



**Annual Report and Financial Statements
for the year ended 30th June 2009**

Front cover photo shows Children in the Xcaman Scunnin Project, Mexico where 20% of the sponsored children are sponsored through ChildFund Ireland.

TABLE OF CONTENTS

	Page
A Foreword from the Chairman	1
Legal and Administrative Information	2
Directors' Report	3-15
Independent Auditors' Report	16-17
Income and Expenditure Account	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Financial Statements	21-29

A foreword from the Chairman



It has been an honour for me to have completed my first year as Chairman of ChildFund Ireland in what was a demanding year for the organisation and for the overseas aid sector in general.

We have faced a number of challenges, many of which were outside our direct control, that have impacted on the organisation in a significant manner. The deterioration in the economy has meant that the government has had to take measures to ensure the stabilisation of the public finances. While we appreciate the necessity for such measures we greatly regret that the overseas aid budget was so strongly impacted in 2009. Despite their resilience and positivity, we know that children need food, clothing, education, health care and protection to develop properly. The alternative is destitution and desperation. Such large ODA cuts will further set back our efforts to break the cycle of poverty in the communities we support. My Board and I look forward

to the government meeting its commitment to resuming the expansion of the programme and reaching the UN target of 0.7% of GNI by 2012.

Despite the decline in the economy, however, I am pleased to report that ChildFund Ireland's results for the financial year showed a modest increase in both sponsorship income and other donations from sponsors. During the year, ChildFund Ireland was approved by Irish Aid as a recipient of the multi-annual block grant scheme and this achievement has provided the organisation with predicted funding of €2.2 million over the next three years.

ChildFund Ireland's vision is of a world that respects the dignity and worth of each child; enables child participation; promotes well-being, hope, and resilience for children and families; and creates positive venues for social development. To achieve this vision, ChildFund works in close collaboration with children and strengthens family, community, and societal systems that support children's healthy development and protection amidst difficult circumstances caused by poverty, social exclusion, or humanitarian crisis.

During the year under review, I had the privilege of welcoming Dr Suzie Coughlan - a Senior Clinical Scientist at the National Virus Reference Laboratory in University College Dublin - to the Board of Directors of ChildFund Ireland.

I would, of course, like to thank all of our sponsors for their continued support over the past year and the staff in Irish Aid for their tireless work during these tough budgetary times. I wish to pay particular tribute to my fellow board members for their commitment during the year and to our Chief Executive Officer, Michael Kiely, and his professional and dedicated staff at ChildFund Ireland.

Shay O'Malley

5th November 2009

CHILDFUND IRELAND - LEGAL AND ADMINISTRATIVE INFORMATION

Legal Status

ChildFund Ireland is an Irish Company incorporated under the Companies Acts, 1963 to 2009, which is limited by guarantee, with no share capital.

Related Organisations

ChildFund Ireland is a member of ChildFund Alliance and has partnerships with other organisations within the group.

ChildFund Alliance is a Global Force for Children and has other member offices in Australia, Canada, Denmark, France, Germany, Japan, Korea, New Zealand, Sweden, Taiwan and The United States of America. For more information www.childfundalliance.org

Directors

Shay O'Malley
Gerald Doherty
Eithne Larkin
William Galvin
Ciaran Fitzgerald
John Goulding
Darach Brennan
Suzie Coughlan

Secretary and Chief Executive - Michael Kiely.

Company Registration Number - 180911.

Charity Registration Number - CHY 11742.

Registered Office - 63 Lower Mount Street, Dublin 2.

Auditors - Gannon Kirwan & Company
Chartered Accountants & Registered Auditors, 85 Upper Georges Street, Dun Laoghaire, Co. Dublin.

Bankers - Bank of Ireland, O'Connell Street, Dublin 1.

Solicitors - Gleeson, McGrath & Baldwin, 29 Anglesea Street, Dublin 2.

ChildFund Ireland – Directors Report for the year ended 30th June 2009

Introduction

The Directors of ChildFund Ireland are pleased to present their annual report and financial statements for the year ended 30th June 2009.

ChildFund Ireland is a private company limited by guarantee with no share capital. It became operational in 1996 and is recognised by the Revenue Commissioners as a charity (No. CHY 11742). The Company Directors are the trustees for charitable purposes.

Mission Statement

ChildFund Ireland's mission is to work with children, their families and communities in order to develop an enabling environment where children's basic needs are met and their rights are promoted and respected.

Strategic Planning

The 2009 - 2013 Strategic Plan was completed during the period under review and was approved by the Board of Directors at the Annual General Meeting on 30th October 2008. The process was lead by the Executive Team with support from an external consultant. Opinions of stakeholders, including the directors and implementing partners, were also invited. The overall goal of the new strategic plan is to expand and sustain an effective programme, which addresses the rights of children in need in developing countries.

The three linked themes identified are reinforced by a specific focus on care and protection of children in emergency and development responses:

1. Strengthening the capacity of ChildFund Ireland.
2. Maximising the effectiveness of programme support to children in developing countries.
3. Expanding and consolidating partnerships within the ChildFund Alliance.

ChildFund Ireland targets children who are living in extremely difficult circumstances as a result of poverty and/or conflict. Children's rights are addressed through an integrated programme approach which combines early childhood development, education, income generation, health, sanitation and nutrition. Concentration is placed on the holistic development of the child within his/her family and community, and communities are empowered to take responsibility for the development of their children.



