

# Concern Worldwide

---

Annual Report &  
Financial Statements 2016

**CONCERN**  
worldwide





**FATEMA**

Fatema is a beneficiary of  
Concern's Urban Integrated  
Programme in Dhaka, Bangladesh.  
Photography: Abbie Trayler-Smith /  
Panos Pictures for Concern Worldwide.

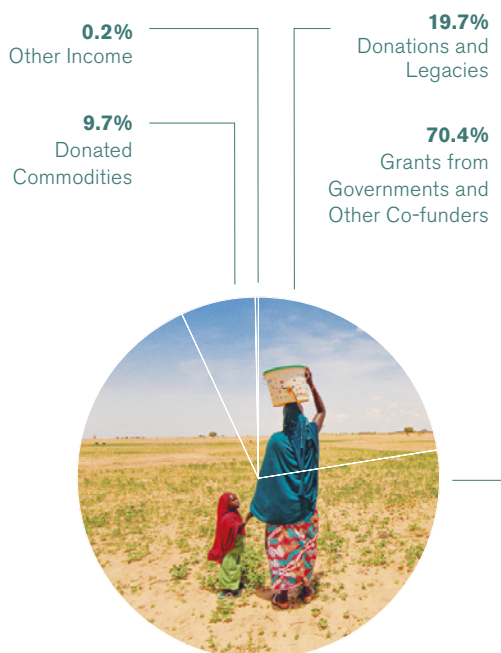
# 2016 at a Glance

We reached over 22 million people in 27 of the poorest countries in the world.

We continued to build our capacity to provide larger, better and faster emergency response directly helping 4.6 million people.

We managed the largest spend in our history - €179.4 million.

## Income



Income	€000	%
Donations and Legacies	36,216	19.7%
Grants from Governments and Other Co-funders	129,123	70.4%
Donated Commodities	17,821	9.7%
Other Income	372	0.2%
<b>Total</b>	<b>183,532</b>	<b>100%</b>

## Expenditure



Expenditure	€000	%
Relief and Development	162,654	90.7%
Fundraising	12,075	6.7%
Development Education and Advocacy	3,782	2.1%
Governance	902	0.5%
<b>Total</b>	<b>179,413</b>	<b>100%</b>





**MARY FRANCE DORLAS**

Mary France Dorlas lives in the Grand Ravine region of Haiti. She received seeds, tools and training to farm the land at the top of the Ravine. Photography: Abbie Trayler-Smith / Panos Pictures for Concern Worldwide.



# Interactive Contents

## 4 - 13

---

**Who We Are and What We Do 4**  
**Our Core Values 5**  
**Where We Work 6**  
**A Message from the Chair 8**  
**A Message from the  
Chief Executive Officer 10**  
**Legal and Administrative  
Information 13**

## 14 - 64

---

**Report of the Board 14**  
Strategy, Objectives and Activities **14**  
Livelihoods Programme **17**  
Health Programme **23**  
Education Programme **29**  
Emergency Programme **35**  
Advocacy **42**  
Development Education **43**  
Public Engagement **44**  
Fundraising **45**  
How we Measure Success **48**  
Working with Partners **49**  
Challenges in 2016 **51**  
Longer Term Strategy and Objectives **52**  
Special Feature - Donal Skehan **54**  
Review of Financial Outcome 2016 **56**  
Structure, Governance and  
Management **59**  
Other Matters **63**  
Looking Ahead -  
Plans for the Future **64**

## 65 - 108

---

**Statement of Board Members'  
Responsibilities 65**  
**Independent Auditors' Report  
to the Members of  
Concern Worldwide 66**  
**Financial Statements 69**



# Concern Worldwide – Who We Are and What We Do

---

## **Our Identity – Who We Are**

Concern Worldwide (Concern) is a non-governmental, international, humanitarian organisation dedicated to the reduction of suffering and working towards the ultimate elimination of extreme poverty in the world's poorest countries.

## **Our Vision for Change**

We believe in a world where no-one lives in poverty, fear or oppression; where all have access to a decent standard of living and the opportunities and choices essential to a long, healthy and creative life; a world where everyone is treated with dignity and respect.

## **Our Mission – What We Do**

Our mission is to help people living in extreme poverty achieve major improvements in their lives which last and spread without ongoing support from Concern.

To achieve this mission, we engage in long-term development work, build resilience, respond to emergency situations, and seek to address the root causes of poverty through our development education and advocacy work.





# Our Core Values

**Built on our history and the voluntary, compassionate commitment of Concern's founders:**

**We focus on extreme poverty:** We are driven by a clear focus on eliminating poverty in the most vulnerable places and responding to humanitarian crises.

**We believe in equality:** People are equal in rights and must be treated with respect and dignity.

**We listen:** Listening and partnership are key to empowering the poorest and most vulnerable to transform their own lives.

**We respond rapidly:** People affected by disasters are entitled to have their most basic needs met through rapid, effective, and principled responses.

**We are courageous:** Taking necessary risks, balanced with sound judgement, allows us to work in the most challenging contexts.

**We are committed:** Going the extra mile to support communities in times of need and in the face of very difficult operating environments.

**We are innovative:** Finding effective solutions requires innovative thinking combined with a pragmatic approach.

**We are accountable:** Accountability and transparency are central to all of our actions and use of resources.





# Where We Work

In 2016 Concern worked in 27 of the world's poorest and most vulnerable countries to alleviate poverty and hunger.

Afghanistan  
Bangladesh  
Burundi  
Central African Republic  
Chad  
Democratic Republic of Congo  
Ethiopia  
Haiti  
Kenya

Democratic People's Republic of Korea  
Lebanon  
Liberia  
Malawi  
Mozambique  
Nepal  
Niger  
Pakistan  
Republic of Sudan

Rwanda  
Sierra Leone  
Somalia  
South Sudan  
Tanzania  
Turkey/Syria  
Uganda  
Yemen  
Zambia



LIVELIHOODS

5,700,000

People reached



HEALTH

11,000,000

People reached





## EDUCATION

1,600,000

People reached



## EMERGENCIES

4,600,000

People reached



# A Message from the Chair, Tom Shipsey

**2016 was an extraordinarily tumultuous year on the global front and the operational environment for international organisations such as Concern changed considerably.**

While the global challenges of conflict and climate change became increasingly evident in 2016, the response to those challenges has been underwhelming, with many governments becoming increasingly isolationist and resistant to positive engagement. As we entered 2017, four extreme food crises loomed and at the time of writing one of these has already been declared a famine.

The need for agencies like Concern is greater now than ever. Concern will be 50 years old next year and in that time, imbued with the passion of humanitarian response and honed by the highest standards of professionalism, the organisation has grown to be an effective world-renowned player in the fight against extreme poverty and suffering. A broad history of diverse programming and responsible planning gives Concern a unique ability to approach today's most formidable humanitarian challenges with experience and foresight. Concern's response to these challenges recognises the demands for urgency in humanitarian response, but it is also informed by precedent and posterity, using experience to inform programme design while placing our work within the context of a broader strategic direction.

