

Voluntary Service Overseas (Ireland) Limited  
(A Company Limited by Guarantee and not  
having a Share Capital)

Reports and Financial Statements  
for the year ended  
31 March 2012

*Registration number 351799*

VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED  
(A COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL)

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012

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**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING A SHARE CAPITAL)**

**DIRECTORS AND OTHER INFORMATION**

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<b>DIRECTORS</b>	Iarla Mongey (Chairperson) Hilary McDonagh Catherine Byrne Roger Duggan Colm McGivern
<b>SECRETARY</b>	Sinead Lee
<b>REGISTERED OFFICE</b>	13 – 17 Dawson Street Dublin 2
<b>AUDITORS</b>	Deloitte & Touche Chartered Accountants and Registered Auditors Deloitte & Touche House Earlsfort Terrace Dublin 2
<b>BANKERS</b>	Allied Irish Bank 7/12 Dame Street Dublin 2
<b>SOLICITORS</b>	Cunningham McCormack 1 Grant's Row Lower Mount Street Dublin 2
<b>CHARITY STATUS NUMBER</b>	CHY 15048
<b>COMPANY NUMBER</b>	351799

**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
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**DIRECTORS' REPORT**

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The directors present their report and the audited financial statements for the year ended 31 March 2012:

VSO Ireland is part of an international federation working programmatically towards six development goals. VSO Ireland's unique contribution to development is made through volunteers and long-term partnerships with local organisations. Our focus in working overseas is building capacity with local government, national NGOs, CBOs, and FBOs that through their work are addressing issues that focus on the relief of poverty and disadvantage. Within Ireland, VSO Ireland is involved in raising awareness of development issues with the general public, primarily in bringing the opportunity of volunteering to Ireland to fight global poverty and disadvantage. VSO Ireland will continue to increase its capacity to meet the highest quality and standards in recruitment, selection, training and support to volunteers, in order to meet its development awareness objectives. VSO Ireland actively engages the Irish public, not only through volunteering, but also through advocacy initiatives, exchanges, media work and partnerships that enable Irish people to become involved in the development process overseas and, in doing so, endeavour to bring ownership of Irish funded projects to the Irish public.

**STRUCTURE, GOVERNANCE & MANAGEMENT**

VSO Ireland operates as part of the VSO Federation. The VSO Federation is an international network of independently constituted member organisations comprising VSO (operating as both VSO international and VSO UK), VSO Jitolee (Kenya), Stichting VSO Nederland (the Netherlands), VSO Bahaginan Inc (the Philippines) and VSO (Ireland).

VSO Ireland as a federation member is a self-governing legal entity, has committed to working as part of the VSO Federation to collaborate and cooperate in the joint delivery of the VSO development programmes.

The governing body for VSO Ireland Limited is the Board of Trustees, who are the legal directors of the company. The Board meets at least four times a year. Each meeting incorporates detailed de-briefing on elements of our core activities to ensure trustees gain proper insights into VSO Ireland's work. All trustees serve on a voluntary basis and are reimbursed only for out-of-pocket expenses.

Trustees are recruited from diverse and professional backgrounds and bring on board a range of experience and skills to the organisation. All trustees are provided with a comprehensive induction programme and continuing engagement through links with the senior management team and participate as expert advisors to organisational working groups. As a group, they periodically evaluate their performance. A new board appraisal process will be introduced in consultation with the VSO Federation Council over the coming year.

The Board is responsible for approving and monitoring VSO Ireland's long-term strategy and annual corporate objectives and budget, approving any constitutional changes, nominating new trustees and appointing the Chief Executive.

The Board is committed to ensuring VSO Ireland employs best-practice standards of corporate governance (in line with the recommendations in the Code of Practice for Good Governance for the Community, Voluntary and Charity Organisations in Ireland and Irish Development NGOs Code of Corporate Governance).

**BOARD SUB-COMMITTEES**

During the year 2011/12, the Board had two formal sub-committees:

- Audit and Risk Committee: responsible for assessing the effectiveness of operational and financial risk management and internal control;
- Programmes Committee: responsible for the oversight of programme strategy and to oversee, guide, advise and evaluate VSO Ireland's fundraising efforts.

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**DIRECTORS' REPORT (CONTINUED)**

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**MANAGEMENT**

The Board delegates day-to-day management of VSO Ireland to the Chief Executive and the Senior Management Team. This team has operational and strategic oversight of VSO Ireland's global work. The team members have responsibilities that reflect the scale and scope of VSO Ireland's work, including finance, human resources and organisational development. The Senior Management Team meets monthly to develop and implement strategy, allocate resources, set and monitor standards and determine core approaches to how we work, including the engagement and development of employees. VSO Ireland's development, operational and financial objectives are monitored and reviewed through a quarterly review process in collaboration with VSO's wider leadership team and the broader organisation.

