

GORTA

The Freedom from Hunger Council of Ireland

Reports and Financial Statements

for the year ended

31 December 2008

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

REFERENCE AND ADMINISTRATION

TRUSTEES

Ms. Deirdre Fox (Chairman)
Mr. Brian Kehoe (Vice Chairman)
Prof. Denis I. F. Lucey
Mr. Kevin Higgins
Ms. Agnes Gannon (resigned 29 October 2008)
Dr. David O'Connor
Mr. Liam Fitzgerald (appointed 29 September 2008)
Mr. Thomas Burke (resigned 29 September 2008)
Mr. Andy Cole (appointed 12 November 2008)

SECRETARY

Brian Hanratty

CHIEF EXECUTIVE OFFICER

Brian Hanratty

REGISTERED OFFICE

12 Herbert Street
Dublin 2

SOLICITOR

Gallagher Shatter & Co.
4 Upper Ely Place
Dublin 2

PRINCIPAL BANKERS

Bank of Ireland
Head Office Branch
Lower Baggot Street
Dublin 2

Permanent TSB
2-4 Upper Baggot Street
Dublin 4

Anglo Irish Bank Corporation Limited
Stephen Court
18/21 St. Stephen's Green
Dublin 2

ACC Bank
Charlemont Place
Dublin 2

Ulster Bank
Corporate Markets
College Green Business Centre
P. O. Box 145
33 College Green
Dublin 2

AUDITOR

Deloitte & Touche
Chartered Accountants and Registered Auditors
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

COMPANY NUMBER

28228

CHARITY NUMBER

CHY 5678

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2008

The Trustees present their report and financial statements of the charity for the year ended 31 December 2008. The financial statements have been prepared in accordance with the accounting policies set out on pages 9 and 10 to the financial statements and comply with the charity's Memorandum and Articles of Association, applicable Company Law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities", as far as possible.

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 peoples 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 & Agricultural Organisation of the United Nations (FAO) in matters of food security and long-term sustainable development.
- 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, Malawi and Zambia. In so doing, Gorta focuses on the areas of:

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

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.

Food Security. Food security is not only linked to the availability, production and preparation of food but also to access – physical and economic. Gorta aims to address food security through improving agricultural practices that promote and increase crop production and diversification. Projects are especially targeted at smallholder farmers and pastoralists with an emphasis on farm diversification. Gorta also aims 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 Gorta's food security programmes.

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 security and is working with partners in sub Saharan Africa to develop integrated water management schemes, where communities can harness rainwater, conduct efficient irrigation practices and contribute to recharge ground water to conserve the environment and prevent wells from drying up. Gorta's water security projects aim at various levels from providing clean and safe drinking water at the household level to benefiting rural communities by improving agricultural techniques, thus contributing to peoples' livelihoods.

Health. Poor health is both a cause and effect of poverty. Gorta addresses health issues by focussing on improving food and water security and also working with partners in the provision of community care. HIV/AIDS is prevalent in Sub Saharan Africa and Gorta has joined with a number of organizations to provide care for HIV/AIDS

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

sufferers and for their families. The promotion of health is a basic right of all individuals and is a prerequisite to achieving adequate living standards and improved potential for self help.

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. Gorta's overall aim is to strengthen the resources and capabilities of communities to ensure long-term sustainable development. (Gorta has also supported the provision of Early Childhood Development Centres and other education related projects, often with a focus on food security and nutrition).

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 enhances prosperity and well-being at household and community level.

Partnerships

Gorta works with a network of local partner groups with objects similar to its own in the countries in which it operates. In addition, 2008 saw the commencement of new partnership arrangements, informed by the recommendations of the Government of Ireland's Hunger Task Force, on which Gorta was represented. This collaboration will commence in Gorta's five priority countries during 2009 when an initial sum of €2.4 million will be allocated to such activities which are designed to maximize synergy and impact in the field.

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. 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.

Financial results and future activities

Details of incoming resources and expenditure are set out on page 11. For the forthcoming year, partnerships and programme activity - particularly in the five Priority Countries set out above - will be expanded and will see the investment of €2.4 million referred to in the partnerships section above getting underway in 2009. During the year, Gorta's Head Office received extensive and necessary refurbishment. This was the first major refurbishment in 22 years of leasing the premises and was required in order to fulfil the terms of the lease and to enhance the health and safety features of the building as well as creating a more modern and efficient work environment for staff.

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. Appropriate cash balances are also held for the essential purpose of expanding and consolidating the fundraising base.

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

Reserves policy

Gorta has a reserve 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 six months, based on historical running costs.

Trustees

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.

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 staffing our shops and carrying out various fundraising initiatives, 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 ten charity shops in Ireland.