I had the opportunity to see this first hand when I visited Concern's

programmes in the Central African Republic. Concern is one of the few agencies operating in this area of desperate need. I have been fortunate to be able to visit a number of the more challenging locations where Concern works over the last few years and I never cease to be amazed by the quality and ambition of programmes that are being carried out in these contexts. The diligence and professionalism that I encountered amongst our staff in such a remote and difficult context was astounding, and epitomises what Concern does best: working on the frontiers to reach the furthest behind first.

Concern's ability to carry out these programmes overseas is dependent on the hard work and expertise of staff in the home offices. Recent years have been somewhat difficult in the charity sector, particularly in Ireland and the UK, and it is a testament to the persistently high-standards maintained by the staff and Board members of Concern that the organisation has continuously been recognised for its transparency and accountability.

I know from serving on the Board that we consistently invest considerable time and resources into ensuring full compliance with industry standards including the



Governance Code and the Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP). Maintaining the highest standards of governance requires considerable time and effort, and I want to thank the Board for their tireless work in this and other areas of overseeing Concern's work. When Concern received the 'Outstanding Achievement' award at the Carmichael Centre Good Governance Awards this year, it was a great recognition of the work done in this area across the organisation.

At this moment of widespread crises, it is all the more important that Concern maintains the highest standards of transparency and accountability as we carry out our programmes across 27 countries.

This trust has given the public and donors confidence in Concern and contributed to the growth of the organisation, enabling us to access and profoundly impact more people than ever before. Right now, when global food insecurity has reached such a profoundly catastrophic crisis point, there is an even greater responsibility to communicate the quality and transparency of Concern's work. Many of the communities that

Concern works with on a daily basis across East Africa in particular, are now facing crises of unprecedented proportions. It is at times like these that every part of Concern is challenged to play a role; from the operations on the ground; to logistics; to those working in the home offices to support the programmes and communicate the urgency of need to the public and government institutions.

Concern is a unique organisation, made up of a diverse network of staff, Board members, volunteers and supporters. The diversity of contributions offered by these groups allows Concern to excel in what we do. I want to take this opportunity to thank all of you for your compassion and your commitment over the last year. With your sustained support, Concern will continue to deliver the highest quality programmes to the most vulnerable people in the poorest parts of the world.



**Tom Shipsey**  
Chair, Concern Worldwide

Concern will be 50 years old next year and in that time, imbued with the passion of humanitarian response and honed by the highest standards of professionalism, the organisation has grown to be an effective world-renowned player in the fight against extreme poverty and suffering.

#### TOM SHIPSEY

Tom Shipsey, at a mobile health clinic run by Concern Worldwide at Bougoin, Central African Republic. This is one of fourteen such mobile clinics, which is designed to facilitate people who are far removed from fixed health facilities. Photography: Kieran McConville.



# A Message from the Chief Executive Officer, Dominic MacSorley

**Globally, 2016 was a year of turmoil. It was a year when we witnessed the continued mass movement of people seeking safety and security, a year that ended with over 130 million people in need of humanitarian assistance for their very survival.**

In 2016, conflict continued to escalate across the most volatile regions of the world and is now the driving factor in nine of the 10 worst humanitarian crises on earth. The war in Syria became even more devastating, plunging the country into further chaos, prolonging the mass exodus of people who have been forced from their homes and contributing to the unprecedented level of displacement in the world.

Syria is perhaps the most intensely fought war in the world but conflict has continued unabated in other regions such as Afghanistan, Yemen, South Sudan and Somalia. In several of these contexts, the impact of conflict on food security has become so severe that the world is now facing an enormous humanitarian crisis, with famine already declared in South Sudan and the threat of imminent famine in three other regions.

In East Africa more broadly, the severity of the current drought is taking its toll on people who had not yet recovered from the devastating effects of El Niño. Climate change is hitting these people the hardest and effectively pitching parts of the region into perpetual crisis. 108 million people were food insecure in 2016, compared to 80 million the previous year. That's a 35 per cent leap in one year.

Sadly, 2016 was a year when the increased need for strong humanitarian organisations was evident. For Concern it was a year of unprecedented scale, one when we managed the largest spend (€179.4 million) in the organisation's history and ambitiously expanded the scope of our work, reaching over 22 million people through our development and emergency response programmes.

In 2016, we continued to build our capacity to provide a larger, better and faster humanitarian response. We responded immediately to Hurricane Matthew which devastated coastal communities in Haiti, massively scaled-up our response to El Niño, and greatly increased the scope and depth of our response to the food crises in South Sudan, Somalia and across East Africa. In Turkey, Lebanon and particularly within Syria itself, we are working tirelessly to respond to the needs of the thousands who continue to flee from areas of conflict, finding increasingly innovative ways to deliver lifesaving assistance in a very difficult context. Overall, in 2016 Concern responded to 45 emergencies in 25 countries, directly reaching approximately 4.6 million people - a number greater than the population of Ireland and a staggering achievement by any measure.



On the development side, 2016 saw us positively impacting the lives of over 17 million people, through a broad range of targeted, interventions including: increasing crop yields for subsistence farmers through conservation agriculture, ensuring children get access to quality education in extremely volatile regions, improving women's knowledge and access to essential nutrition, reproductive and child health services, providing clean drinking water to communities, and beginning new urban programmes in Haiti and Bangladesh.

The evaluations of some of Concern's most innovative work in recent years were published in 2016 and the results show that these strategies are bearing visible fruit. The Graduation Model, which

has been implemented on a large scale in Rwanda and Burundi, is designed to target the extreme poor, those who have been left behind, to help them up onto the ladder of development. Through a comprehensive package of financial support, skills training and mentoring, the poorest families are able to take on new income generating activities, drawing them out of poverty.

As the effects of climate change have worsened in recent years, there has been an increased emphasis on building resilience to mitigate the impact of shocks, particularly those that are climate related. As an organisation with a dual humanitarian and development outlook, Concern is uniquely positioned to offer real, grounded examples of how

resilience can and should work. This is evident across East Africa and Somalia where our resilience programmes have enabled communities we work with to withstand the impact of the current devastating drought to a greater extent than elsewhere.

I witnessed an example of this crucial linking of our development and humanitarian work myself in the Central African Republic where Concern is one of only a handful of international agencies on the ground, rebuilding communities that have been devastated by conflict. In a country that is so often forgotten by international donors, Irish Aid is taking a leading role among donors by providing multi-annual funding to a country where continuity of engagement is essential.