**LEGAL STATUS**

VSO Ireland is a limited company by guarantee and all of the trustees are also full directors of VSO Ireland for company law purposes. The company is registered in Ireland as a charity (Charity Number CHY 15048). Its governing document is the VSO Memorandum and Articles of Association (a copy of which can be found on the VSO Ireland website).

**OBJECTIVES AND ACTIVITIES**

**Objectives**

VSO Ireland's vision is a world without poverty and our mission is to bring people together to fight poverty.

VSO Ireland aims to actively engage Irish people to share skills, knowledge, creativity and learning to build a fairer world. We promote the exchange of knowledge and skills to fight global poverty and disadvantage. We connect individuals and organisations so that they can share knowledge, perspectives, ideas and practices to help them fight poverty more effectively.

**Activities**

VSO tackles poverty on many fronts. Our role is to enhance the ability of women and men to participate in, contribute to and benefit from economic growth and social development in the places where we work.

We fight poverty by bringing people together to share knowledge. Our strategy to fight poverty focuses on doing this in three key areas – securing livelihoods, combating HIV and AIDS, and building peace. These strategic directions are supported by our knowledge brokering activities, which range from long-term and short-term volunteers, exchanges, networking, advocacy campaigns and conferences.

By giving people an opportunity to volunteer within or outside their communities, VSO helps them to become the drivers of change and they can be active citizens, able to shape their own development.

Our main resource is, and has always been, the people we work with – those in our partner organisations and the volunteers who support them.

By bringing skilled volunteers into developing countries to inspire and train the world's most vulnerable and marginalised people – a volunteer acts as a catalyst that creates a lasting change which can be sustained long after they leave.

It's simple to picture: one midwife can train ten local midwives who, in turn, can save a thousand babies and mothers over the coming years. One teacher can help train 30 teachers, who in turn will go on to teach 30,000 children. All this is achieved because of the help of VSO volunteers – people working together on a shared goal to combat the effects of poverty.

DIRECTORS' REPORT (CONTINUED)

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**The way we work:** Our aim is that ultimately our partner organisations will have the skills and capacity they need to be self-sufficient, and so will no longer require VSO. To help with this, VSO Ireland commits to providing partners with a wider range of interventions enabling VSO to respond accordingly to different needs at the local level. Our interventions are highlighted below:

- **International volunteering**

International volunteering is at the heart of VSO Ireland's contribution to development. Volunteers work with our partner organisations to share skills and learning. This joint endeavour leads to new ways of achieving shared goals and has a greater impact than simply transferring material resources. Our international approach involving volunteers and staff from an increasingly wide range of countries enriches our work by allowing us to combine and learn from different perspectives. As part of our contribution to tackling disadvantage, we build on the experience and learning of volunteers to raise awareness of development and global justice issues. In 2011/12, over 2240 international volunteers worked in our programmes internationally, 29 of whom were recruited and sent by VSO Ireland.

- **National volunteering**

National volunteering (NV) aims to promote people's participation in development through volunteering within their own communities or countries. NV can include community volunteering, youth volunteering, local corporate employee volunteering, active citizenship, advocacy, network development and can be a sustainability strategy when VSO is exiting a programme. We are supporting 324 national volunteering partners as of March 2012.

- **International knowledge sharing**

LINKS (Learning through International Networking and Knowledge Sharing) activities give VSO partners the chance to go to another country to learn and share good practice by visiting or working with agencies in other countries. We also promote and help to organise a variety of national activities that can help to connect in-country partnerships. Activities can include study tours, themed workshops, and in-country partner exchanges.

- **Corporate volunteering**

VSO is developing long term strategic partnerships with forward thinking companies. We firmly believe that the corporate sector has an important role to play in the fight against poverty, not just through donations but through employee volunteering as well. Business professionals bring a wealth of expertise to benefit our development partners, who gain access to crucial skills that act as an engine for sustainable growth. Partnerships with the corporate sector are mutually beneficial as companies benefit from increased employee motivation, staff retention and a more highly skilled workforce.

- **Policy and advocacy**

VSO Ireland has a growing programme of policy work which has an impact in Ireland and in national, regional and international development agencies. Our advocacy is effective because it is based on the experiences of our volunteers and partners. We work to give a voice to those who might otherwise not be heard by decision makers, and we influence the policies of agencies such as Irish Aid and the UN by producing and presenting high quality position papers. In 2011/2012 we contributed to submissions on the Irish Aid White Paper Review process on volunteerism, HIV and AIDS and livelihoods in cooperation with other volunteer-sending agencies and International Non-Governmental Organisations (INGOs).