School children smile for the camera in the village of Gbarquata, Gborpolu County in Western Liberia.



ChildFund Ireland is a member of the ChildFund Alliance, a global force for Children with members in Australia, Canada, Denmark, France, Germany, Ireland, Japan, Korea, New Zealand, Sweden, Taiwan and United States of America.

Members of the ChildFund Alliance must partake in an accreditation process and reach required standards in programme, finance, fundraising and governance. It is proposed that ChildFund Ireland will be accredited in 2009.

ChildFund Ireland's main implementing partner in the ChildFund Alliance is ChildFund International (formerly Christian Children's Fund USA) who, in 2001, embarked on a ten-year process of strategic development, with the overall aim of becoming a "Leader for Children".

ChildFund Ireland also supports children through sponsorship within the BORNEfonden (Denmark) and EveryChild (UK) programmes.

ChildFund Ireland is committed to a high level of participation within ChildFund Alliance functions, committees and working groups as follows...

- Our former Chairperson remains a member on the seven-member Executive Committee
- CEO is a member of the CEO's Forum and is the CEO Forum's link to the Sponsor Relations Working Committee
- CEO is a former member of the Programme Standards Committee that developed the Standards for the Accreditation process
- CEO is a former Co-Chair of the ChildFund Alliance Emergency Response Task Force that developed the Humanitarian Assistance Coordination Unit (HACU)
- Programme and Grants Manager is ChildFund Ireland's representative on HACU and is also Co-Chair of the Grants Support Network (GSN)
- Programme and Grants Manager is a member of an Accreditation Review Team (ART)
- Financial and Sponsors Relations Manager is a member of the Sponsor Relations Working Committee



ChildFund Alliance Representatives pictured at the Annual General Meeting November 2008.

PROGRAMMES

In November 2008, ChildFund Ireland was delighted to be awarded €2,595,000 in block grant funding by Ireland's overseas aid division, Irish Aid, over a three-year period. Representing programme funding of €865,000 for each year, the award came following a long period of planning and organisational assessment, and was based heavily on our strong track record with Irish Aid. The block grant funding mechanism was developed by Irish Aid, in an effort to provide multi-annual predictable funding to support long - term development activities.

The amount awarded was lower than initially indicated, reflecting the general economic downturn. In May 2009, we were notified that the block grant for this year would be reduced by a further 20%, in common with all other block grant recipients. This has had a significant impact on existing and proposed new projects.

As a member of Dochas, the Irish association of non-governmental development organisations, ChildFund Ireland has supported the campaign for an end to cuts in the overseas aid budget, which are now well in excess of the reduction in national income, estimated to be around 8%. The real victims of the global crisis are those in the poorest countries. Reducing aid to these communities at this time simply makes their situation more desperate.

The block grant programme aims to strengthen sustainable community support systems that promote child protection, development and equality in communities in five countries across Africa - in Uganda, Ethiopia, Mozambique, Zambia and Guinea. The programme builds on our current activities that place families and communities at the centre of development. Working with community leaders and with local and national government, we are helping local partners to develop and scale up comprehensive care and support services that address material, health, social and emotional needs, focussing to a large extent on orphans and other vulnerable children.

Programme Development and Implementation

ChildFund programmes for children are based on the life cycle, with three main stages – at the first stage, programmes focus on providing a health - start to life, in order to ensure healthy and secure infants; the next stage focuses on programming, to support the development of educated and confident children; the last stage is geared towards skilled and involved youth, in order to enable a productive transition to adulthood.

Programmes operate in a holistic, integrated way to maximise the transfer of knowledge, skills and resources to affiliated communities and beneficiary groups. ChildFund concentrates on the following activities: Early Childhood Development; Education; Emergencies; Micro-Enterprise/Finance; Health and Sanitation; and Nutrition. Programmes are funded through sponsorship funds and through grants received from donors such as Irish Aid. Empowerment of communities and families lies at the core of the programmes.

Protecting Vulnerable Children

ChildFund members are committed to the promotion of children's rights, the creation of safe, protective environments for children and the prevention of all forms of child exploitation, harm, neglect and abuse, including gender based violence. In all our work, we strive to design and implement programmes that protect children and set the highest expectations for staff, sponsors, volunteers and interns.

The promotion of a protective environment is common in all ChildFund Ireland supported programmes, and it aims to remove, or at least manage, the development obstacles faced by many of the most vulnerable children in our programme locations. Programmes are integrated and include a range of components such as health, nutrition, education, skills development and psycho-social activities.



ChildFund Ethiopia staff member, Sr. Bogalech, with a trainee in the tailoring training centre in Addis Ababa.

ChildFund facilitates the creation of a safe environment that promotes the dignity and worth of each child, regardless of ethnicity, race, colour, language, religion, opinion, gender, origins, birth status, ability, or membership of a particular group. We recognise that children are active and competent contributors to their own development, with the right to participate in decisions affecting their lives in accordance with their evolving capacities. We encourage the empowerment of children to develop capacities for self-protection, and advocate on their own behalf for issues that concern them.



Mozambique: Mavila School gardening programme - student Assucena Melia planting a citrus tree. The programme has a dual benefit – it teaches gardening skills to school children and provides them with nutritious fruits for consumption. Excess fruit is sold off with the income being ploughed back into the programme.