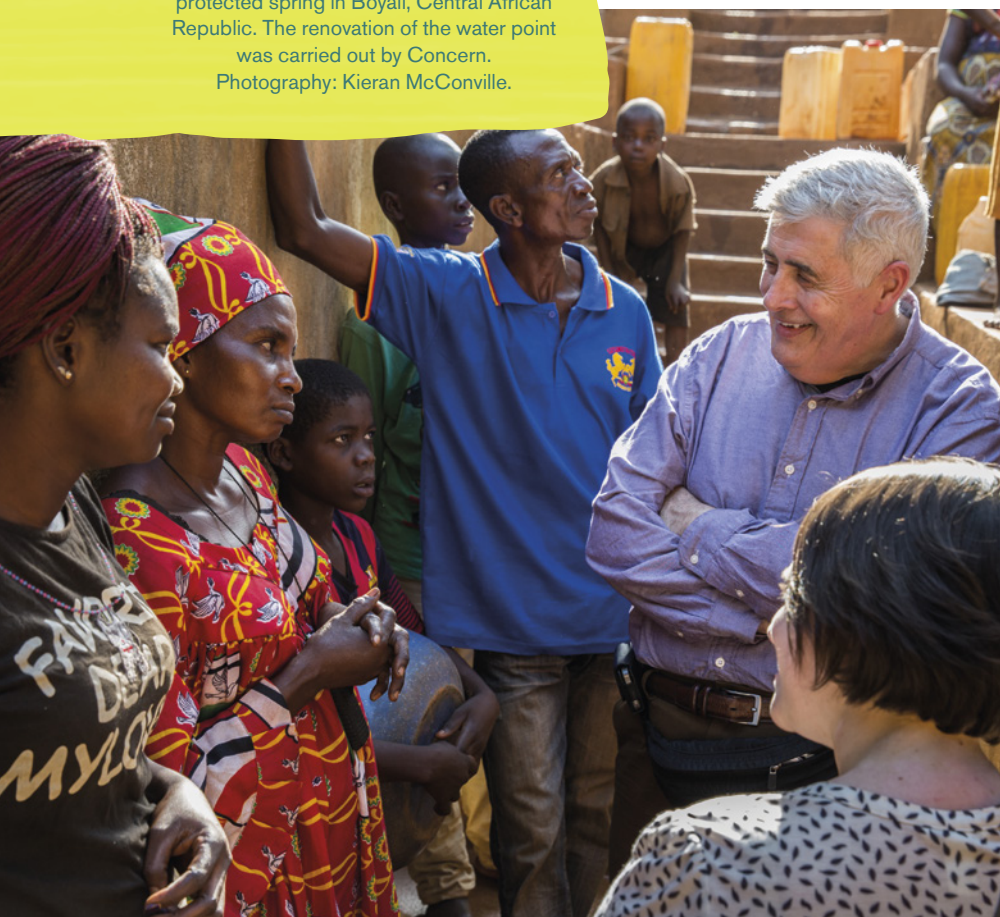
Our ability to attract increased levels of funding in recent years has allowed us to deliver programmes at a greater scale than we ever have before, but securing grants is primarily dependent on maintaining the consistently high standard of our existing programmes. That standard was exemplified in early 2016, when Irish Aid's evaluation of our five year programme in 18 countries found that, Concern makes a "...significant and systemic difference in the lives of extremely poor people", that we have the right programme in the right areas, and that we have made significant progress in measuring sustainable change.

By increasing the reach of our development education programmes and honing the focus of our advocacy agenda, we aim to affect real change at institutional levels on behalf of the most vulnerable. Hunger and humanitarianism continue to form the central pillars of Concern's advocacy outlook and, at a time when the world is regressing into more widespread and extreme food insecurity, the need to place these concerns centre stage in the halls of power is all the more important.

Critical to the success of Concern has been the consistent and generous support of the public. With persistent global economic challenges, the past number of years have seen us work even harder to ensure we retain this vital support. 2016 was a successful year but had its challenges. Brexit in particular created uncertainties and exchange

#### DOMINIC MACSORLEY

Concern Worldwide CEO Dominic MacSorley speaks to local women at a protected spring in Boyali, Central African Republic. The renovation of the water point was carried out by Concern.  
Photography: Kieran McConville.



rate losses that impacted our income and resulted in us having to make some tough decisions around country closures. At the same time, the opening of Concern South Korea in 2015, our first new fundraising office in over twenty years, was a positive development that will be a growing source of support for our work over the coming years. The continued support of all our donors and supporters is central to achieving our mission of reaching the poorest and the furthest behind.

The scale of suffering that is taking place around the world right now reinforces the importance of our mission. The prospect of four famines is a disgraceful indictment of the current international order and is an urgent reminder of the need for agencies like Concern to scale up and demand an increased focus on the world's poorest. The immensity of the global food security problem is daunting, and requires a global response that at the time of writing, has been found shamefully wanting.

Yet, if we are overwhelmed or down about the scale of the challenge, we should step back and remember that over the past 25 years over a billion people have been lifted out of extreme poverty. That is an

extraordinary achievement and it serves as a reminder of all that is possible. Each and every one of us have contributed to this legacy. Going forward, Concern's commitment is that we will continue to deliver professional solutions to those caught up in crisis or extreme poverty. We will build on our 50 years' experience to do more, reach more and to live up to the promise of leaving no one behind as enshrined in the world's commitment to the poorest under Agenda 2030, the Sustainable Development Goals.

This is delivering on the vision of our founders who believed in a world where no one lives in poverty or fear and where all are treated with dignity and respect. It all began in 1968 when Kay and John O'Loughlin Kennedy, responding to the horrific famine in Biafra at the time, gathered people at their flat in Northumberland Road in Dublin and laid the foundations for what was to become Concern. Sadly, last December, Kay died and at her funeral, 20 members of the Biafran community now living in Ireland were in attendance and their message was 'she was our mother too'. They said that if it hadn't been for the work of Kay nearly 50 years ago, their mothers would not have survived and they would not be standing there today.

It was a poignant reminder of how the work that we are doing has a lasting impact, not only on the people who we are directly working with today, but on the generations that are to follow; how the humanitarian obligations of the present give way to the promise of the future.

The organisation that Kay and John founded has now grown to be Ireland's foremost humanitarian organisation and a major force in global humanitarian response and international development. We are poised to respond to the scale of challenge before us and to continue our work in 2017 and beyond.



**Dominic MacSorley**  
Chief Executive Officer  
Concern Worldwide

**4.6m**

Overall, in 2016 Concern responded to 45 emergencies in 25 countries, directly reaching 4.6 million people - a number greater than the population of Ireland and a staggering achievement by any measure.



# Legal and Administrative Information

## Board members

The following were members of the Board of Concern Worldwide at the date on which the financial statements were approved:

Ms Ciunas Bunworth  
Mr Donal D'Arcy  
Ms Jacinta Flanagan  
Mr Colin Gordon  
Professor Paul Jeffcutt  
Mr Michael Kenny  
Mr Cyril Maybury  
Ms Teresa McColgan  
Mr Tom Moran  
Ms Barbara O'Reilly  
Ms Nora Owen  
Mr Gary Rice  
Mr David Ritchie  
Ms Rachel Rodgers  
Mr Jan Rotte  
Mr Tom Shipsey – Chair  
Ms Siobhan Toale – Company Secretary  
Mr John Treacy

Ms Jacinta Flanagan, Professor Paul Jeffcutt, Mr Cyril Maybury, Mr Tom Moran, Ms Nora Owen and Ms Rachel Rodgers stood for election at the Annual General Meeting in May 2016 and were elected to the Board. Mr Gary Rice was co-opted to the Board in April 2016.

