

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2016

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2016

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COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)

FINANCIAL STATEMENTS

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Miriam O'Regan
Nigel Locke
Ross Hunter Campbell
Graham Williams
Kenneth Frank Morgan
Moronke Gbadebo

SECRETARY

Amy Carter

COMPANY NUMBER

493955

CHARITY NUMBER

CHY19426

AUDITORS

Ormsby & Rhodes
Chartered Accountants
Registered Auditors
9 Clare Street
Dublin 2

BANKERS

Bank Of Ireland
College Green
Dublin 2

REGISTERED OFFICE

Suite 3
Eden Gate Centre
Delgany
Co Wicklow

BUSINESS ADDRESS

Suite 3
Eden Gate Centre
Delgany
Co. Wicklow

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
DIRECTORS REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their annual report and the audited financial statements for the year ended 30 June 2016.

This report and the financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Companies Act 2014.

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice ("Irish GAAP"). Under the company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and the directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at Suite 3, Eden Gate Centre, Delgany, Co. Wicklow.

RESULTS AND DIVIDENDS

The Directors are pleased to report that the number of children sponsored during the increased year by 150 to 781, growth of 23.8%.

The deficit for the year amounted to € 50,560 (2015: surplus of €28,968) as the charity used surplus reserves.

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
DIRECTORS REPORT

FOR THE YEAR ENDED 30 JUNE 2016

REVIEW OF THE BUSINESS

The company is an affiliate of Compassion UK Christian Child Development which was set up as a registered charity in 1999 as a funding partner country to Compassion International. Compassion Ireland operates as an independent organisation with its own Board of Directors. As one of the world's leading Christian child development ministries, Compassion is committed to eliminating the root causes of poverty around the world through child sponsorship and other fundraising activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have a risk management strategy which comprises an annual review of the risks the charity may face, the establishment of systems and procedures to mitigate the risks that have been identified, and the implementation of procedures to minimise any potential impact on the charity should those risks materialise.

Major risks are considered to be those that may have a significant impact on

- Operational performance, including risk to employees, volunteers, the children we support and our reputation;
- Financial sustainability, including stability and security of income;
- The achievement of our aims and objectives; and
- Meeting the expectations of those we support and of our partners.

DIRECTORS

In accordance with the Articles of association Nigel Locke and Miriam O'Regan retire by rotation and being eligible, offer themselves for re-election.

POST BALANCE SHEET EVENTS

There were no post balance sheet events which require disclosure.

FUTURE DEVELOPMENTS

The main activities of the company remain unchanged and the directors anticipate that any future developments would relate to these activities.

AUDITORS

The auditors, Ormsby & Rhodes, have indicated their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

TAXATION STATUS

The company is exempt from corporation tax due to its charitable status.

On behalf of the Board

Ross Hunter Campbell

Nigel Locke

Directors

2 December 2016

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT

We have audited the financial statements of Compassion Ireland Christian Child Development for the year ended 30 June 2016, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Restricted Funds and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the incoming resources and application of resources including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of the Companies Act 2014.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACT 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.

- The financial statements are in agreement with the accounting records.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