Children outside the small shop their mother (seen through shop window) has established as part of the income generating component of the Irish Aid funded programme for orphans and vulnerable children in Kolfe Keranyo, Addis Ababa, Ethiopia. Also in picture are Sr. Bogalech, the programme coordinator; ChildFund Ethiopia's Child Protection specialist, Eshetu Alemu; and ChildFund Ireland's Programme Manager, Pam McHugh.



Health Programmes

Another area of particular interest to ChildFund Ireland is maternal and child health, taking an integrated approach to its delivery. Many of the communities in which we work across Africa are faced with inadequate levels of pre-natal and post-natal health care, and the increasingly high incidence of malaria, diarrhoea and acute respiratory infections, as well as malnutrition, which causes high mortality among children.



Mozambique: Children in Mavila at meeting with hygiene activists. The activists are volunteers who teach people in their own communities about the basic of good hygiene.

Cultural, community, family and individual belief systems, practices, and policies contribute immensely to the high incidence of infant mortality and morbidity, as does the impact of HIV and AIDS, malaria and tuberculosis.

The response takes into account that both physical and mental well-being are essential for a child's healthy development. It supports treatment of diseases such as malaria and diarrhoea, while also addressing issues such as gender based violence (which includes child marriage, female genital mutilation, and domestic violence), preventing the spread of HIV and AIDS, and promoting hygiene.

Other components of integrated health programmes include immunisation; ante and post - natal care for mothers, in an effort to reduce risks and prevent complications in child birth and pregnancy; nutrition programmes to improve children's health status; youth reproductive health programmes aimed at delaying pregnancy and reducing the spread of sexually - transmitted diseases including HIV; and programmes to provide clean water and proper sanitation facilities.



Community members drawing water from a new borehole, provided by ChildFund Ireland sponsors in Chitamalesa, Zambia.

Mainstreaming core issues throughout the organisation's programmes

The theme of child protection and well-being is the consistent thread that runs throughout all of ChildFund's work. We believe that child poverty results in discrimination, abuse, neglect and injustice and, therefore, it is important to deliver an integrated programmatic response that improves a child's physical, social and emotional well being. A particular emphasis is placed on vulnerable groups such as minorities, the very poor, girls and women, and children with special needs.

HIV and gender are other issues that are addressed through ChildFund supported programmes. It is well established that the life of girls and women in the poorest communities is particularly hard. Girls are often kept home from school to help

mothers collect water and firewood, cook, clean and care for the family. Women are more susceptible to HIV transmission; maternal mortality rates are high; greater power imbalances exist between males and females; gender based violence, particularly in emergencies, can be very high. Early marriage exacerbates the problem. Through the use of participatory approaches, the security and dignity of women and children are promoted by listening carefully to their interpretation of their present reality and to their own ideas about solutions to their problems. The basic needs of girl mothers, who do not have the benefit of local protection mechanisms, are supported, and survivors of gender based violence are given a means to voice their needs. By focusing on gender inequalities, men and women can be helped to redress this imbalance and thereby ensure a better life for whole communities.



Key message for HIV prevention at Yeleken Project Office, Bweyale, Masindi, Uganda.

NEW APPROACH PROJECTS – BRIGHT FUTURES

Over the last number of years, one of our implementing partners, ChildFund International (formerly Christian's Children's Fund), has been working to improve its approach. The change means a greater focus on a child - oriented community development practice and a move away from the traditional approach to aid. From the outset, ChildFund Ireland has been actively involved in this change.

Roll-out Schedule:

The roll-out of the Bright Futures approach across the existing programmes may take from five to seven years to complete. At the end of June 2009, about 30% of all the children participating in ChildFund International activities were already benefitting from the new approach. Many traditional projects may never change for various reasons. However, these projects will continue until such time that the national office deems they should be phased out

Sponsorship Management:

The basic sponsorship processes have not changed in relation to correspondence and child registration: children still write the same number and type of letters, annual Child Progress Reports will continue to be sent to all sponsors, and children will be enrolled in the same manner as before.

The major difference is that new areas are significantly larger than traditional project areas. A Bright Future's area would normally have 3,000 to 5,000 enrolled children, whereas the traditional project has an average of around 700 children.

Programme Methodology and Practice:

Each area is guided by its three-year Area Strategic Plan. This plan is based on an extremely comprehensive planning process that involves: analysing the root causes of poverty; community assessment; identification of local assets/resources; development and prioritisation of programme plans and desired outputs and outcomes, etc...

The Area Strategic Plan is implemented through annual operating plans and budget. There is a review at the end of the period in preparation for the next cycle. ChildFund will work with communities in the area for four to five 3-year cycles and then withdraw by phasing out from the communities. At the end of each 3-year cycle, the area should be reaching greater levels of capacity and self-sustainability. When we withdraw from a community in the area, we may, depending on need, move to other communities in the same area to strengthen our network.

Programmes for Children:

In the areas using the new approach, there will be some changes - for instance, instead of an annual health check-up for an enrolled child, the new approach will support the capacity of the local government health unit in the community.

In education, a child in a traditional project might receive a set of school supplies, whereas in the new approach programme might be "child-friendly schools" which improve the quality of teacher training and the school installations, and/or ensure a qualified teacher is holding class five days a week. Although programmes are more of a community or collective intent in a New Approach area, children will benefit to a greater degree (although perhaps less directly) from the interventions.

Two such examples of projects supported by ChildFund Ireland are described hereunder:

Uganda

The Buwuda Child and Family Project in Jinja cares for 633 sponsored children, of whom Irish sponsors support 180. The programme is directed towards improved access to quality education, strengthened household capacities for food security and improved community health and sanitation.