Ms Sally-Anne Kinahan retired from the Board in May 2016.

## Sub-committees of the Board and other information

### Finance sub-committee

Mr Cyril Maybury  
Ms Teresa McColgan – Chair  
Mr Alan Moore\*  
Mr Gary Rice  
– appointed June 2016  
Mr David Ritchie

## Programme Monitoring and Evaluation sub-committee

Ms Ciunas Bunworth  
– appointed June 2016  
Mr Howard Dalzell\*  
Mr Fintan Farrelly\*  
Ms Jacinta Flanagan  
Mr Michael Kenny – Chair  
Mr David Regan\*  
Ms Siobhan Toale  
– appointed June 2016

## Audit and Risk sub-committee

Mr Donal D'Arcy  
– appointed June 2016  
Ms Una Henry\*  
Professor Paul Jeffcutt  
– appointed June 2016  
Mr Cyril Maybury – Chair  
Ms Rachel Rodgers  
– appointed June 2016  
Mr Jan Rotte

## Remuneration sub-committee

Mr Colin Gordon  
– appointed June 2016  
Ms Nora Owen  
Mr Tom Shipsey – Chair  
Mr John Treacy

\*indicates that the Committee member is not a member of the Board but has offered their time and expertise to assist the Committee in its work.

Principal Banker  
Bank of Ireland  
2 College Green  
Dublin 2

Solicitors  
McKeever Rowan  
5 Harbourmaster Place  
IFSC  
Dublin 1

## Auditor

KPMG  
Chartered Accountants  
1 Stokes Place  
St Stephen's Green  
Dublin 2

## Registered Office

52-55 Lower Camden Street  
Dublin 2  
Registration Number  
39647

## Executive Management Team during 2016

Mr Dominic MacSorley  
Chief Executive Officer  
Ms Rose Caldwell  
Executive Director, Concern (UK)  
Mr Dominic Crowley  
Emergency Director  
Mr Richard Dixon  
Public Affairs Director  
Mr Connell Foley  
Strategy, Advocacy and Learning Director  
Mr Jim Hynes  
Deputy Chief Executive and Chief Operations Officer  
Ms Sarah Martin  
Communications Director  
Mr Paul O'Brien  
New Business Development Director (until November 2016)  
Ms Anne O'Mahony  
International Programmes Director  
Ms Louise Supple  
Human Resources Director

# Report of the Board

---

**The Board of Concern Worldwide presents its report and consolidated financial statements for the year ended December 31, 2016.**

## **Strategy, objectives and activities**

2016 was the first year of our new five-year strategy *Leaving no one behind*. This strategy builds on our previous expertise and achievements while positioning us to address the biggest challenges facing the world's poorest people most notably, inequality, insecurity and climate change.

Our strategy aligns well with the Sustainable Development Goals, in particular the pledges to end hunger and extreme poverty by 2030.

The strategy commits us to two fundamental objectives:

1. To maintain our existing portfolio of programme activities so that we continue to achieve results on a significant scale with our target populations.
2. To develop, enhance and improve what we do in six key areas.

Our ongoing work is described below under the heading Summary of Our Activities and Achievements in 2016, while our progress in the six key areas is summarised under the heading Longer Term Strategy and Objectives.



---

## Summary of Our Activities and Achievements in 2016

In 2016 we operated in 27 countries (2015: 28) and focussed on four main types of overseas projects – Livelihoods, Health, Education and Emergencies. An increased proportion of our work contained a mixture of these components and was implemented on an integrated basis. We also engaged in Advocacy, Development Education, Public Engagement and Fundraising in order to increase the impact of our overseas programmes. Each of these areas of activity is described separately below.

---

## Overseas Programmes

**Livelihoods 17**  
**Health 23**  
**Education 29**  
**Emergencies 35**



**ELIZABETH AWINO**

Elizabeth Awino is a widowed grandmother from Korogocho, Kenya. She received a cash transfer from Concern to help set up her street stall selling fruit and vegetables.

Photography: Abbie Trayler-Smith/  
Panos Pictures for Concern Worldwide.



## EPSEGENET DESANEG

Epsegenet Desaneg is a single mother from Ethiopia. She opened her own hair salon, having done a vocational skills course with the help of Concern and local NGO, CHADET. Her hair salon has been open for six months and she now plans to expand her business. Photography: Kieran McConville.





# I can support my family.

## Livelihoods

In 2016 we reached over one million people directly through our livelihoods programmes and approximately 4.7 million indirectly. Over three million of those reached were female.

## **LIVELIHOODS**

### OBJECTIVES AND ACTIVITIES

---

**The goal of our Livelihoods programme is to enable extremely poor people to have secure livelihoods.**

**Our main objectives are to:**

- **Strengthen our social protection programming (develop work skills and enhance support systems)**
- **Give beneficiaries greater choice**
- **Promote climate-smart agriculture**
- **Reduce hunger**

## ACHIEVEMENTS AND PERFORMANCE ON EACH OBJECTIVE

### Developing work skills and enhancing support systems

Our livelihoods programmes address some of the underlying problems that affect livelihoods, such as enhancing access to markets and providing small-scale credit to invest in business development. Examples of what we achieved in 2016 are set out below:

- › In **Rwanda**, 34 per cent of households in our target areas could access formal and informal credit by the end of our programme (an increase of more than 20 per cent since 2014). In **Sierra Leone**, we trained members of 49 villages on saving and investing in local enterprises.
- › In **Haiti**, we repaired six kilometres of roads that were previously impassable during the rainy season. This has increased 18,392 people's access to markets. Our post-emergency cash for work initiatives in several other countries also improved small-scale farmers' and traders' access to raw materials and customers.
- › We provided work skills training to targeted households in several countries. For example, in **Haiti**, we provided vocational training, followed by cash support to start businesses. We also ran an initiative to provide work skills training to people affected by the Syria crisis in **Turkey**.
- › We increasingly include business training and business plan advice as part of our support to targeted households. This results in increased income, ownership of assets and employment rates. In **Bangladesh**, this helped increase recipient incomes seven-fold since 2013.
- › With the Government of **Rwanda**, we developed a business skills training manual that takes into account the fact that some micro-entrepreneurs may lack literacy and numeracy skills and require a training package that uses a more participatory learning approach.
- › In **Zambia**, we linked two women's groups with a private company that bought dried vegetables produced using the solar driers introduced through our project. The groups won prizes at local, district and provincial agriculture shows.

**49**

In Sierra Leone, we trained members of 49 villages on saving and investing in local enterprises.

### ZAFAR

Zafar from Dhaka, Bangladesh was given a food cart from Concern. He now has a source of income and provides a food service in his local village. Photography: Abbie Trayler-Smith / Panos Pictures for Concern Worldwide.







#### YEMISRACH HALACHO

Yemisrach Halacho says that her life has been transformed thanks to a Concern-supported irrigation scheme in Wollaita, Ethiopia. She no longer struggles to feed her family and now has a healthy crop of maize, onions, kale and pulses.