KATE MULLAHY

for and on behalf of
Ormsby & Rhodes

Chartered Accountants & Registered Auditors

9 Clare Street
Dublin 2
Date: 2 December 2016

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>Notes</u> | Unrestricted Funds € | Restricted Funds € | Total <u>2016</u> € | Total <u>2015</u> € |
|---|--------------|----------------------------|--------------------------|---------------------------|---------------------------|
| INCOMING RESOURCES | | | | | |
| Donations and legacies | 4 | 95,043 | 219,338 | 314,381 | 263,774 |
| Grant from Compassion UK | 4 | 35,000 | - | 35,000 | 48,000 |
| Charitable activities | | 826 | - | 826 | - |
| Total Incoming Resources | | <u>130,869</u> | <u>219,338</u> | <u>350,207</u> | <u>311,774</u> |
| RESOURCES EXPENDED | | | | | |
| Raising funds | 6 | 84,235 | - | 84,235 | 53,756 |
| Charitable activities | 8 | | | | |
| <i>Grant making activities</i> | 7 & 8 | 48,238 | 219,558 | 267,796 | 203,722 |
| <i>Child ministry costs</i> | 8 | 48,736 | - | 48,736 | 25,328 |
| Total Resources Expended | | <u>181,209</u> | <u>219,558</u> | <u>400,767</u> | <u>282,806</u> |
| | | | | | |
| Total Funds At The Beginning Of Year | | 102,823 | 283 | 103,106 | 74,138 |
| Net incoming resources- continuing activities | | <u>(50,340)</u> | <u>(220)</u> | <u>(50,560)</u> | 28,968 |
| Total funds at 30 June 2016 | 13 | <u>52,483</u> | <u>63</u> | <u>52,546</u> | <u>103,106</u> |

There are no recognised gains or losses other than those disclosed above and there have been no discontinued activities or acquisitions in the current year.

On behalf of the Board

Ross Hunter Campbell

Nigel Locke

Directors

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)

BALANCE SHEET

30 JUNE 2016

| | <u>Note</u> | <u>2016</u> | | <u>2015</u> | |
|---|-------------|-----------------|---------------|-------------|-------------|
| | | € | € | € | € |
| CURRENT ASSETS | | | | | |
| Debtors | <i>10</i> | 4,069 | | 1,275 | |
| Cash at bank and in hand | | 147,270 | | 132,345 | |
| | | <hr/> | | <hr/> | |
| | | 151,339 | | 133,620 | |
| CREDITORS: amounts falling due within one year | | | | | |
| | <i>11</i> | (98,793) | | (30,514) | |
| | | <hr/> | | <hr/> | |
| NET CURRENT ASSETS | | | 52,546 | | 103,106 |
| | | | <hr/> | | <hr/> |
| TOTAL ASSETS | | | 52,546 | | 103,106 |
| | | | <hr/> <hr/> | | <hr/> <hr/> |
| RESERVES | | | | | |
| Restricted reserves | <i>12</i> | 63 | | 283 | |
| Unrestricted reserves | <i>13</i> | 52,483 | | 102,823 | |
| | | | <hr/> | <hr/> | |
| TOTAL MEMBERS' FUNDS | | | 52,546 | | 103,106 |
| | | | <hr/> <hr/> | <hr/> <hr/> | |

Approved by the Board on 2 December 2016.

Ross Hunter Campbell

Nigel Locke

Directors

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
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FINANCIAL STATEMENTS

CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2016

| | Notes | <u>2016</u> € | <u>2015</u> € |
|---|-----------|------------------|------------------|
| RECONCILIATION OF MOVEMENT IN RESTRICTED AND UNRESTRICTED FUNDS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | | | |
| Net (outgoing)/incoming resources | | (50,560) | 28,968 |
| (Increase) in debtors | | (2,794) | (876) |
| Increase in creditors | | 68,279 | 3,745 |
| | | <hr/> | <hr/> |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | | 14,925 | 31,837 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| CASH FLOW STATEMENT | | | |
| Increase in cash in the year | <i>14</i> | 14,925 | 31,837 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| NET FUNDS AT 1 JULY 2015 | | 132,345 | 100,508 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| NET FUNDS AT 30 JUNE 2016 | | 147,270 | 132,345 |
| | | <hr/> <hr/> | <hr/> <hr/> |

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
NOTES AND ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES

1.1. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

Compassion Ireland Christian Child Development meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2. Transition to FRS102

The entity transitioned from previous financial reporting standards of the Financial Reporting Council as promulgated by the Institute of Chartered Accountants in Ireland to FRS 102 as at 1 July 2014. In preparing these accounts, the directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required and no restatements were required.

1.3. Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources.
- the directors are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

100 percent of child gifts and appeal donations are restricted. 80 percent of all other donations received are restricted. Restricted donations are granted to Compassion International.