Quality Education

ChildFund is helping the children improve their academic performances by offering enhanced school management courses to school officials, promoting affirmative actions for disadvantaged children, and strengthening early childhood care and development interventions. We are also improving the learning environment through the construction of staff quarters, class room blocks, and pit latrines. Refresher courses on child handling and counselling are provided to the teachers.

Community Health and Sanitation

The main thrust of our Health and HIV/AIDS programme is the enhancement of quality health services that are accessible, socially acceptable, and cost effective. We organise health education for families so that they can better care for their children. We also work with local partners to form support systems in each community for primary health care and hygiene. In addition, ChildFund enables families to have access to safe and clean water, and supports activities on malaria prevention and control.

ChildFund supports communities, households and individuals affected by HIV/AIDS through engaging in HIV/AIDS prevention, providing appropriate care and support, and focussing on orphans and vulnerable children.

Food Security

Our livelihood projects enhance the capacity of the communities to practice modern agriculture, natural resource management and income generation. The communities are encouraged to work in groups and these groups then work together to get their produce to the markets. Youth who have dropped out of school are supported in an apprenticeship and vocational training.

Partnership Building

ChildFund Uganda recently adopted a refined development philosophy. The approach promotes the leading role of children and youth in community development. Consequently, the Parents and Children and Youth Federations that have been put in place work in partnership with ChildFund, other local development agencies, and the private sector, to address the different faces and root causes of child poverty.

Brazil

During the period under review, ChildFund Ireland decided to increase its support to The Associacao Comunitaria de Padre Paraiso (ASCOPP) project in Brazil. The project is located in the city of Padre Paraiso, about 330 miles from Belo Horizonte, the capital of the state of Minas Gerais.

The city of Padre Paraiso is situated in the Jequitinhonha Valley, one of the poorest areas in the country. The majority of the population lives in the urban area, in suburban neighbourhoods, where unemployment is very high.

Continuing drought in rural areas encourages rural migration to larger cities. The family providers and older sons work in other states, on sugar cane or coffee plantations, for approximately six months of the year. Outside this, men usually work on local farms or in neighbouring towns, in mining or civil construction. Women work as house maids, washers or street cleaners.

Many poor families coming from the northeast region migrate to these cities, move into the outskirts of town, forming the slums. The Associacao Comunitaria de Padre Paraiso assists children, adolescents and families who live in very poor conditions. Most of the families have electricity, a latrine and running water. Parents have great difficulty in meeting their children's basic needs.

Programmes and Services

Associacao Comunitaria de Padre Paraiso assists children and adolescents up to 19 years of age. The project relies on a board formed by parents of the enrolled children, adolescents and volunteers, who, together with the Parents Counsel and a technical team, administer the activities.

Health

Medical assistance is provided in the local public health clinic. Lectures and courses are held with the families on basic health procedures, vaccinations, personal and environmental hygiene.

Community Development

The Community Agent Programme implemented in this area consists of parent leaders, and promotes basic health, sanitation, nutritional and educational activities, together with the families. It also follows up with children under the age of five on a monthly basis in regards to their weight and height, immunizations and nutrition.

Education

Children between the ages of three and six are involved in education and early stimulation activities, essential for their development as a whole. Children aged seven and upwards, who go to public schools, participate in daily activities orientated to "home-work". This programme works in shifts different from their school shifts and this helps to make good school grades. There is also vocational training, sporting activities, art and culture courses for the adolescents and youths.

The Toy Library/Little House of Culture is a space for gatherings and meetings with a socio-cultural proposition which aims to promote the development of the communities. This programme is offered to children, adolescents, youths and adults of all ages through games, music and story telling.



Community culture is a major factor in determining how children are raised and in providing a set of commonly understood norms, behaviours, and expectations for them. Misunderstanding community culture can prevent organisations from working effectively with these communities.



The photos illustrate the area located just 15 km from the current ASCOPP project. Thanks to the New Approach, this area will benefit from ASCOPP activities



Finance and Sponsor Relations Manager Elena Lorigan with the children of Padre Paraiso

Children playing their favourite game in Padre Paraiso Project in Brazil



ChildFund's Chief Executive Officer, Michael Kiely with Irish sponsored children in the Apoyo Infantil Hña Hñu Programme, Mexico.



Children taking part in hygiene activities in the San Francisco Curungueo Mazahuas Project, Mexico

GOVERNANCE

The charity is governed by the board of directors which is elected at the Annual General Meeting. The Board delegates the day – to – day management of the organisation to the Chief Executive and his staff. The board is committed to achieving high standards of governance. Board members do not receive any remuneration in respect of their services to the charity. Expenses are reimbursed where claimed. There have been no contracts or arrangements entered into during the financial year in which a Board member was materially interested or which were significant in relation to the charity's activities. The directors confirm that they have given all relevant information to the Auditors for the purpose of preparing the audit report.

FINANCIAL ACCOUNTABILITY

It is ChildFund Ireland's objective to ensure the highest degree of financial accountability and transparency. The organisation's principal source of income is regular monthly donations from sponsors in respect of individual children. At the end of each calendar year, each individual sponsor is forwarded an itemised statement of his/her donations throughout the previous twelve months. All conditions attached to grants received from the Irish Government and other donors are strictly adhered to.