Photography: Kieran McConville.



## Giving beneficiaries greater choice

In line with our aim to empower people to transform their lives in a sustainable way, we increasingly use cash-based programmes rather than distributing food and tools to support extremely poor and vulnerable people. Examples of this area of work in 2016 were:

- › We implemented cash-based programmes in 21 countries, including several countries affected by the El Niño weather system. By drawing on experiences of supporting affected communities in previous years, we conducted rapid assessments to look at the potential of monetary support rather than food. Money has the potential to revitalise local economies and markets as well as promote household food security and investments in livelihoods.
- › In **Zambia**, we reached 21,259 households with cash transfers, and in **Mozambique** we targeted 8,000 households with food vouchers. In **Malawi**, we implemented two cash transfer projects, collectively targeting more than 17,000 households. In all three countries, we operated through a consortium of international non-governmental organisations.
- › In **Afghanistan**, we increased the involvement of beneficiaries in our rural livelihoods programme, letting them select appropriate seeds and livestock to support their income.

## Climate-smart agriculture

Our climate-smart agriculture programmes enable communities to protect land from the impacts of extreme weather and climate change in sustainable ways, for example by cultivating more drought-resistant crops. We also enable small-scale farmers to practice conservation agriculture – protecting land from floods and drought and conserving soil moisture and nutrients. For example:

- › In 2016 we disseminated new evidence and learning from our work in the **Democratic People's Republic of Korea** at a national conference.
- › In **Bangladesh**, we provided technical support on agriculture and rainwater harvesting systems, which enabled women, in particular, to increase their income.
- › Concern is a core member of the Africa Climate Smart Agriculture Alliance, which aims to empower six million smallholder farmers in Sub-Saharan Africa with climate-smart agriculture options by 2021. We have a strategy in place to help achieve this ambitious target.

## Reducing hunger

Food is essential to survival and health. In 2016 we promoted various technologies to reduce the hunger gap and increase vulnerable families' food security. Some examples of what we achieved in this area are detailed below:

- › We provided greenhouses to cooperatives in **Democratic People's Republic of Korea** to assist winter production of vegetables.
- › In **Uganda**, we demonstrated and encouraged the use of fuel-efficient stoves to reduce women's workload in collecting firewood, thus maximising the available time for food cultivation, while also reducing the risk of soil erosion and flooding as a result of deforestation. Our work to reduce child stunting from malnutrition in **Rwanda** led to 77 per cent of beneficiary children's diets including at least four food groups (up from 24 per cent in 2015). In **Mozambique**, we increased the targeted children's dietary diversity by 26 per cent since 2015. Our beneficiaries in **Uganda** and **Democratic People's Republic of Korea** reported eating significantly more diverse and nutritious food as a result of our interventions.
- › In a number of countries, we are using the farmer field school and lead farmer approach, where we conduct practical training with groups of farmers who then share their knowledge with others. In **Zambia and Mozambique**, we linked these groups with women's groups to ensure that increased food production is used to improve household diets as well as incomes. This reflects our integration of gender equality and gender awareness-raising in our work, to help overcome women's secondary status and exclusion from decisions that affect their lives. In many countries, such as **Malawi**, this has resulted in a higher proportion of women getting involved in household level decision-making and spending. Evidence from some of our livelihoods programmes suggests that this also has a positive impact on family health.

2021

Concern is a core member of the Africa Climate Smart Agriculture Alliance, which aims to empower six million smallholder farmers in Sub-Saharan Africa with climate-smart agriculture options by 2021. We have a strategy in place to help achieve this ambitious target.



## VINCENT VUNDU

Vincent Vundu is treasurer of his village in Nkhotakota, Malawi. He is responsible for looking after the bicycle ambulance provided to them by Concern Worldwide. As the closest hospital is over 10km away, this bicycle ambulance allows people to access vital healthcare. Photography: Jennifer Nolan.





# My bicycle saves lives.

## Health

---

**In 2016, Concern's work helped to improve the health of over 11 million people, of whom more than 3.2 million were direct beneficiaries. Approximately six million were female.**

## HEALTH

### OBJECTIVES AND ACTIVITIES

---

**The goal of our Health programme is to contribute to the achievement of health and nutrition security for poor people.**

**Our main objectives are to:**

- **Strengthen maternal and child health**
- **Prevent under-nutrition and extreme hunger**
- **Improve access to clean water and sanitation**
- **Health-focused knowledge-sharing and advocacy**

## ACHIEVEMENTS AND PERFORMANCE ON EACH OBJECTIVE

### Strengthening maternal and child health systems

Where possible, we support local and national health services to meet the long term needs of their populations. Examples of our successes in this area are noted below:

- › In the **Central African Republic**, we supported the Ministry of Health to transition towards government-led healthcare in two regions.
- › As we approach the final year of our USAID-funded child survival programmes in **Kenya** and **Sierra Leone**, we are on track to meet our targets on access to quality maternal, newborn and child health services, improved household knowledge and practices on these issues and stronger community capacity and policy environments for health. In both countries, we are conducting research in collaboration with Johns Hopkins University to help ensure that future health interventions are evidence-based.
- › In internal and external evaluations of our Ebola response in **Liberia**, local communities and authorities expressed great appreciation of our participatory and long-term approach to the problems they face. In **Sierra Leone**, members of our safe and dignified burial programme used their knowledge on infection protection and control to form a local NGO, ensuring that the country is prepared for any future outbreaks.

- › In **Chad**, we actively participated in health, nutrition and food security 'cluster' meetings to coordinate work with other agencies and avoid duplication of efforts. We also trained traditional birth attendants in safe delivery methods, reducing risks for mothers and babies. In **Sierra Leone**, we are exploring alternative sources of income for birth attendants to reduce risky births and harmful health practices such as female genital mutilation, and to ensure that pregnant women are referred to health facilities when required.

### Preventing under-nutrition and extreme hunger

Adequate nutrition, especially during pregnancy and the first years of a child's life, is essential for life-long health and resilience. Examples of what we achieved in 2016 are set out below:

- › In **Ethiopia**, in conjunction with the national health system, we conducted one of our largest ever emergency nutrition responses. We treated more than 11,000 children for severe acute malnutrition and 100,000 children for moderate acute malnutrition across nearly 40 districts and one refugee camp.
- › One of our biggest achievements in **South Sudan** was conducting a timely emergency response to the food and nutrition crisis in a new area of operation. We achieved this by distributing food rations to 440,000 people and scaling up our

support to health centres reaching 60,000 people. Our ongoing health programme in the country maintained key progress in maternal and child health – including antenatal coverage, vaccination and exclusive breastfeeding.

- › The impact of El Niño on harvests triggered food security crises in several countries in 2016. We implemented emergency nutrition responses in three districts of **Malawi**, screening an average of 145,167 children under five and 53,669 pregnant and breastfeeding women each month.
- › Our emergency nutrition response in **Uganda** was efficiently carried out in eight districts in the West Nile region, one of the most critical areas for refugees, and in Karamoja, a high-risk area for poor nutrition. We trained government health ministry staff in the integrated management of acute malnutrition. We also supported 163 healthcare facilities, 1,177 healthcare staff, five refugee settlements and six border posts. Overall, this benefited 237,061 members of refugee and host communities, and healthcare workers.
- › In **Central African Republic**, we screened and treated 16,290 children for malnutrition in 2016.