- **Parliamentary Volunteering**

Involving members of the Oireachtas in our work is a powerful way to achieve our advocacy aims overseas and to build vital support for international development in Ireland. Building on successful placements in 2008 and 2010, in 2011 VSO Ireland sent two members of the Oireachtas on short-term political placements during the summer recess. The scheme places parliamentarians with our partner organisations on short-term placements during the summer recess and uses their policy, advocacy and campaigning experience to drive our work, and the work of our partners, forward.

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**DIRECTORS' REPORT (CONTINUED)**

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**ACHIEVEMENTS AND PERFORMANCE**

**VOLUNTEERS**

VSO volunteering continues to be innovative. Progress in capacity building in 2011/2012 was achieved through our unique people-to-people approach. Volunteers from Ireland continued to be recruited from the education and health professions mainly, with many of our recruits based in Ethiopia, Rwanda, Papua New Guinea and Malawi.

VSO Ireland had a strong recruitment year, sending 24 long-term volunteers and 5 short-term volunteers. Included in our departures were eight primary teachers; two education managers, six research and advocacy professionals, five health professionals, seven business professionals, and one IT professional.

To improve our relationships with volunteers, VSO Ireland set new objectives surrounding the 'duty of care' and support we provide before, during and after a volunteer placement. We strived to achieve a quality customer service to our enquirers, applicants and recruits.

Outreach events to recruit volunteers in Ireland included presence at professional conferences, recruitment fairs and monthly 'Meet VSO' events hosted free of charge at the Irish Aid Volunteer and Information Centre.

VSO Ireland works in partnership with Comhlámh to support returned volunteers with resettlement and is a committed signatory to The Comhlámh Code of Good Practice for Sending Organisations. In April 2011, we participated in an organisational audit of the code, funded by Irish Aid. VSO Ireland scored very highly on compliance with the code and is working towards 100% compliance for 2012/2013.

Working in partnership with INTO to recruit educational volunteers, VSO Ireland is appreciative of €3,000 in funding secured to support our volunteers overseas.

**PROGRAMME FUNDING**

**Securing of Irish Aid Funding**

In 2011 VSO Ireland applied for programme funding from the Irish Aid Civil Society Fund and secured €531,460 towards our HIV and AIDS work in Southern Africa in 2012. An 'extension grant' of €480,000 towards the same programme that spanned 1 July 2011-December 2011 was also secured. Our vital partnership with Irish Aid continues to develop as we explore interests in programming for 2013.

VSO-RAISA's Irish Aid funded work reached five countries in Southern Africa, namely: Malawi, Mozambique, Zambia, Zimbabwe and South Africa. Particular progress has been made in improving the quality of care and support provided to men and women living with HIV and AIDS and also advocacy work to advance national care policies.

**FUNDRAISING**

Our newly launched individual giving programme made good progress over the year with strong growth in regular donations. The programme is centred around 'Volunteer Linking', whereby donors are connected to Irish VSO volunteers on placements overseas. Our linked volunteers communicate directly with donors to share their experiences in the field, providing great insight into VSO's development work. By 31 March 2012, 6120 new donors were recruited during the first year. Over the next five years, the campaign will actively engage with over 35,000 donors.

Volunteer fundraising continued to be an important element of VSO's fundraising strategy, as it enables departing and serving volunteers to share their commitment to VSO within their own communities. Departing volunteers organised local fundraising events in their communities and achieved a combined target of over €20,000 for the year.

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**DIRECTORS' REPORT (CONTINUED)**

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**FUNDRAISING (continued)**

Our more adventurous supporters scaled the heights of Mount Kilimanjaro. Our treks continue to be an excellent and challenging experience which also provides trekkers with an opportunity to visit VSO projects in Kenya.

VSO strengthened its Business Partnership Programme with the addition of Irish Life and Permanent TSB. The first IL&P employee departed for an Executive Volunteer placement in Tajikistan in May 2011. The volunteer's strong HR background and specific experience of disability employment was put to good use as her placement with a local NGO focused on developing inclusive employment policies and procedures. This important work will provide guidance for our local partner NGO in its future disability employment work.

VSO also continued to develop its ten-year partnership with Accenture which combines the unique strengths of each organisation. Through the Skills to Succeed programme, VSO Ireland benefitted from Accenture's high quality staff training and professional development workshops, while globally, over 130 Accenture employees have volunteered to date with VSO globally, helping to meet the demand for business and management skills in developing communities. In turn, employees develop their own skills in leadership and innovation to bring back to the workplace.