Income which relates to Child Support, the Leadership Development Program, or gifts to children and is for a future period is carried forward as deferred income.

Refunds from the revenue commissioners is recognised in the SOFA when the income is received.

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Donated services and facilities are only included in income (with an equivalent amount in expenditure) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2016

1.4. Resources Expended

All expenditure is accounted for gross, and when incurred. Resources expended are included in the SOFA on an accruals basis and, because the charity is unable to recover any Value Added Tax paid, inclusive of that irrecoverable VAT. Where such costs relate to more than one functional cost category, they have been split on an estimated time, floor space or other basis, as appropriate. A functional breakdown of expenditure is shown in notes 6 to 9.

Expenditure on Raising Funds are the direct costs and an appropriate allocation of support costs that were used to attract donations

Expenditure on Charitable activities include monies remitted to Compassion International and other organisations in respect of child sponsorship income, costs of supporting and providing information and education to child sponsors and other costs incurred directly in meeting the aims of the charity. Child support grants include all monies paid to Compassion International and other organisations for the direct benefit of children.

Child Ministry and Advocacy Costs include all costs incurred in the ministry of children and raising awareness on their behalf.

This expenditure includes an appropriate allocation of support costs of central functions which and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. by estimated time or floor space etc.

1.5. Grants

Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

1.6. Unrestricted Funds

Unrestricted funds are funds available for use at the discretion of the Directors in furtherance of the general objectives of the charity.

1.7. Designated funds

Designated funds are unrestricted funds that have been set aside at the discretion of the Directors for a specific, but not legally binding, purpose.

1.8. Restricted funds

Restricted funds are income received for a particular purpose as specified by the donor or supplier, less expenditure applied for such a purpose.

1.9. Liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

2. ACCOUNTING PERIOD

The financial statements represent the 12 month period ending 30 June 2016.

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2016

3. COMPASSION CHARITIES

Compassion UK

There is an agreement between Compassion UK and Compassion Ireland that Compassion UK will provide administration support for a fixed fee (12% of donations received, excluding gifts, Christmas funds and appeals which are sent 100% to Compassion International [FY15 8%]) to avoid unnecessary duplication of costs. Fundraising costs are incurred directly by the charity. Compassion Ireland determines the fundraising initiatives, which are implemented by Compassion Ireland staff and volunteers.

There are two board members (Graham Williams and Kenneth Frank Morgan) who sit on both boards. During the period €35,502 [FY15 €18,447] was paid to Compassion UK to service Compassion Ireland. The intercompany balance owing to Compassion UK is €89,952 [FY15 €17,220] including money due to Compassion International.

During the year Compassion UK made a grant to Compassion Ireland of €35,000 [FY15 €48,000] to support the work in Ireland (Note 4).

Compassion International

The charity has an arrangement with donors whereby 80% of monies received from child sponsorship are transferred to Compassion International in the USA, who administer the distribution of funds for the benefit of each child on behalf of the charity (and other Compassion partners). This is administered via Compassion UK.

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2016

4. INCOMING RESOURCES

| | Unrestricted | Restricted | Total | Total |
|--|---------------------|---------------------|--------------------|--------------------|
| | <u>funds</u> | <u>funds</u> | <u>2016</u> | <u>2015</u> |
| | € | € | € | € |
| Voluntary Donations | | | | |
| Child Support | 48,616 | 194,462 | 243,078 | 192,647 |
| Gifts for Children | - | 14,480 | 14,480 | 7,898 |
| Leadership Development | 684 | 2,736 | 3,420 | 7,200 |
| Christmas Fund | - | 4,876 | 4,876 | 4,876 |
| RESPOND: Water of Life | 32 | 128 | 160 | 156 |
| General Unrestricted | 5,984 | - | 5,984 | 3,737 |
| Complementary Intervention | 519 | 2,077 | 2,596 | - |
| Un-sponsored childrens Fund | 84 | 336 | 420 | - |
| Child Survival | 50 | 200 | 250 | - |
| Sponsorship Plus | 11 | 43 | 54 | - |
| Refund from Revenue Commissioner | 39,063 | - | 39,063 | 47,260 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 95,043 | 219,338 | 314,381 | 263,774 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Grants | | | | |
| Grants received from Compassion UK (related organisation) | 35,000 | - | 35,000 | 48,000 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

5. DIRECTORS' REMUNERATION

No Directors' remuneration was voted during the year. €491 [FY15 €312] of Directors' travel expenses were incurred in connection with the charity's affairs.