RESULTS FOR THE PERIOD

Total income for the year ended 30th June 2009 amounted to €2,535,235 (30th June 2008 – €2,401,397) and the surplus for the year amounted to €23,157 (30th June 2008 – deficit €85,256):

At the balance sheet date the following reserves were held:

	2009	2008
Unrestricted funds	€237,171	€216,888
Restricted funds	<u>€ 24,415</u>	<u>€ 21,541</u>
	<u>€261,586</u>	<u>€238,429</u>

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of the financial statements in accordance with applicable Irish Law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of the 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 apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis;

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 2009 and all regulations construed to be as one with those Acts. 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have identified and assessed the following principal risks that affect the charity's work:

- the risk of a dramatic downturn in the level of donations;
- the risk of major and prolonged computer systems failure;
- compliance with company, health and safety, taxation and other legislation;

The charity mitigates these risks as follows:

- the charity continually monitors the level of activity, prepares and monitors its budgets targets and projections. The charity has a policy of maintaining significant cash reserves;

- the charity has full back up facilities for its systems and has a support contracts for both hardware and software with an independent third party;
- the charity closely monitors emerging changes to regulations and legislation on an ongoing basis;

DIRECTORS

During the period under review the directors of the company were:-

- Shay O'Malley - Appointed 27 July 2007. Appointed Chairman 30 Oct 2008
- Gerald Doherty - Appointed 23 September 2003
- Eithne Larkin - Appointed 2 June 2004
- William Galvin - Appointed 13 April 2005
- Ciaran Fitzgerald - Appointed 9 March 2006
- Darach Brennan - Appointed 27 July 2007
- John Goulding - Appointed 27 July 2007
- Suzie Coughlan - Appointed 23 July 2009
- Patricia Wall - Resigned 30 October 2008

On appointment, a Director may serve for a period of three years and is eligible to be reappointed for a further three years. A director is appointed Chairperson by his/her fellow directors for a period of two years and is eligible to be reappointed for a further two years. An EGM was held on 23 July 2009 and a special resolution was passed to amend the memorandum and articles of association to allow a director a seventh year in office if he/she is a member of a ChildFund Alliance committee.

DIRECTORS' INTERESTS

No Director has any interest in the Company's contracts nor any interest in the company's funds except that, on liquidation, each Director who is also a member of the Company, is liable to subscribe €1.27.

TAX STATUS

The charity is exempted by the Revenue Commissioners from the payment of income tax and corporation tax on its income. The charity is eligible under the "Scheme of Tax Relief for Donations to Eligible Charities and Approved Bodies under Section 848A Taxes Consolidation Act, 1997".

SUBSIDIARY/ASSOCIATED COMPANIES

At the Balance Sheet date the Company had no interest in any other Undertaking which would make that entity a Subsidiary or an Associated Undertaking.

AUDITORS

In accordance with Section 160(2) of the Companies Act, 1963 the auditors, Gannon Kirwan & Company, Chartered Accountants & Registered Auditors have indicated their willingness to continue in office.

POLITICAL CONTRIBUTIONS

The Electoral Act, 1997 requires companies to disclose all political donations over €5,079 in aggregate made during the financial year to a political party, member of either House of Oireachtas or representative in the European Parliament, or to any candidate for election to same. The directors, on enquiry, have satisfied themselves that no such donations have been made by the charity.

ACKNOWLEDGMENTS

The Board of Directors wishes to express its appreciation to all sponsors who have generously supported the organisation over the years. It also takes the opportunity to express its gratitude to staff and volunteers alike and all others who have helped the charity during the period.

The Board also wishes to acknowledge the financial support received from Irish Aid.

The Directors acknowledge the financial support of the Bank of Ireland Group Employees Fund for Third World Aid, the RTE One World Fund, ElectricAid and AWAS. ChildFund is very grateful to the staff of all four companies for their generosity in supporting very worthwhile projects.

The Board acknowledges the wonderful input to the marketing strategy of the three professional and hugely experienced marketing volunteers introduced to the organisation by Alternatives, a leading marketing training and recruitment agency.

The Board acknowledges the tireless work of Dóchas in their campaign against the ODA budget cuts and ChildFund Ireland is pleased to be a signatory to the Dóchas Code of Conduct on Images and Messages.

BOOKS OF ACCOUNT

The measures taken by the Directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel and the provision of adequate resources to the financial function. The books of account of the company are maintained at 63 Lower Mount Street, Dublin 2.

SUBSEQUENT EVENTS

There have been no events since the balance sheet date which necessitate revision of the financial statements or inclusion of a note thereto.

Signed on behalf of the Board:

Shay O'Malley
Chairman

Gerald Doherty
Director

5th November 2009

Independent Auditors Report to the Directors of ChildFund Ireland

We have audited the financial statements of ChildFund Ireland for the year ended the 30th June 2009 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the directors' report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards promulgated by the Auditing Practices Board (UK and Ireland) 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 the Companies Acts 1963 to 2009 and all Regulations construed to be as one with those Acts. 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 purposes of our audit and whether the company's balance sheet is in agreement with the books of account.

We also report, to the members 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 misstatements within it, or material inconsistencies with the financial statements.

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 also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at the 30th June 2009 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2009 and all Regulations construed to be as one with those Acts.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 3 to 16 is consistent with the financial statements.