The hugely popular and successful VSO fashion lunch, *Style at La Stampa*, took place in December. The event combined fine dining with Irish fashion designs from Project 51. Special celebrity supporter Brendan Courtney wowed guests as Master of Ceremonies. This informal event, while an important fundraiser, also enabled VSO to engage with corporate partners and make new connections for future fundraising initiatives.

**PUBLIC ENGAGEMENT**

VSO Ireland has identified the need to promote the unique contribution that it makes to development, and the link between sending volunteers and achieving development goals. To this end, VSO Ireland scaled up its public engagement programmes in Ireland to communicate what we do more effectively. Fundraising and communications messaging during in 2011/2012 focused on the development impact of VSO volunteers.

To achieve a louder advocacy voice, VSO Ireland continued to be an active member of the Dóchas HIV and AIDS working group, the Act Now on 2015 campaign and the Irish Coalition for the Global Campaign for Education. These all work to mobilise and strengthen a coordinated, coherent and effective response as part of the global effort to combat poverty. VSO participated in campaigns and advocacy initiatives, particularly with submissions on the Irish Aid White Paper Review process.

As part of our Politicians for Development programme, Senator Averil Power went to Mozambique to help VSO to drive the passage of legislation on national volunteering. Senator Power worked with VSO officials, UN Volunteers and the Ministry of Youth and Sports to lobby for new legislation that provides a definition of the concept of volunteering in Mozambique. This defines the rights and obligations of volunteers and organisations that involve volunteers, including promotion, valuing and recognition of the contribution given by volunteers for the country's development process. She successfully prepared Mozambican MPs for their learning tour to Ireland, which took place in February 2012.

Dominic Hannigan TD undertook his third VSO placement, having previously worked with VSO as a Business Management Adviser in Mongolia, and as an Advocacy Adviser with Nepalese civil rights organisation Blue Diamond Society. In summer 2011, Deputy Hannigan was placed as an Advocacy Adviser with the Mindanao Peace Partners. As Chairman of the Committee for the Implementation of the Good Friday Agreement at the time, he shared learning from the Irish context.

Increasing media presence to develop the VSO brand in Ireland was a priority to support fundraising with the Irish public. VSO Ireland reached an estimated audience of 360,000 across Ireland with the Rose to India documentary. Nationally and locally 127 printed newspaper pieces appeared and over 15 radio interviews with volunteers and VSO officials took place.



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**DIRECTORS' REPORT (CONTINUED)**

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**PUBLIC ENGAGEMENT (continued)**

VSO Ireland staff presented to Dóchas members on our compliance on the Code of Conduct on Images and Messaging in July 2011 and to a Dtalk course on applying the Code of Conduct as an exemplary signatory. VSO has a strict global policy on messaging and photography guidelines.

VSO Ireland greatly increased its presence on social media as a cost effective tool to create communities in support of development. By March 2012 we had increased our Facebook fans by 61% to 4103. Similarly we improved our Twitter interactivity with an increase in our followers of 38%. Our communications work was targeted into cost effective digital marketing primarily and resulting in 78% of all traffic to our website being first time visitors.

In total, VSO Ireland media activity resulted in 6.5 million print and social media impressions and radio and television exposures.

**FINANCIAL REVIEW**

The statement of financial activities shows a surplus on unrestricted funds of €60,037. The strategic decision was taken to use this surplus to increase the level of our reserves, following the review of our reserves policy. The deficit on restricted funds of €253,148 arises on the phasing of programme expenditure.

VSO Ireland has a reserves policy in place that sets out the purpose of the unrestricted reserves being to: secure VSO Ireland's viability beyond the short term; insulating the charity against volatility in income and uncontrollable fluctuations in operating expenditure; and providing a means of absorbing setbacks or taking advantage of unexpected opportunities.

**Income**

Total incoming resources for the year totalled €2,371,135, which is an increase of €394,629 (20%) on the previous year (2011: €1,976,506).

VSO Ireland works in close collaboration with the Department of Foreign Affairs (Irish Aid). Irish Aid restructured its programme funding schemes and realigned all grants to a calendar year funding period. The grant period for the Irish Aid funding of the VSO RAISA programme finished in May 2011. VSO Ireland received a six month grant of €480,000 to cover the period from June to December 2011. VSO Ireland is appreciative of Irish Aid for its continued support.

We value Irish Aid's support as a major donor and recognise that it is beneficial for us and for Irish Aid to have a more diverse portfolio of income streams. With increased core funding from VSO International we embarked on a programme of increased investment in our fundraising in order to grow our overall income and change our donor profile. One of our primary investment areas has been in individual giving following a successful test of the Irish market. In the financial year our income received from individual giving was €286,447.