6. EXPENDITURE ON RAISING FUNDS

| | <u>2016</u> | <u>2015</u> |
|------------------------|--------------------|--------------------|
| | € | € |
| Support costs | 15,470 | 6,781 |
| Personnel | 39,196 | 26,727 |
| Direct marketing costs | 29,569 | 20,248 |
| | <hr/> | <hr/> |
| | 84,235 | 53,756 |
| | <hr/> <hr/> | <hr/> <hr/> |

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2016

7. GRANT MAKING ACTIVITIES

| | Restricted Charitable Expenditure € | Unrestricted Charitable Expenditure € | Total Grant Expenditure <u>2016</u> € | Total Grant Expenditure <u>2015</u> € |
|-------------------------------------|--|--|--|--|
| Child Support | - | 194,462 | 194,462 | 158,911 |
| Gifts for Children | - | 14,480 | 14,480 | 7,898 |
| Leadership Development | - | 2,999 | 2,999 | 5,779 |
| Christmas Fund | - | 4,876 | 4,876 | 4,876 |
| Water of Life | - | 128 | 128 | 125 |
| Complementary Intervention | 519 | 2,077 | 2,596 | - |
| Un-sponsored childrens funds | - | 336 | 336 | - |
| Child Survival Program | - | 200 | 200 | - |
| RESPOND: Medical | 5,750 | - | 5,750 | - |
| RESPOND: Highly Vulnerable Children | 5,750 | - | 5,750 | 22,500 |
| Disaster | 30,000 | - | 30,000 | - |
| | <u>42,019</u> | <u>219,558</u> | <u>261,577</u> | <u>200,089</u> |

8. RESOURCES EXPENDED: CHARITABLE ACTIVITIES

| | 2016 <u>Direct costs</u> € | 2016 <u>Support costs</u> € | 2016 <u>Total</u> € | 2015 <u>Total</u> € |
|--------------------------------------|----------------------------------|-----------------------------------|------------------------------------|---------------------------|
| Child support and other child grants | 261,577 | 6,219 | 267,796 | 203,722 |
| Child ministry costs | 23,858 | 24,878 | 48,736 | 25,328 |
| | <u>285,435</u> | <u>31,097</u> | <u>316,532</u> | <u>229,050</u> |

Note 9

Direct costs for Child support and other child grants, are grants for the benefit of children. Grants paid to Compassion International cover the grants to the projects, costs to run the field country and area offices as well as programme costs at Compassion International.

Direct costs for Child ministry are costs of supporting and providing information to child sponsors. This includes child letter postage and the proportion of facilities, IT and staff time allocated to supporting the relationship between the sponsor and the child. One third of the service fee paid to Compassion UK is classified as Child Ministry for these activities.

Support Costs are the proportion of staff and overhead costs needed to administer the grants and child ministry.

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2016

9. ANALYSIS OF SUPPORT COSTS OF THE CHARITY

| | 2016 Cost of generating <u>funds</u> € | 2016 Charitable expenditure <u>(Support costs)</u> € | 2016 Total € | 2015 Total € |
|------------------------------|--|--|----------------------------------|---------------------------|
| Facilities management | 3,442 | 2,064 | 5,506 | 2,664 |
| Information technology | 160 | 96 | 256 | 405 |
| Operations and finance | 34 | 3,245 | 3,279 | 3,820 |
| Support salaries | - | 8,765 | 8,765 | - |
| Audit fee | - | 2,419 | 2,419 | 1,661 |
| Board costs | - | 2,674 | 2,674 | 3,502 |
| Service fee to Compassion UK | 11,834 | 11,834 | 23,668 | 14,568 |
| | <u>15,470</u> | <u>31,096</u> | <u>46,566</u> | <u>26,620</u> |
| | Note 6 | Note 8 | | |

All Support Costs are paid from unrestricted funds. Total support costs are allocated on the basis of staff time attributable to that cost centre. One third of the service fee paid to Compassion UK is classified as support costs for generating funds and is included in note 6. One third of the service fee paid to Compassion UK is classified as support costs and one third is classified as child ministry costs and is included in Note 8.