100,000

In Ethiopia we treated more than 11,000 children for severe acute malnutrition and 100,000 children for moderate acute malnutrition across nearly 40 districts and one refugee camp.





#### IGRIM BANTI

Igrim Banti is a farmer in Gudguadwuha village in Ethiopia. It has not rained properly in the region for three years so all water sources have dried up.

Concern is trucking thousands of gallons of clean water to some of the most drought-affected communities in the Amhara region of Ethiopia.  
Photography: Kieran McConville.



In Bangladesh, Kenya and Uganda, we have achieved good results in ensuring that more than 85 per cent of targeted households use an improved drinking water source all year round.

### Improving access to clean water and sanitation

In 2016, we finalised our 2016–2020 Water, Sanitation and Hygiene (WASH) strategy. The strategy promotes existing and new approaches to ensure: effective hygiene promotion; high-quality infrastructure; a continued focus on supporting extremely poor people, and using our learning to influence policy and practice. Some 2016 examples are:

- › In **Bangladesh, Kenya and Uganda**, we have achieved good results in ensuring that more than 85 per cent of targeted households use an improved drinking water source all year round. Health education with school children in **Bangladesh** has resulted in the number of households using reliable water sources for safe drinking water increasing by 18 per cent since 2015. Handwashing practices also increased over this period. In Kirundo, **Burundi**, handwashing after using the toilet nearly doubled to 90 per cent among our beneficiaries, significantly exceeding our target.

- › Our programmes in **Lebanon and Uganda** work with multiple levels of government to strengthen the management of water services. In **Pakistan**, we work with local government on large drinking water schemes. We ensure the sustainability of many of our water and sanitation projects by establishing and training local water user committees to manage, maintain and repair water infrastructures, such as new community and school-based systems in the **Democratic Republic of Congo, Republic of Sudan and Nepal**.
- › In response to a cholera outbreak in **Central African Republic**, we coordinated with other agencies, focusing on protecting water sources, promoting better hygiene practices and providing clean sanitation facilities. We used video and community messages to teach almost 6,000 people how to prevent the disease and provided schools, public places and a hospital with water purification and handwashing supplies.

### Health-focused knowledge-sharing and advocacy

While working to improve health outcomes on the ground, we also share evidence from our programmes with others, and campaign for effective policies and practices. Some examples of what we achieved in this area are detailed below:

- › At the Urban Health Conference in San Francisco, we presented an abstract on *Engaging Community Stakeholders Using Data*, based on our experience of improving community health in Freetown, **Sierra Leone**. We also presented on our work with community health workers to build more resilient health systems in **Sierra Leone** at the Global Symposium on Health Systems Research in Vancouver.
- › Concern is recognised as a lead organisation for nutrition interventions in many countries. Based on our work in **Uganda**, the country's national guidelines on nutrition now include a surge approach to community and integrated management of acute malnutrition. Similarly, the **Kenyan** Ministry of Health has adopted this approach for national rollout and embedded it in the health system. The approach has already been scaled up in five counties. These are major achievements that will save many during future food crises.
- › In **Mozambique**, we continued our focus on adolescent nutrition. We presented at a Global Alliance for Improved Nutrition round table event in Maputo on adolescent girl nutrition and at the Nutrition Partner Forum. We also worked with the UN Populations Fund in ensuring that its adolescent curriculum was nutrition-sensitive. In **Uganda**, we presented at the ninth regional International Baby Food Network conference, sharing our experience in promoting optimal maternal, infant and young child feeding practices.



## ELIZABETH WANJIKU

Elizabeth attends St Francis School in Kenya thanks to a cash transfer provided by Concern to her parents, Nancy Wanjiku and Eric Karanja, who both work on the Dandora dumpsite. Photography: Abbie Trayler-Smith/Panos Pictures for Concern Worldwide.





Now,  
I can go  
to school.

## Education

In 2016, Concern's education programming supported almost 1.6 million people, 52 per cent of whom were female.

## **EDUCATION**

### OBJECTIVES AND ACTIVITIES

---

**The goal of our Education programme is to improve the lives of extremely poor children in a sustainable way by increasing access to quality primary education.**

**Our main objectives are to:**

- **Improve learning outcomes**
- **Increase school access and attendance – including access to education in emergencies**
- **Protect student safety and wellbeing**
- **Share knowledge**

## ACHIEVEMENTS AND PERFORMANCE ON EACH OBJECTIVE

### Improving learning outcomes

We seek to improve learning outcomes through strengthening school management and enhancing the quality of the education provided.

Our experience shows that strengthening local and national school management can lead to improved school attendance, better learning, safer schools and stronger community support for education. Examples of what we achieved in strengthening school management in 2016 are set out below:

- › In **Afghanistan**, we enabled school management committees and parent teacher student associations to take the lead in monitoring school performance, improving school safety and building separate latrines for boys and girls.
- › In **Rwanda**, we established 1,057 school committees, reaching 40 per cent of schools nationwide. These committees helped to encourage

families to send their children to school more frequently by developing a reading culture and safe learning environments. In **Somalia**, the success of community education committees in school management has led the government to endorse this approach and explore using it in schools across the country.

- › After the end of Ebola related restrictions in **Liberia**, parent teacher associations, supported by Concern, were central to the success of back-to-school campaigns in 61 schools. They distributed exercise books, pencils and footballs, reaching 5,028 children and increasing school attendance.
- › In **Sierra Leone**, school management committees, supported by Concern, refurbished facilities in 50 schools enabling vulnerable children to continue attending school.

A quality education requires more than a functioning school. While there, children

need appropriate and good quality teaching and resources. To measure how well children learn, Concern tracks early grade literacy skills, teachers' qualifications and training, and child-centred learning. Examples of what we achieved in this area are detailed below:

- › Students' reading fluency and comprehension have risen markedly in the schools we targeted in **Bangladesh**. The number of students achieving the minimum Grade 2 standard has doubled since 2014. In Grade 4, 80 per cent of students achieved the minimum standard, up from just 16 per cent in 2014. Students that we supported in 33 schools in **Afghanistan** have also seen progress in reading fluency, with girls scoring significantly better than boys.

Students attending class in Masaka School, Sierra Leone. Concern Worldwide, with funding from Irish Aid, is running a five year programme in Tonkolili district to gather data and design a blueprint for an effective learning model, which could be used by the Government of Sierra Leone. Photography: Kieran McConville.







#### AAMUN

Aamun attending class at '21st November School', Mogadishu, which is supported by Concern Worldwide.  
Photography: Mohamed Abdiwahab.

- › In **Somalia**, progress in *Early Grade Reading Assessment* (EGRA) scores has been so impressive over the past three years that the government has asked Concern to support the Ministry of Education in administering the assessment scheme in all government-operated schools. From 2017, the government has also asked us to start training teachers in Somali phonics.