During the year VSO Ireland raised unrestricted grants and donations of €358,118 and donations in kind of €92,645.

**Expenditure**

In accordance with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), charitable expenditure is presented in accordance with VSO Ireland's cost of generating funds and charitable activities. This has been achieved through the direct allocation of costs to activities undertaken, together with the indirect allocation of costs where they cannot be directly attributed to a single charitable activity.

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**DIRECTORS' REPORT (CONTINUED)**

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**Expenditure**

The charity spent €1,343,708 on charitable activities, amounting to 54% of our total expenditure. This year we have seen some changes in the expenditure levels to that of the previous years. Volunteer placement costs show a 59% decrease primarily due to the cost of volunteer Home Country Funded Allowances being charged directly to the country of placement. Overseas programme costs show a 20% reduction which reflects the reduction in the programme funding income.

The cost of generating funds has increased by 127%. This is as a result of the planned investment in fundraising in particular the investment in the individual giving campaigns in order to diversify our income. On the face of the accounts the cost of generating funds is shown between:

- voluntary income €251,377
- individual giving campaigns €842,946

VSO international funded the investment in individual giving by means of a grant as shown separately in the income section.

Governance costs show an increase of 79% mainly due to the additional investment of staff time in the application to full Federation Membership and broadening our governance as part of a global development organisation.

**PLANS FOR THE FUTURE**

2012/13 takes us into the second year of the VSO Ireland strategy 2011-2016. We have undertaken to reflect and examine all aspects of how we as an organisation perform. Areas being addressed include;

- Being an open, transparent and accountable organisation where people have clarity on responsibilities, accountabilities and values
- Governance review (in line with the recommendations in the Code of Practice for Good Governance for the Community, Voluntary and Charity Organisations in Ireland and Irish Development NGOs Code of Corporate Governance)
- Growing and diversifying VSO Ireland's income in line with ICTR Guidance Principles for Fundraising
- Increasing staff welfare and productivity by improvement performance management systems and quarterly reporting
- Raise awareness of our development work and volunteer programme amongst the Irish public
- Strengthening our role within a unified global organisation based on an effective governance structure, with credibility and influence as an international development agency

We will continue to be transparent and to hold ourselves accountable to our stakeholders throughout the coming year. By doing this we will build on our core strengths by becoming a more responsive, efficient and cost-effective organisation that brings positive changes to the lives of poor and marginalised people.

**RESULTS AND DIVIDENDS**

The results for the year are set out on page 16.

**DIRECTORS**

The present membership of the board is as listed on the 'Directors and other information' page.

**BOOKS OF ACCOUNT**

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with 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. To this end we maintain all source documentation and ensure the employment of competent accounting personnel and appropriate expertise and the provision of adequate resources to the financial function. Our books and records are maintained at our office 13-17 Dawson Street Dublin 2.

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**DIRECTORS' REPORT (CONTINUED)**

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**POLITICAL DONATIONS**

During the year the company contributed €Nil to political parties.

**AUDITORS**

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

Signed on behalf of the Board:

  
Roger Duggan  
Director

  
Hilary McDonagh  
Director

20 September 2012

**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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Irish company law requires the directors 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 surplus or deficit of the company for that period. In preparing those financial statements, the directors 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 directors 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED  
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We have audited the financial statements of Voluntary Service Overseas (Ireland) Limited for the year ended 31 March 2012 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 15. 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 directors and auditors**

The directors are responsible for preparing the financial statements, as set out in the Statement of Directors' 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 2012. 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 Directors' Report 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 directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to other information.

**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 directors 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  
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**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 March 2012 and of the net outgoing resources for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Thomas Cassin  
For and on behalf of Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Dublin

Date: 30 January 2013

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**STATEMENT OF ACCOUNTING POLICIES**

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The significant accounting policies adopted by the company are as follows:

**BASIS OF PREPARATION**

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and Irish statute comprising the Companies Acts, 1963 to 2012. Furthermore the financial statements are presented in recognition of best practice for charities (Statement of Recommended Practice, revised 2005).

**GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, for this reason, they continue to adopt the going concern basis in preparing the financial statements.

**RECOGNITION OF INCOME**

- (i) Grant income from operating activities, in furtherance of the charity's programmes is accounted for on a receivable basis.
- (ii) Public donations and similar income arising from fundraising events and activities are accounted for when received. As with many charitable organisations, independent groups and individuals from time to time organise fundraising activities. 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 the company.
- (iii) Donations in kind such as services rendered to the company are recognised in income with an equal amount being charged against expenditure where valuations can be measured with confidence. Valuations of donations in kind are based on the unit cost to the donor. If such a valuation is not available, reasonable market rates are used.
- (iv) Interest income is recognised in the period in which it is earned.