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, were appointed during the period and 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:

Prof. Denis I. F. Lucey
Trustee

Kevin Higgins
Trustee

Date: 30 September 2009

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

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;
- 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 2009. 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:

Prof. Denis I. F. Lucey
Trustee

Kevin Higgins
Trustee

Date: 30 September 2009

INDEPENDENT AUDITOR'S 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 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

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 trustees and auditors

The trustees are responsible for preparing the financial statements as set out in the Statement of Trustees' Responsibilities, in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company and whether the information given in the Report of the Trustees is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit and whether the company's balance sheet and statement of financial activities are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding trustees' remuneration and trustees' transactions is not disclosed and, where practicable, include such information in our report.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we evaluated the overall adequacy of the presentation of information in the financial statements.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND**

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 affairs of the company as at 31 December 2008 and of the net incoming resources of the company for the year then ended; and
- have been properly prepared in accordance with the Companies Acts 1963 to 2009.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet and its statement of financial activities 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.

Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin

Date: 30 September 2009

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

STATEMENT OF ACCOUNTING POLICIES

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 2009. 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".

INCOMING RESOURCES

- (i) Income from voluntary donations is recognised when received into the premises of the charity or lodged into one of the charity's bank accounts.
- (ii) Proceeds from the sale of donated goods are recognised in the accounts 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.

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. It also includes management consultancy and technical support for development projects.

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 are deemed non-material so are not included in the accounts.

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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:

Head office refurbishment	10%
Shop fittings	20%
Office Equipment	20%
Computer Equipment	33.3%

FUNDS ACCOUNTING

Funds held by the charity are:

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

Designated fund – these are funds which have been set aside for particular purposes by the Association itself, in furtherance of the Association'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.

FOREIGN CURRENCIES

Transactions in foreign currency 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).

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. The annual contributions are charged to the Statement of Financial Activities (SOFA) and the costs for the current year are disclosed in Note 6.

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).

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	Restricted Funds 2008 €	Unrestricted Funds 2008 €	Total Funds 2008 €	Total Funds 2007 €
Incoming Resources:					
Incoming resources from generated funds:					
- Voluntary income	1	24,403	6,409,905	6,434,308	7,641,655
- Activities for generating funds	2	-	1,055,784	1,055,784	1,047,852
- Investment income		-	988,840	988,840	554,177
Incoming resources from charitable activities:					
- Resources from government and public bodies		20,517	-	20,517	55,175
Total incoming resources		44,920	8,454,529	8,499,449	9,298,859
Resources expended:					
Costs of generating voluntary income	3	20,517	513,669	534,186	757,729
Fundraising trading	2	-	813,959	813,959	807,814
Charitable activities – developments	4	24,403	2,952,513	2,976,916	6,089,264
Governance and administration		-	980,291	980,291	640,384
Total resources expended		44,920	5,260,432	5,305,352	8,295,191
Net incoming resources	5	-	3,194,097	3,194,097	1,003,668
Transfer to committed funds	18	-	(2,692,500)	(2,692,500)	-
Net incoming resources retained		-	501,597	501,597	1,003,662
Total funds brought forward	18	122,690	12,825,598	12,948,288	11,944,620
Total funds carried forward		122,690	13,327,195	13,449,885	12,948,288

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 30 September 2009 and signed on its behalf by:

Prof. Denis I. F. Lucey
Trustee

Kevin Higgins
Trustee

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

BALANCE SHEET AS AT 31 DECEMBER 2008

	<i>Notes</i>	2008 €	2007 €
FIXED ASSETS			
Tangible assets	9	114,249	152,134
CURRENT ASSETS			
Debtors	10	99,268	153,753
Cash at bank and in hand	11,18	21,234,651	17,611,582
		21,333,919	17,765,335
CREDITORS: (Amounts falling due within one year)	12	(3,125,115)	(2,199,948)
NET CURRENT ASSETS		18,208,804	15,565,387
TOTAL ASSETS LESS CURRENT LIABILITIES		18,323,053	15,717,521
CREDITORS: (Amounts falling due after more than one year)	13	(2,180,668)	(2,769,233)
NET ASSETS		16,142,385	12,948,288
REPRESENTED BY:			
Restricted funds	18	122,690	122,690
Unrestricted funds	18	12,672,946	12,133,464
Designated funds	18	3,346,749	692,134
		16,142,385	12,948,288

The financial statements were approved by the Board of Trustees on 30 September 2009 and signed on its behalf by:

Prof. Denis I. F. Lucey
Trustee

Kevin Higgins
Trustee

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<i>Notes</i>	2008 €	2007 €
Net cash inflow from operating activities	16	2,660,070	5,174,656
Returns on investment and servicing of finance			
Interest received		988,840	554,177
		<u>3,648,910</u>	<u>5,728,833</u>
Capital expenditure			
Purchase of tangible fixed assets		(25,841)	(10,220)
Increase in cash in the year	16	<u><u>3,623,069</u></u>	<u><u>5,718,613</u></u>

The accompanying notes form an integral part of this statement.