### Increasing school access and attendance – including access to education in emergencies

One of our education priorities is keeping students in school as they advance through the grades. Our health and livelihoods programmes contribute to this by reducing absence from school due to ill health, child labour or forced migration. We also help to repair schools and provide temporary learning spaces for children affected by humanitarian emergencies.

Examples of what we achieved in non-emergency situations in 2016 are set out below:

- › In **Kenya**, we contributed to recently approved government guidelines on alternative basic education for out-of-school children and a strategic plan for the National Council for Nomadic Education. When implemented, these plans will significantly increase educational opportunities for marginalised and extremely poor slum-dwelling and nomadic children.
- › In **Afghanistan**, our ongoing training for school management committees and parent teacher associations helped increase the students' daily attendance from 40 per cent to 80 per cent. Schools that we support in **Niger** reported a similarly significant increase in student attendance, from 48 per cent in 2013 to 84 per cent in 2016. In **Bangladesh**, we increased the number of children staying in targeted schools from 63 per cent in 2013 to 90 per cent in 2016.

In emergency situations we seek to maximise access to education as can be seen in the examples below:

- › Education was one of the sectors hit hardest by the 2015 earthquake in **Nepal**. Our educational support project is providing 64 schools with technical support, roofing materials, learning resources and play equipment for early learning centres. We are building temporary classrooms for 58 schools and providing water and sanitation facilities in 33 schools affected by the disaster.
- › In **Niger**, we helped construct temporary classrooms for internally displaced, returnee, host community and refugee children. We also provided children with school kits and textbooks and helped set-up school management committees. In vulnerable farming hamlets, we supported the education of 2,991 children by providing flexible school services and learning circles during the agricultural season, enabling them to continue learning during the busy harvest period.

### Protecting student safety and wellbeing

Children who are unwell, undernourished, or distressed are unable to learn effectively. Much of our education work is centred on child wellbeing and creating a safe environment at school. Examples of our work in this area in 2016 are as follows:

- › We supported parent teacher associations and school management committees in **Malawi** in addressing school-related gender-based violence (SRGBV). More than 2,700 local people and committee members are working with us to increase knowledge on gender issues and change negative attitudes and stereotypes.
- › In **Liberia**, we helped train 400 "change-makers" to address gender-based violence and gender attitudes in 100 school communities. We now plan to adopt a similar safe learning approach in **Sierra Leone** and **Bangladesh**.

### Sharing knowledge

We were invited to present findings from our education programming to a number of global platforms in 2016, including conferences and working groups. This included moderating a panel on education sector responses in **Sierra Leone** during and after the Ebola crisis, and presenting on interventions to counter school-related gender-based violence (SRGBV) in **Malawi** during the Comparative and International Education Society international conference. Our Education Advisor presented evidence from **Kenya** and **Liberia** for a panel on fee-charging schools at the Civil Society Policy Forum during the World Bank spring meetings.

In 2016, Concern was invited to co-chair the Inter-Agency Network on Education in Emergencies (INEE) working group on Conflict-Sensitive Education. We also serve on the Steering Group of the USAID Education in Crisis and Conflict Network, sharing evidence on psychosocial support programming and early grade literacy in fragile contexts.





### THE NASSIRS

The Nassir family fled the war in Syria when the conflict escalated. They join the millions of people displaced from their homes due to conflict in 2016.  
Photography: Kevin Carroll.



# Finally, we are safe.

## Emergencies

**During 2016, we responded to 45 emergencies in 25 countries, directly reaching approximately 4.6 million people.**

## EMERGENCIES

### OBJECTIVES AND ACTIVITIES

---

**The goal of our emergency programme is to fulfil our humanitarian mandate by effectively responding to, and mitigating against, natural and human-influenced disasters.**

**Our main objectives are to:**

- **Respond rapidly to save lives and reduce suffering**
- **Improve access to food, water and healthcare**
- **Enable resilience and recovery**
- **Provide humanitarian leadership and advocacy**
- **Prevent and reduce the impact of emergencies**



## ACHIEVEMENTS AND PERFORMANCE ON EACH OBJECTIVE

### Responding rapidly to save lives and reduce suffering

Throughout 2016 we supported hundreds of thousands of people affected by the Syrian crisis in **Syria**, **Lebanon** and **Turkey**. Within 24 hours of a significant number of refugees in **Lebanon** being forcibly evicted, we distributed kits so that families could construct new shelters. During this process, we identified 500 particularly at-risk refugees and gave them emergency cash support. Other examples of what we achieved in 2016 are set out below:

- › We have one of the fastest emergency response times in **Somalia**. We can now respond within days of a disaster and scale up operations for as long as necessary. In 2016, this facilitated seven rapid responses to emergencies including a cholera outbreak, food and water shortages due to drought and support for people displaced by conflict.
- › Many of the areas where we work face multiple and complex emergencies, often as a result of climate change and political instability. In **Pakistan**, for example, we provided lifesaving assistance to 325,563 people in 13 districts affected by floods, drought, earthquakes and conflict. In **Afghanistan**, we supported 1,000 households displaced by armed groups, provided winter kits for 170 households affected by floods and coordinated support for another 524 flood-affected families.
- › When Hurricane Matthew hit **Haiti**, we were able to support 10,000 people with essential household and hygiene items. On a smaller scale, we worked with other agencies to support 4,000 people made homeless by flooding and political instability in **Burundi**. Our prepositioned stocks of household items meant we could immediately assist these people.

### Improving access to food, water and healthcare

People caught up in humanitarian emergencies are particularly vulnerable to disease as a result of food and water shortages and overburdened healthcare systems. Examples from our work in 2016 are set out below:

- › One of the biggest emergencies we faced in 2016 was the widespread drought in **Ethiopia** – the country's worst for 50 years. Securing funding from multiple donors, we treated almost 200,000 children and adults for various levels of malnutrition and improved access to clean water and sanitation for 290,000 people. To support their ongoing nutrition and livelihoods, we distributed seeds to drought-affected, small-scale farming households.
- › **Republic of Sudan** experienced severe flooding and a significant influx of South Sudanese refugees fleeing conflict, putting extreme pressures on health systems. We treated 39,456 people, including 19,330 children under five years old, for diseases such as malaria and acute respiratory infections.
- › As part of an integrated response to meet the needs of drought-affected communities in **Pakistan**, we supported 257,519 people through nutrition activities and 34,500 households through water, sanitation and hygiene initiatives. The programme's end line assessment found that the percentage of infants aged between six and 23 months who received a minimum acceptable diet increased from 26 to 75 per cent. The external evaluation indicated that this programme's success was partly due to effective mobile teams and coordination with government staff.
- › In partnership with the *World Food Programme*, we distributed food to

33,141 people in **Chad** during the 'lean period' before the harvest. We prioritised those most vulnerable to food insecurity, such as households headed by people who are elderly, disabled, widowed or under 18, and those with three or more children under five. This combined with nutrition education helped to prevent acute malnutrition and illness among pregnant and breastfeeding women and children under two.