Gannon Kirwan & Company
Chartered Accountants &
Registered Auditors
85 Upper Georges Street
Dun Laoghaire
Co. Dublin

5th November 2009

CHILDFUND IRELAND
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30TH JUNE 2009

	Notes	Unrestricted	Restricted Funds		Total	Total
		Funds	Sponsorships	Grants	2009	2008
		€	€	€	€	€
<u>Incoming Resources- (Continuing Activities)</u>						
Sponsorship Programmes	1.2	-	1,002,349	-	1,002,349	968,129
Designated Gifts	1.2	-	120,064	-	120,064	118,164
Income Tax refunds	1.5	324,243	-	-	324,243	215,168
Programme Support from ChildFund International		-	-	139,922	139,922	166,400
Programme Grants from Irish Aid		77,517	-	787,483	865,000	868,690
Other Income		24,729	-	31,618	56,347	54,063
Bank Deposit Interest		17,310	-	-	17,310	10,783
Total Incoming Resources		443,799	1,122,413	959,023	2,525,235	2,401,397
Transfer for Programme Support Cost (20% of Sponsorship)		200,470	(200,470)	-	-	-
		644,269	921,943	959,023	2,525,235	2,401,397
<u>Resources Expended</u>						
Sponsorship and Designated Gifts	1.3/2	-	919,069	-	919,069	912,069
Programme Expenditure	2	35,242	-	819,101	854,343	851,076
Programme Support Costs	2	103,276	-	72,828	176,104	131,663
Promotional Costs	2	30,305	-	67,094	97,399	174,894
Administrative Expenses	2	455,163	-	-	455,163	416,951
Total Resources Expended		(623,986)	(919,069)	(959,023)	(2,502,078)	(2,486,653)
Movement in funds						
Retained surplus/(deficit) for year		20,283	2,874	-	23,157	(85,256)
Total funds brought forward		216,888	21,541	-	238,429	323,685
Total funds carried forward		237,171	24,415	-	261,586	238,429

There are no recognised gains or losses other than the surplus/(deficit) for the above two financial years.

Shay O'Malley
Director and Chairman

Gerald Doherty
Director

The financial statements were approved by the Board of Directors on 5th November 2009.

**CHILDFUND IRELAND
BALANCE SHEET
AS AT 30TH JUNE 2009**

	Notes	€	<u>2009</u> €	€	<u>2008</u> €
<u>Fixed Assets</u>					
Tangible assets	5		20,373		29,206
<u>Current Assets</u>					
Debtors	6	106,354		204,206	
Cash at bank		1,034,655		428,375	
		1,141,009		632,581	
<u>Creditors: amounts falling due within one year</u>					
	7	(892,154)		(405,626)	
Net Current assets			<u>248,855</u>		<u>226,955</u>
Total Assets Less Current Liabilities			269,228		256,161
<u>Creditors: amounts falling due after more than one year</u>					
	8		(7,642)		(17,732)
Net assets			<u>261,586</u>		<u>238,429</u>
<u>Represented by:</u>					
Unrestricted funds			237,171		216,888
Restricted funds			24,415		21,541
			<u>261,586</u>		<u>238,429</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Shay O'Malley
Director and Chairman

Gerald Doherty
Director

The financial statements were approved by the Board of Directors on 5th November 2009.

**CHILDFUND IRELAND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	Notes	<u>2009</u> €	<u>2008</u> €
Reconciliation of operating Surplus/(deficit) to net cash inflow from operating activities			
Operating Surplus/(deficit)		23,157	(85,256)
Depreciation		10,963	10,877
Decrease in debtors		97,852	82,358
Increase / (Decrease) in creditors		486,528	(229,220)
Net cash inflow / (outflow) from operating activities		<u>618,500</u>	<u>(221,241)</u>
 Cash Flow Statement			
<u>Net cash inflow / (outflow) from operating activities</u>		618,500	(221,241)
Capital expenditure	13	(2,130)	(675)
		<u>616,370</u>	<u>(221,916)</u>
Financing	13	(10,090)	(10,090)
Increase / (Decrease) in cash in the year		<u>606,280</u>	<u>(232,006)</u>
 <u>Reconciliation of net cash flow to movement in net funds</u>			
Increase/(Decrease) in cash in the year		606,280	(232,006)
Cash outflow re hire purchase finance		10,090	10,090
Change in net funds resulting from cash flows		<u>616,370</u>	<u>(221,916)</u>
Net funds at 1st July		400,527	622,443
Net funds at 30th June	14	<u>1,016,897</u>	<u>400,527</u>

CHILDFUND IRELAND
NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

1. ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

The financial statements have been prepared to comply with "Accounting and Reporting by Charities - Statement of Recommended Practice" (Charities SORP), the revised statement of recommended practice issued by the Accounting Standards Board in 2000, and the Accounting Standards Board "Statement on Update Bulletin 1 of the Charities SORP" (revised 2005). Any variation from these statements has been fully disclosed and explained.

The financial statements have been also prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Fund Accounting

Sponsorship income is reduced by a calculated amount of deferrals representing sponsorship contributions received in advance. No accrual is made in respect of arrears arising on sponsorship contributions as these are not enforceable debts. All other income is accounted for on a receivable basis. The following funds are operated by the Charity.

(a) Restricted Funds

Restricted funds represent grants, donations and sponsorships received which can only be used for particular purposes specified by the donors or sponsorship programmes.

(b) Unrestricted Funds

General Funds represent amounts which are expendable at the discretion of Directors in furtherance of the objectives of the charity. Such funds may be held in order to finance working capital or capital expenditures.