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. VOLUNTARY INCOME	Restricted Funds €	Unrestricted Funds €	2008 Total Funds €	2007 Total Funds €
Committed giving	-	5,705,358	5,705,358	6,348,538
Legacies	-	236,218	236,218	691,502
Committee income	-	115,482	115,482	149,933
General donations	24,403	352,847	377,250	451,682
	<u>24,403</u>	<u>6,409,905</u>	<u>6,434,308</u>	<u>7,641,655</u>

2. ACTIVITIES FOR GENERATING FUNDS: TRADING INCOME	2008 €	2007 €
Turnover from donated goods	1,055,784	1,047,852
Less costs:		
Operating expenses	(654,766)	(671,035)
Management expenses	(159,193)	(170,088)
	<u>(813,959)</u>	<u>(841,123)</u>
Total net trading income	<u>241,825</u>	<u>206,729</u>

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

3. 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:

	2008 €	2007 €
Development officers:		
Salaries and pensions	114,140	233,430
Training	-	544
Standing order/direct debit fees	32,249	312,894
Other fundraising expenses	387,797	210,861
	<u>534,186</u>	<u>757,729</u>

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**4. DEVELOPMENT GRANTS TO PROJECTS OVERSEAS
BY COUNTRY**

Gorta's development programme is carried out through grants to local organisations that support long-term, sustainable benefits for a community.

Country	Restricted €	Unrestricted €	2008 €	2007 €
Ethiopia	-	(99,987)	(99,987)	-
Gambia	-	(105,605)	(105,605)	235,404
Ghana	-	(4,274)	(4,274)	7,354
India	-	131,660	131,660	1,787,624
Kenya	24,403	417,459	441,862	399,070
Liberia	-	72,965	72,965	9,924
Malawi	-	1,398,380	1,398,380	983,685
Nigeria	-	25,510	25,510	2,000
Paraguay	-	-	-	24,000
Rwanda	-	-	-	246,361
South Africa	-	62,559	62,559	18,895
Tanzania	-	118,642	118,642	912,103
Uganda	-	689,081	689,081	651,986
Zambia	-	(241)	(241)	706,049
Exchange adjustment	-	4,174	4,174	(1,650)
	24,403	2,710,323	2,734,726	5,982,805
Project Support Costs:				
Staff costs			165,951	70,025
Expenses			4,589	3,597
Field visits			21,928	28,626
Consultancy			49,722	4,211
			242,190	106,459
Total development expenditure			2,976,916	6,089,264

5. NET INCOMING RESOURCES FOR THE YEAR

	2008 €	2007 €
This is stated after charging:		
Directors' remuneration	-	-
Auditors' remuneration	16,402	15,000
Depreciation	63,726	57,763

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

6. EMPLOYEES	2008 No.	2007 No.
The average number of Irish contracted employees throughout the year was calculated as follows:		
- Operating shops (part-time)	20	20
- Managing shops	2	2
- IT/Operations	5	5
- Administration	3	3
- Programme support	3	2
- Marketing and communications	3	1
	<u>36</u>	<u>33</u>
	<u><u>36</u></u>	<u><u>33</u></u>
Staff costs:		
Wages and salaries	936,670	802,755
Employers' PRSI	93,588	79,637
Pension scheme (Note 15)	34,247	31,699
	<u>1,064,505</u>	<u>914,091</u>
	<u><u>1,064,505</u></u>	<u><u>914,091</u></u>

Staff costs are allocated according to the functions of each staff member and, therefore, form part of trading costs, fundraising costs and charitable expenditure, as appropriate.

In addition, a great amount of time, the value of which is impossible to reflect in these accounts, is donated by more than 200 volunteers throughout Ireland.

7. TRUSTEE EXPENSES

Trustees are not remunerated.

8. 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.