**RECOGNITION OF EXPENDITURE**

- (i) Expenditure is analysed between the activities in furtherance of the charity's objects, cost of generating funds and governance costs.
- (ii) The costs of each activity have been separately accumulated and disclosed. Expenditure is recognised in the period to which it relates. Expenditure incurred but unpaid at the balance sheet date is included in accruals and other creditors. Charitable expenditure comprises all expenditure incurred by the charity in meeting its charitable objectives as opposed to the costs of raising funds to finance these activities. Any publicity costs are included under the costs of generating funds due to the nature of the costs being linked to the raising of funds in furtherance of the charity's objects.
- (iii) Expenditure in project locations overseas is recognised as charitable expenditure in the period it occurs.
- (iv) Governance costs are the costs associated with the stewardship arrangements of the company. They comprise costs arising from constitutional and statutory obligations, as well as costs associated with the strategic management of the company's activities. Typical costs would be internal and external audit, and legal fees.

**TAXATION**

The company, having charitable status is not subject to corporation tax.

Expenditure recorded included VAT where applicable as the company is classified as an exempt entity for VAT purposes.

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**STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

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**FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Revenues, costs and non-monetary assets are translated at the exchange rates ruling at the dates of the transactions. The resulting surplus and deficit are dealt with in the statement of financial activities.

**PENSIONS**

The pension costs charged in the financial statements represent the contribution payable by the company during the year to Personal Retirement Savings Accounts (PRSAs) for staff.

**RESTRICTED AND UNRESTRICTED FUNDS**

Voluntary Service Overseas (Ireland) Limited maintains various types of funds as follows:

**Restricted income fund:**

The Restricted income fund represents income, which has been received and recognised in the financial statements, which is subject to specific conditions imposed by the donors or grant making institutions. Donations or grants may become repayable in the event that the conditions of the related agreements are not adhered to.

**General fund:**

The General fund: represents amounts which are expendable at the discretion of the company in furtherance of the objects of the charity. Such funds may be held in order to finance working capital or capital investment.

Voluntary Service Overseas (Ireland) Limited holds reserves for the following purposes:

- (i) To allow for uncontrollable fluctuations in income and expenditure and for unbudgeted essential expenditure, without disproportionate disruption to operations.
- (ii) To absorb setbacks and the (adverse) effects of large scale external events.
- (iii) To take advantage of unbudgeted opportunities which cannot effectively be planned in future financial periods.

Designated funds: Voluntary Service Overseas (Ireland) Limited may at its discretion and/or with the agreement of the original donors of the funds, set aside funds for specific purposes in the furtherance of the charity's objects, which would otherwise form part of the general reserves of the organisation.

**OPERATING LEASES**

Rentals in respect of operating leases are charged to the Statement of Financial Activities as incurred.

**TANGIBLE FIXED ASSETS AND DEPRECIATION**

All tangible fixed assets are initially recorded at historic cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset systematically over its expected useful life, as follows:

Fixtures, fittings and equipment	-	15% straight line
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**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING A SHARE CAPITAL)**


**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2012**

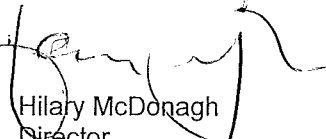
	Notes	Unrestricted Funds 2012 €	Restricted Funds 2012 €	Total Funds 2012 €	Total Funds 2011 €
<b>Incoming resources:</b>					
<i>Incoming resources from generated funds:</i>					
Grant income	1	628,335	-	628,335	714,775
Voluntary income		330,948	10,028	340,976	197,228
Donations in kind		92,645	-	92,645	32,018
Bank interest		39	22,385	22,424	17,896
Other income – VSO International investment grant		803,755	-	803,755	-
<i>Income resources from charitable activities:</i>					
Grant income – Irish Aid		27,170	452,830	480,000	960,000
Grant income	1	-	3,000	3,000	54,589
<b>Total incoming resources</b>		<b>1,882,892</b>	<b>488,243</b>	<b>2,371,135</b>	<b>1,976,506</b>
<b>Resources expended:</b>					
Cost of generating funds					
- cost of generating voluntary income		(214,361)	(37,016)	(251,377)	(481,764)
- other costs		(842,946)	-	(842,946)	-
Charitable activities	2	(639,333)	(704,375)	(1,343,708)	(1,704,437)
Governance costs		(126,215)	-	(126,215)	(70,333)
<b>Total resources expended</b>		<b>(1,822,855)</b>	<b>(741,391)</b>	<b>(2,564,246)</b>	<b>(2,256,534)</b>
<b>Net incoming/(outgoing) resources</b>	3	<b>60,037</b>	<b>(253,148)</b>	<b>(193,111)</b>	<b>(280,028)</b>
Total funds brought forward	10	110,185	296,333	406,518	686,546
<b>Total funds carried forward</b>	10	<b>170,222</b>	<b>43,185</b>	<b>213,407</b>	<b>406,518</b>

All the above results are derived from continuing activities.