1.3 Charitable Expenditure

Sponsorship expenditure comprises 80% of sponsorship income with the remaining 20% being transferred to unrestricted funds. Designated gifts comprise 100% of amounts received for that purpose.

1.4 Depreciation

Depreciation is provided on the cost of fixed assets at rates which are expected to reduce these assets to their residual value over their estimated useful lives at the following annual rates:-

Office equipment	-	20% Straight Line
Motor vehicle	-	20% Straight Line

CHILDFUND IRELAND
NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

1.5 Taxation

No charge to current or deferred taxation arises as exemption has been granted by the Revenue Commissioners. Irrecoverable value added tax is expensed as incurred. Income Tax refunds arising from sponsorships exceeding €250 per annum are included in unrestricted funds.

1.6. Comparatives

Comparatives have been restated where necessary.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.8. Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing 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 profits or losses are dealt with in the income and expenditure account.

1.9. Leases and Hire Purchase

Assets held under finance leases and hire purchase agreements are capitalised at the lower of the fair value of the assets or the present value of the future payments with an equivalent liability included in the balance sheet. The assets are depreciated over the shorter of their lease term or their estimated useful economic lives.

CHILDFUND IRELAND
NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

2.	<u>DIRECT CHARITABLE EXPENDITURE</u>	<u>2009</u> €	<u>2008</u> €
	<u>Monetary Expenditure</u>		
	Sponsorship Programmes	919,069	912,069
	Overseas relief and Development expenditure	854,343	851,076
		<u>1,773,412</u>	<u>1,763,145</u>
	<u>Programme Support Costs</u>		
	Payroll Costs	153,764	120,224
	Travel Costs	9,401	11,439
	Professional Fees	12,939	-
		<u>176,104</u>	<u>131,663</u>
	<u>Promotional Costs</u>		
	Media Campaigns	97,399	174,894
		<u>97,399</u>	<u>174,894</u>
	<u>Management and Administration</u>		
	Payroll costs	297,701	273,537
	International Travel and Subsistence	16,898	22,700
	Depreciation	10,963	10,877
	Auditor's Remuneration:		
	Audit Fees	9,112	10,890
	Non Audit Services	3,613	7,849
	Office/service costs	116,876	91,098
		<u>455,163</u>	<u>416,951</u>
3.	<u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	<u>2009</u> €	<u>2008</u> €
	Finance lease and hire purchase charges	<u>1,584</u>	<u>2,272</u>

CHILDFUND IRELAND
NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

4. EMPLOYEES AND REMUNERATION

4.1. Number and costs

The average number of employees during the year was 7 (2008 - 7).

Staff costs are comprised of:-

	<u>2009</u>	<u>2008</u>
	€	€
Salaries	395,077	344,108
Social welfare costs	41,998	36,570
Pension costs	14,390	13,083
	<u>451,465</u>	<u>393,761</u>

4.2. Salary Range

Three employees who are based in Ireland, earned remuneration in excess of €75,000 p.a. as follows:

	<u>2009</u>	<u>2008</u>
	Number	Number
€75,000 to €87,500	2	-
€87,501 to €100,000	-	-
€100,001 to €112,500	1	1

Remuneration includes salaries and benefit-in-kind but excludes employers pension contributions.

CHILDFUND IRELAND
NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

5. TANGIBLE FIXED ASSETS

	<u>Office</u>	<u>Motor</u>	<u>Total</u>
	<u>Equipment</u>	<u>Vehicle</u>	<u>€</u>
	€	€	€
<u>Cost</u>			
At 1st July 2008	23,558	40,648	64,206
Additions	2,130	-	2,130
Disposals	(9,824)	-	(9,824)
At 30th June 2009	<u>15,864</u>	<u>40,648</u>	<u>56,512</u>
<u>Depreciation</u>			
At 1st July 2008	18,740	16,260	35,000
On disposals	(9,824)	-	(9,824)
Charge for the year	2,833	8,130	10,963
At 30th June 2009	<u>11,749</u>	<u>24,390</u>	<u>36,139</u>
<u>Net book values</u>			
At 30th June 2009	<u>4,115</u>	<u>16,258</u>	<u>20,373</u>
At 30th June 2008	<u>4,818</u>	<u>24,388</u>	<u>29,206</u>

Included above are assets held under hire purchase contracts as follows:

Asset description	2009		2008	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	€	€	€	€
Motor vehicle	<u>16,258</u>	<u>8,130</u>	<u>24,388</u>	<u>8,130</u>

6. DEBTORS

	<u>2009</u>	<u>2008</u>
	€	€
Amounts falling due within one year:		
Income Tax Refunds	93,739	194,936
Prepayments	12,615	9,270
	<u>106,354</u>	<u>204,206</u>

CHILDFUND IRELAND
NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

7.	<u>CREDITORS: (Amounts falling due within one year)</u>	<u>2009</u> €	<u>2008</u> €
	Net obligations under Hire Purchase agreements	10,116	10,116
	Creditors and Accruals	30,829	32,798
	PAYE and Social Welfare	16,266	10,075
	Deferred Sponsorship Income	67,390	71,869
	Deferred Grant Support Costs	35,777	-
	Grant Expenditure	616,520	211,607
	GBV Administration	46,037	-
	Charitable Expenditure:		
	ChildFund International	67,177	66,505
	Everychild (formerly CCFGB)	1,766	2,344
	BORNEfonden, Denmark	276	312
		<u>892,154</u>	<u>405,626</u>
		<u>€</u>	<u>€</u>
8.	<u>CREDITORS: (AMOUNTS FALLING DUE AFTER MORE THAN 1 YEAR)</u>	<u>2009</u> €	<u>2008</u> €
	Net obligations under hire purchase agreements payable within 2-5 years	<u>7,642</u>	<u>17,732</u>