10. DEBTORS

| | <u>2016</u> € | <u>2015</u> € |
|---------------|---------------------|------------------|
| Other debtors | 1,400 | - |
| Prepayments | 2,669 | 1,275 |
| | <u>4,069</u> | <u>1,275</u> |

11. CREDITORS: amounts falling due within one year

| | <u>2016</u> € | <u>2015</u> € |
|--|----------------------|------------------|
| Trade creditors | 1,494 | 748 |
| Amounts owed to Compassion UK | 89,952 | 17,220 |
| Accruals | 2,399 | 1,661 |
| Deferred sponsorship (paid in advance) | 4,948 | 10,885 |
| | <u>98,793</u> | <u>30,514</u> |

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2016

12. RECONCILIATION OF RESTRICTED FUNDS

| | <u>Balance at 30 June 2015</u> € | <u>Incoming Resources</u> € | <u>Direct Charitable Expenditure</u> € | <u>Balance at 30 June 2016</u> € |
|-----------------------------|---|------------------------------------|---|---|
| Child Support | - | 194,462 | (194,462) | - |
| Gifts for Children | - | 14,480 | (14,480) | - |
| Leadership Development | 283 | 2,736 | (2,999) | 20 |
| Christmas Fund | - | 4,876 | (4,876) | - |
| RESPOND: Water of Life | - | 128 | (128) | - |
| Complimentaty Intervention | - | 2,077 | (2,077) | - |
| Child Survival Program | - | 200 | (200) | - |
| Sponsorship Plus | - | 43 | - | 43 |
| Un-sponsored childrens fund | - | 336 | (336) | - |
| | 283 | 219,338 | 219,558 | 63 |
| | 283 | 219,338 | 219,558 | 63 |

13. UNRESTRICTED FUNDS

| | <u>Opening Balance</u> € | <u>Unrestricted income received</u> € | <u>Used for unrestricted costs</u> € | <u>Closing balance</u> € |
|--------------------------------------|---------------------------------|--|---|---------------------------------|
| <u>Unrestricted Reserves</u> | | | | |
| General Funds | 96,121 | 94,831 | 139,190 | 51,762 |
| Designated funds - Most needed funds | 6,702 | 36,038 | 42,019 | 721 |
| | 102,823 | 130,869 | 181,209 | 52,483 |
| Total unrestricted reserves | 102,823 | 130,869 | 181,209 | 52,483 |

The Directors have made the decision to set aside from Unrestricted Income a sum equivalent to 80% of general unrestricted donations and 80% of the Refund from Revenue Commissioners in a "Most Needed" Fund. This fund will be used to make additional grants to Compassion International towards the most needy areas of child support and fund direct child ministry costs.

COMPASSION IRELAND CHRISTIAN CHILD DEVELOPMENT
(A Company Limited by Guarantee and not having a Share Capital)
NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 30 JUNE 2016

14. RECONCILIATION OF NET CASH FLOW MOVEMENT IN NET FUNDS

| | <u>Opening balance</u> € | <u>Cash flows</u> € | <u>Closing balance</u> € |
|---------------------------|--|-----------------------------------|--|
| Cash at bank and in hand | 132,345 | 14,925 | 147,270 |
| Net funds at 30 June 2016 | <u>132,345</u> | <u>14,925</u> | <u>147,270</u> |

15. ULTIMATE CONTROL

Compassion Ireland Christian Child Development is a charity which is under the control of it's Members.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 2 December 2016.