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 Directors on 20 September 2012 and signed on its behalf by:

  
 Roger Duggan  
 Director

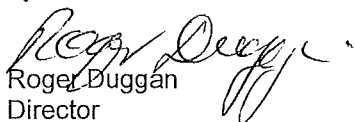
  
 Hilary McDonagh  
 Director

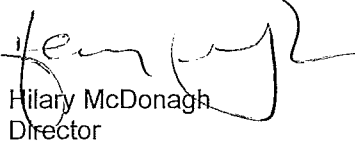
**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING A SHARE CAPITAL)**

**BALANCE SHEET AS AT 31 MARCH 2012**

	<i>Notes</i>	<b>2012</b> €	<b>2011</b> €
<b>FIXED ASSETS</b>			
Tangible assets	7	<b>5,535</b>	6,823
<b>CURRENT ASSETS</b>			
Debtors	8	<b>43,086</b>	34,972
Cash at bank and in hand		<b>336,544</b>	954,406
		<b>379,630</b>	989,378
<b>CREDITORS: (Amounts falling due within one year)</b>	9	<b>(171,758)</b>	(589,683)
<b>NET CURRENT ASSETS</b>		<b>207,872</b>	399,695
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>213,407</b>	406,518
<b>NET ASSETS</b>		<b>213,407</b>	406,518
<b>REPRESENTED BY:</b>			
General fund	10	<b>170,222</b>	110,185
Restricted income fund	10	<b>43,185</b>	296,333
<b>TOTAL FUNDS</b>		<b>213,407</b>	406,518

The financial statements were approved by the Board of Directors on 20 September 2012 and signed on its behalf by:

  
 Roger Duggan  
 Director

  
 Hilary McDonagh  
 Director

**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2012**

	<i>Notes</i>	<b>2012</b> €	<b>2011</b> €
<b>Net cash flow from operating activities</b>	<b>11</b>	<b>(640,286)</b>	<b>88,850</b>
<b>Returns on investment and servicing of finance:</b>			
Interest received		<b>22,424</b>	<b>17,896</b>
Net cash inflow from returns on investments and servicing of finance		<b>22,424</b>	<b>17,896</b>
<b>Capital expenditure and financial investment</b>			
Purchase of fixed assets		-	<b>(7,232)</b>
Net cash outflow from capital expenditure and financial investment		-	<b>(7,232)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>12</b>	<b>(617,862)</b>	<b>99,514</b>

**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING A SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**1. GRANT INCOME**

Grant income is received from various organisations and is analysed as follows:

	2012 €	2011 €
VSO International – core grant	628,335	714,775
Bishops' Appeal	-	12,000
Other	-	42,589
INTO	3,000	-
	<u>631,335</u>	<u>769,364</u>

**2. CHARITABLE ACTIVITIES**

Expenditure on charitable activities is analysed as follows:

	2012 €	2011 €
Volunteer placements	94,044	230,690
Volunteer recruitment	230,021	199,507
Overseas programmes	1,019,643	1,274,240
	<u>1,343,708</u>	<u>1,704,437</u>

**3. NET OUTGOING RESOURCES**

Net incoming resources for the year is arrived at after charging/(crediting):

	2012 €	2011 €
Operating leases	41,066	41,477
Interest earned	(22,424)	(17,896)
Depreciation	1,288	1,288
Loss on disposal of tangible assets	-	1,210
	<u></u>	<u></u>

Auditor's remuneration (including VAT):

	2012 €	2011 €
- Audit	7,500	7,500
- Tax advisory services	-	-
- Other assurance services	-	-
- Other non-audit services	-	-
	<u></u>	<u></u>

**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**4. EMPLOYEES**

**Number of employees**

The average monthly number of employees during the year was:

Full time  
 Part time

**2012**  
**Number**

**2011**  
**Number**

**6**  
**4**

**6**  
**2**

**10**

**8**

The aggregate payroll costs of these persons were as follows:

Wages and salaries  
 Social welfare costs  
 Pension costs

**2012**  
**€**

**2011**  
**€**

**460,981**  
**49,317**  
**14,875**

**377,347**  
**39,590**  
**14,010**

**525,173**

**430,947**

**5. PENSION COSTS**

VSO Ireland Limited facilitates a PRSA scheme on behalf of all its employees. The pension charge represents contributions paid or payable by the company and amounted to €14,875 (2011: €14,010). Amounts payable at the year-end were €2,143 (2011: € 2,040).