9. **MOVEMENTS IN FUNDS**

The movements in funds are classified in accordance with the organisation's accounting policies as follows:

	Balance at 30 June 08	Income	Programme Expenditure	Programme Support Costs	Balance at 30 June 09
	€	€	€	€	€
<u>Restricted Funds</u>					
<u>Grants Received : Irish Aid</u>	-	865,000	(787,483)	(77,517)	-
<u>Other Grants</u>	-	31,618	(31,618)	-	-
<u>ChildFund International</u>	-	139,922	(139,922)	-	-
<u>Sponsorships</u>	21,541	921,943	(919,069)	-	24,415
<u>Unrestricted Funds</u>	216,888	566,752	(623,986)	77,517	237,171
<u>Total Funds</u>	<u>238,429</u>	<u>2,525,235</u>	<u>2,502,078</u>	<u>-</u>	<u>261,586</u>

During the year there was a change in the way grants were received from Irish Aid. During 2008 ChildFund Ireland made a successful application to Irish Aid to receive block grant funding from the Civil Society Fund. On 14th November 2008 a contract between ChildFund Ireland and Irish Aid was signed which covered a three year period from 1st June 2008. Under this contract a budget and funding programme is agreed with Irish Aid covering numerous projects. Previously applications to Irish Aid were made on a project by project basis.

During the financial year €865,000 was received from Irish Aid in block grant funding. This amount, together with €380,107 held and previously advanced by Irish Aid in respect of projects ongoing at the 30th June 2008, is the amount available to fund all projects until 31st December 2009. Funding from Irish Aid is advanced on a calendar year basis.

The total amount of €1,245,107 has been allocated as follows:-

	€
Mozambique	221,031
Guinea	158,196
Zambia	200,665
Uganda	370,057
Ethiopia	171,272
Capacity building in project countries	23,500
Organisational Development	8,636
Monitoring and evaluation	33,750
Management support costs	58,000
	<u>1,245,107</u>

CHILDFUND IRELAND
NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

10. RELATED PARTY TRANSACTIONS

Related party transactions during the year were as follows:-

	<u>2009</u>	<u>2008</u>
	€	€
10.1 <u>Programme Expenditure</u>		
Amounts payable to other ChildFund Charities in respect of sponsorship programmes:-		
ChildFund International (Formerly CCF USA)	884,361	862,085
Everychild (Formerly CCF GB)	26,838	45,392
BORNEfonden of Denmark	4,391	4,592
	<u> </u>	<u> </u>
10.2 <u>Grant Income</u>		
ChildFund International	139,922	166,400
	<u> </u>	<u> </u>
10.3 <u>Directors Expenditure - Gerald Doherty</u>		
ChildFund Alliance AGM, Hanoi, Vietnam	-	1,567
ChildFund Alliance AGM Virginia USA	1,825	-
ChildFund Alliance Executive Committee meeting in Auckland, New Zealand.	2,147	-
ChildFund Alliance Board of Directors field visit Addis Ababa region, Ethiopia.	3,122	-
	<u> </u>	<u> </u>
	<u>7,094</u>	<u>1,567</u>

11. SHARE CAPITAL

ChildFund Ireland is a company limited by guarantee and not having a share capital.

12. COMMITMENTS AND CONTINGENT LIABILITIES

12.1 CAPITAL COMMITMENTS

There were no capital commitments outstanding at the balance sheet date (2008 - Nil).

12.2 CONTINGENT LIABILITIES

There were no contingent liabilities outstanding at the balance sheet date (2008 - Nil).

12.3 LEASING COMMITMENTS

Future operating lease commitments are payable as follows:-

	<u>2009</u>	<u>2008</u>
	€	€
Within one year	22,500	22,500
Within two to five years	90,000	90,000
After five years	22,500	45,000
	<u> </u>	<u> </u>
	<u>135,000</u>	<u>157,500</u>

CHILDFUND IRELAND
NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

13. GROSS CASH FLOWS

	<u>2009</u>	<u>2008</u>
	€	€
<u>Capital expenditure</u>		
Payments to acquire tangible assets	(2,130)	(675)
	<u> </u>	<u> </u>
<u>Financing</u>		
Capital element of hire purchase contracts	(10,090)	(10,090)
	<u> </u>	<u> </u>

14. ANALYSIS OF CHANGES IN NET FUNDS

	<u>Opening balance</u>	<u>Cash flows</u>	<u>Closing balance</u>
	€	€	€
Cash at bank	428,375	606,280	1,034,655
Finance leases and Hire Purchase	(27,848)	10,090	(17,758)
	<u> </u>	<u> </u>	<u> </u>
Net funds	<u>400,527</u>	<u>616,370</u>	<u>1,016,897</u>

15. PENSION

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund during the year and amounted to €14,390 (2008 - €13,083). There were nil amounts outstanding in respect of pensions at the Balance Sheet date (2008 - Nil).

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board and authorised for issue on the 5th November 2009.

Back cover photo shows Children resting in the Assoc Mineira Protecao Crianças, Belo Horizonte, Brazil



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