliation of funds: | | | | |
| (a) GROUP | | | | |
| Fund balance at 1 January 2012 | 30,329 | 12,617,132 | 601,407 | 13,248,868 |
| Net Movements | (30,329) | (6,266,992) | - | (6,297,321) |
| Transfer between funds | - | 317,135 | (317,135) | - |
| Fund balances at 31 December 2012 | - | 6,667,275 | 284,272 | 6,951,547 |

| | | | | |
|--|----------|------------------|----------------|------------------|
| (b) GORTA | | | | |
| Fund balance at 1 January 2012 | 30,329 | 11,662,771 | 434,272 | 12,127,372 |
| Net Movements | (30,329) | (5,152,877) | - | (5,183,206) |
| Transfer between funds | - | 150,000 | (150,000) | - |
| Fund balances at 31 December 2012 | - | 6,659,894 | 284,272 | 6,944,166 |

| | Restricted Funds € | Unrestricted Funds € | Total Net Assets € |
|---|--------------------------|----------------------------|--------------------------|
| (ii) Analysis of net assets between funds: | | | |
| (a) GROUP | | | |
| Tangible Fixed Assets | - | 47,170 | 47,170 |
| Current Assets | - | 13,966,107 | 13,966,107 |
| Liabilities | - | (7,061,730) | (7,061,730) |
| | - | 6,951,547 | 6,951,547 |

| | | | |
|-----------------------|----------|------------------|------------------|
| (b) GORTA | | | |
| Tangible Fixed Assets | - | 47,170 | 47,170 |
| Current Assets | - | 12,225,527 | 12,225,527 |
| Liabilities | - | (5,328,531) | (5,328,531) |
| | - | 6,944,166 | 6,944,166 |

23. Total funds (continued)

| | Balance as at 01/01/2012 € | Incoming Resources € | Resources Expended € | Transfer between Funds € | Balance 31/12/2012 € |
|---------------------------------|-------------------------------------|----------------------------|----------------------------|-----------------------------------|----------------------------|
| (iii) Movement in funds: | | | | | |
| (a) GROUP | | | | | |
| Restricted Funds | 30,329 | 441,071 | (471,400) | - | - |
| Unrestricted Funds | 12,617,132 | 5,439,114 | (11,706,106) | 317,135 | 6,667,275 |
| Designated Funds | 601,407 | 91,692 | (91,692) | (317,135) | 284,272 |
| Total Funds | 13,248,868 | 5,971,877 | (12,269,198) | - | 6,951,547 |
| (b) GORTA | | | | | |
| Restricted Funds | 30,329 | 401,210 | (431,539) | - | - |
| Unrestricted Funds | 11,662,771 | 5,024,424 | (10,177,301) | 150,000 | 6,659,894 |
| Designated Funds | 434,272 | 91,692 | (91,692) | (150,000) | 284,272 |
| Total Funds | 12,127,372 | 5,517,326 | (10,700,532) | - | 6,944,166 |

24. Financial Risk Management

Much of the organisation's costs, particularly overseas costs, are denominated in euro and local currency while most income is received in euro. A strengthening of the local currency against the euro could have an adverse effect on Gorta's ability to deliver its planned programme of work. These currency risks are monitored on an ongoing basis.

Gorta hold a number of bank accounts deposited in a number of different financial institutions ensuring the security of our funds and also endeavouring to maximise the return available. Gorta earned investment income of €507,623 in 2012 (2011: €563,054).

25. Related Party Transactions

During the year, the company discharged commitments of €466,220 (2011: €43,179) and transferred funds of €Nil (2011: €349,750) to Gorta UK, related by virtue of mutual trustees/directors. The balance due from Gorta UK at 31 December 2012 was €460,209 (2011: €6,011 due to Gorta UK).

Supplementary Information

(Not Covered By The Independent Auditor's Report)

APPENDIX A

| Gorta Shop Income For The Year Ended 31 December 2012 | 2012 € | 2011 € |
|---|----------------|----------------|
| Bandon | 70,483 | 79,477 |
| Carlow | 11,262 | 48,994 |
| Cork City – North Main Street | 156,853 | 162,475 |
| Dublin – Capel Street | 63,306 | 64,368 |
| Dublin – Liffey Street | 96,024 | 96,202 |
| Limerick | 70,572 | 79,635 |
| Macroom | 81,045 | 77,219 |
| Mallow | 78,442 | 81,079 |
| Portlaoise | 125,722 | 135,609 |
| Skibbereen | 91,692 | 92,503 |
| | 845,401 | 917,561 |

APPENDIX B

| Gorta County Committees' Income For The Year Ended 31 December 2012 | 2012 € | 2011 € |
|---|---------------|---------------|
| Cavan | 2,012 | 2,411 |
| Dublin | 18,798 | 25,026 |
| Galway | 5,532 | 4,674 |
| Kildare | 7,090 | 5,712 |
| Kilkenny | 557 | - |
| Laois | 10,417 | 13,794 |
| Limerick/ Clare | 2,222 | 3,322 |
| Louth | 9,861 | 10,722 |
| Mayo/ Sligo | 6,171 | 7,440 |
| Meath | 5,875 | 6,189 |
| Monaghan | 2,098 | 1,357 |
| Offaly | 3,173 | 3,207 |
| Tipperary | 88 | - |
| Waterford | 939 | 2,531 |
| Wexford | 4,376 | 4,259 |
| Wicklow | - | - |
| | 79,209 | 90,644 |

County Louth Committee Income of €9,861 (2011: €10,722) has been designated to a programme in Rwanda which is funded by Gorta UK.

Networks

Mutual support, such as the sharing of information, ideas and resources is an essential part of Gorta's work.



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THE EUROPEAN ASSOCIATION FOR PHILANTHROPY AND GIVING

www.eapg.org



THE IRISH CHARITIES TAX REFORM GROUP

www.ictr.ie

Since it was founded in 1965, Gorta has been the Irish affiliate of the **Food and Agriculture Organization of the United Nations** (FAO).

FAO aims to help developing countries modernise and improve their agriculture, forestry and fisheries practices, with a particular focus given to developing rural areas.

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Registered No. UK: SC27290