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

9. FIXED ASSET SCHEDULE

	Shop Fittings €	Expenses on lease premiums €	Office Equipment €	Total €
Cost				
At 1 January 2008	225,042	82,651	71,295	378,988
Additions	775	-	25,066	25,841
Disposals	-	-	-	-
At 31 December 2008	225,817	82,651	96,361	404,829
Depreciation				
At 1 January 2008	142,734	46,024	38,096	226,854
Charged	28,110	13,739	21,877	63,726
Disposals	-	-	-	-
At 31 December 2008	170,844	59,763	59,973	290,580
Net Book Value				
At 31 December 2008	54,973	22,888	36,388	114,249
At 31 December 2007	82,308	36,627	33,199	152,134

10. DEBTORS: (Amounts falling due within one year)	2008	2007
	€	€
Prepayments and other debtors	99,268	153,753

11. CASH AT BANK AND IN HAND	2008	2007
	€	€
Deposit accounts	20,292,130	17,265,112
Current accounts	846,250	273,885
County committee accounts	96,128	72,501
Petty cash	130	71
Prize bonds	13	13
	21,234,651	17,611,582

12. CREDITORS: (Amounts falling due within one year)	2008	2007
	€	€
Suppliers' amounts due at year end	51,960	103,478
Accruals	76,211	42,037
Projects deferred expenditure	1,658,767	1,481,185
Amounts due to connected charity (Note 19)	1,338,177	573,248
	3,125,115	2,199,948

GORTA – THE FREEDOM FROM HUNGER COUNCIL OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

13. CREDITORS: (Amounts falling due after more than one year)	2008	2007
	€	€
Projects deferred expenditure	2,180,668	2,769,233
	<u> </u>	<u> </u>

14. 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 - €260,640. These leases are held for periods up to 27 years.

15. PENSION SCHEME

The company operates employer sponsored, defined contribution pension schemes. During the year, the company made contributions in respect of 7 of its employees. The assets of the schemes are held separately from those of the company, in externally managed funds.

The pension expense for the year amounted to €34,247 (2007: €31,699).

16. CASH FLOW INFORMATION	2008	2007
	€	€
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming resources	3,194,097	1,003,668
Decrease in debtors	54,485	1,023,270
Increase in creditors	336,602	3,643,541
Depreciation of tangible fixed assets	63,726	57,763
Loss on disposal of fixed assets	-	591
Adjustment for interest received and similar income	(988,840)	(554,177)
Net cash inflow from operating activities	2,660,070	5,174,656
	<u> </u>	<u> </u>

Analysis of changes in cash balances

	At 1 January	Cashflows	At 31 December
	2008		2008
	€	€	€
Cash at bank and in hand	17,611,582	3,623,069	21,234,651
	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

17. LEGAL STATUS OF THE COMPANY

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 Association in the event of the same being wound up while he/she is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Association 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 rights of the contributories among themselves, such amount as may be required not exceeding €1.27.

The Association 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.

The company, as a charity, is exempt from the reporting and disclosure requirement of the Companies (Amendment) Act, 1986.

18. RESTRICTED AND UNRESTRICTED FUNDS

	Restricted Funds €	Designated Funds			Unrestricted Fund €	Total €
		Committed Funds €	General Reserves €	Fixed Assets €		
Opening balance at 1/01/2008	122,690	-	540,000	152,134	12,133,464	12,948,288
Surplus for the year	-	-	-	-	3,194,097	3,194,097
Transfer between funds	-	2,692,500	-	(37,885)	(2,654,615)	-
Closing balance at 31/12/2008	122,690	2,692,500	540,000	114,249	12,672,946	16,142,385

The Organisation has projects and commitments approved by the board subsequent to the year end totalling €2,692,500, on behalf of Gorta – The Freedom from Hunger Council of Ireland.

19. RELATED PARTY TRANSACTIONS

During the year, the company made and received cash advances to and from Gorta UK, related by virtue of mutual directors. The balance due to Gorta UK at 31 December 2008 was €1,338,177 (2007: €573,248).

20. COMPARATIVE AMOUNTS

Comparative amounts have been regrouped, where necessary to conform with the current year's presentation.

SUPPLEMENTARY INFORMATION

(NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT)

APPENDIX A

GORTA SHOP INCOME FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	€	€
Bandon	136,669	129,597
Carlow	63,186	71,337
Cork City – North Main Street	124,124	119,194
Dublin – Capel Street	75,342	81,408
Dublin – Liffey Street	114,868	99,703
Dun Laoghaire	-	22,580
Limerick	87,029	96,796
Macroom	70,552	70,633
Mallow	98,700	92,369
Portlaoise	177,228	160,276
Skibbereen	108,086	103,959
	1,055,784	1,047,852

APPENDIX B

GORTA COUNTY COMMITTEES' INCOME FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 €	2007 €
Cavan	3,095	2,687
Clare	-	212
Donegal	-	3,000
Dublin	37,646	28,739
Galway	4,806	4,271
Kerry	-	40,176
Kildare	8,179	2,717
Kilkenny	1,082	-
Laois	14,420	15,400
Limerick	-	4,765
Longford	-	200
Louth	13,178	13,320
Mayo	10,435	9,062
Meath	6,423	7,476
Monaghan	3,789	4,825
Offaly	4,719	2,984
Wexford	5,536	6,221
Wicklow	2,174	3,878
	<u>115,482</u>	<u>149,933</u>