**6. TAXATION**

The company is exempt from Corporation Tax due to its charitable status.

**7. TANGIBLE FIXED ASSETS**

**Fixtures**  
**Fittings and equipment**  
**€**

**Cost**

At 1 April 2011 and at 31 March 2012

**8,586**

**Depreciation**

At 1 April 2011.

**1,763**

Charge for the year

**1,288**

**At 31 March 2012**

**3,051**

**Net book values:**

**At 31 March 2012**

**5,535**

**At 31 March 2011**

**6,823**

**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2012**

8.	DEBTORS	2012	2011	
		€	€	
	Amounts owed by related undertakings	20,212	-	
	Other debtors	11,390	22,607	
	Prepayments and accrued income	11,484	12,365	
		<u>43,086</u>	<u>34,972</u>	
9.	CREDITORS: (Amounts falling due within one year)	2012	2011	
		€	€	
	Trade creditors	121,930	-	
	Amounts owed to related undertakings	18,316	18,724	
	PAYE and social welfare	15,031	15,366	
	Accrued restricted expenditure	-	451,664	
	Accruals and deferred income	16,481	103,929	
		<u>171,758</u>	<u>589,683</u>	
10.	STATEMENT OF MOVEMENT ON FUNDS			
		Restricted		
	General	Income		
	Fund	Fund	Total	
	€	€	€	
	At 1 April 2011	110,185	296,333	406,518
	Net incoming/(outgoing) resources	60,037	(253,148)	(193,111)
	<u>At 31 March 2012</u>	<u>170,222</u>	<u>43,185</u>	<u>213,407</u>

The balances on restricted funds at 31 March 2012 represent expenditure on overseas programmes to be incurred during the next financial year.

**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**10. STATEMENT OF MOVEMENT ON FUNDS (CONTINUED)**

	Balance at 01/04/2011 €	Restricted Income €	Restricted Expenditure €	Balance at 31/03/2012 €
Bank interest	37,540	22,385	(31,500)	28,425
Cambodia	12,000	-	(5,646)	6,354
INTO	-	3,000	-	3,000
Malawi	72	-	(31)	41
Pakistan	2,777	70	(2,847)	-
Irish Aid	243,944	452,830	(695,851)	923
RAISA Fundraising	-	9,958	(5,516)	4,442
<b>Total Restricted Funds</b>	<b>296,333</b>	<b>488,243</b>	<b>(741,391)</b>	<b>43,185</b>

**11. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2012 €	2011 €
Outgoing resources in the period	(193,111)	(280,028)
Depreciation	1,288	1,288
Bank interest	(22,424)	(17,896)
Loss on disposal of tangible assets	-	1,210
(Increase)/decrease in debtors	(8,114)	260
(Decrease)/increase in creditors and accruals	(417,925)	384,016
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(640,286)</b>	<b>88,850</b>

**12. ANALYSIS OF CHANGES IN NET FUNDS**

	Opening Balance €	Cash flow €	Closing Balance €
Cash on hand and at bank	954,406	(617,862)	336,544

**13. RELATED PARTY TRANSACTIONS**

Voluntary Service Overseas Limited, a company registered in the United Kingdom, provided funding of €1,432,090 (2011: €714,775) to Voluntary Service Overseas (Ireland) Limited during the year. At the year end, Voluntary Service Overseas (Ireland) Limited was owed €20,212 from Voluntary Service Overseas Limited and owed Voluntary Service Overseas (International) Limited €18,316 (2011: Voluntary Services Overseas (Ireland) Limited owed €18,724 to Voluntary Services Overseas Limited).

**VOLUNTARY SERVICE OVERSEAS (IRELAND) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2012**

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**14. COMMITMENTS**

The company had no capital commitments at the year end.

Annual commitments exist under operating leases as follows:

	Buildings	Equipment	Total
Within one year	-	440	440
Within two to five years	41,476	1,346	42,822
After five years	-	-	-
	<hr/>	<hr/>	<hr/>

**15. COMPANY LIMITED BY GUARANTEE**

Paragraph 4 of the memorandum of association states:

'Every member of the Company undertakes to contribute to the assets of the company in the event of its being wound up, while he/she is a member or within one year afterwards for the payments of the debts and liabilities of the Company contracted before he/she ceases to be a member and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amounts as may be required not exceeding €1.00.'