- › Across 131 settlements in **Lebanon**, where people live in tents, we provided clean drinking water and sanitation facilities; undertook drainage and flood prevention measures, and promoted hygiene. We signed agreements with 10 local authorities to carry out flood prevention works at a further 22 informal settlements.
- › We continued to build the capacities and supplies of 33 health centres and 12 health posts in two districts of **Niger**, improving access to healthcare for more than 200,000 people. We also used mobile teams to screen and treat children in remote areas. An evaluation of the 33 health centres we supported indicated that 27 had improved since 2015. In 2016, 16 were classed as high performers, compared with only two in 2015. None were classed as low performers.

### Enabling resilience and recovery

Part of our humanitarian work aims to help communities withstand and recover from emergencies, and to help them become less vulnerable to future problems. This is particularly important as many regions where we work experience frequent natural disasters or ongoing political instability. Examples of our 2016 actions in this area are noted below:

- › At the end of 2016, we began a five-year programme to help people in two provinces of Pakistan become more resilient to disasters. This makes





#### ATUIL CHOK

Atuil Chok lives with her parents and her 14 month old twins, who have both been acutely malnourished. They are attending the outpatient therapeutic programme run by Concern in Aweil North, South Sudan. Photography: Kieran McConville.



Concern the first international NGO to pilot the UK Government's resilience model, alongside UN partners and the Government of Pakistan. It complements our other work in the country, helping communities to generate more sustainable and resilient livelihoods.

- › As part of our long-term operation in **Haiti**, we worked with 7,465 people and 50 organisations to help vulnerable people move out of displacement camps that are due to close and establish or strengthen income generation activities. In **Kenya**, we helped protect the incomes of around 33,600 people in 2015–2016 by protecting livestock from foot and mouth and Rift Valley disease through vaccination and quarantine measures.
- › In part of the **Central African Republic**, we found that 80 per cent of households were resorting to foraging for food and were reducing the frequency and size of their meals. We helped 86,604 people to benefit from work opportunities and provided high-quality seeds and tools. We established 22 farmer field schools to share best practice methods, trained households in market gardening and provided cash for work opportunities. Almost 500 hectares of land were cultivated using these seeds and tools, and farmers treated 175 hectares using their new pest control skills.
- › In **Ethiopia**, we supported 140,442 smallholder households to continue farming and begin recovering from extreme drought by distributing various crop seeds, and sweet potato and cassava cuttings. An impressive 96 per cent of respondents were happy with the type and variety of seeds they received, 99 per cent sowed the seeds and 92 per cent reported excellent germination results.

### Providing humanitarian leadership and advocacy

Concern's strong track record in humanitarian programming has led to us being nominated to join or lead a number of humanitarian steering groups and task forces. We use these platforms to share evidence of what works, coordinate

operations with other agencies and call for government action.

For example, in collaboration with *Medical Corps* and the *Harvard Humanitarian Initiative*, we continued the *Building a Better Response* initiative in 2016, under which more than 1,000 people took part in workshops to enhance international humanitarian coordination. We also worked with the *Office for the Coordination of Humanitarian Affairs* to design and review training tools on collaborative funding.

Ahead of the London **Syria** conference which marked the 5<sup>th</sup> anniversary of the conflict, Concern launched "*Paying the Price: Why donors must take a new approach to the Syria crisis*", which highlighted that funding commitments were not being met, that there was a deficit in key sectors such as livelihoods and protection and that the funds provided did not reflect the protracted nature of the crisis.

### Preventing and reducing the impact of emergencies

Rapid emergency responses are critical, but investment in disaster preparedness has an even greater impact. In most areas where we work, our emergency and development programmes also include disaster risk reduction (DRR) activities. We do this in various ways, e.g. by building or repairing structures that can withstand extreme weather, by supporting farming methods that reduce soil erosion and flood risk, by encouraging the use of drought-resistant crops, and by teaching communities how to prevent malnutrition and communicable diseases.

Examples of what we achieved in 2016 are set out below:

- › **Pakistan** is extremely vulnerable to natural disasters. To reduce risks for the people of Pakistan we undertake significant community-based disaster risk management work and, in 2016, worked with the Pakistan Humanitarian Forum's DRR Task Force, government authorities, district departments and vulnerable communities to develop tangible action plans that enable communities to mitigate the impact of natural disasters.

- › In **Nepal**, we developed a joint emergency preparedness plan with our Alliance2015\* partner, Welthungerhilfe. We bought and positioned 2,000 kits of relief items in a particularly vulnerable district and our partner procured another 1,000 kits. The next time the region is affected by flooding or an earthquake, we will be able to immediately support 3,000 households with essential supplies.
- › In **Somalia**, when the flood-prone Shabelle river went dry for the first time in almost 20 years, we took the opportunity to de-silt the riverbed. This enabled communities to use a previously non-functioning dam to control water levels, irrigate more farmland, reduce conflict over water and limit flooding during the rainy season.
- › In **Mozambique** and other countries affected by El Niño, we screened the nutrition levels of vulnerable populations. This data provides an early warning of any impending malnutrition crisis, enabling us to provide a timely response. Elsewhere in **Mozambique**, we continued to work with isolated communities to strengthen local risk management. We provided 48 existing groups with refresher training and established and trained eight new committees.
- › Our reconstruction programme in Port-au-Prince, **Haiti** has improved local infrastructure and boosted the economy by building drainage canals and retaining walls. These infrastructures and training on emergency preparedness meant that Grand Ravine did not flood when Hurricane Matthew – the most severe crisis affecting the country since 2010 – struck.

\* Concern is a founding member of Alliance2015, a strategic partnership of seven European NGOs: ACTED (France), Cesvi (Italy), Concern Worldwide (Ireland), HELVETAS Swiss Intercooperation (Switzerland), Hivos (The Netherlands), People in Need (Czech Republic) and Welthungerhilfe (Germany).



# 2016 Emergencies

---

---

**2016 was a year  
of turmoil - conflict,  
displacement,  
drought, climate  
change and  
food shortages.**

---

## MUHUMAD ABDILAH

---

The worst drought in decades in the Gabiley region of Somaliland is devastating livestock and pushing families to the brink of starvation. 78 year-old Muhumad Abdilahi has lost more than half of his flock. "This is the worst I've ever seen," he told us.

Concern is providing water trucking services and mobile phone cash transfers to displaced families in Gabiley. Photography: Kieran McConville.







45

We responded to 45 emergencies in 25 countries.



4.6

We helped 4.6 million people.



108

108 million people were food insecure in 2016 compared to 80 million in 2015.



130

Over 130 million people in need of humanitarian assistance.

## El Niño

triggered food crises in many countries.

## Pakistan

We helped over **325,500** people – we provided shelter items, food, water, healthcare and agricultural inputs.

## South Sudan

We distributed food rations to **440,000** people.

## Syria Crisis

We supported over **1,100,000** people displaced by conflict in Syria, Lebanon and Turkey.

## Haiti

We supplied food, shelter and essential supplies to **10,000** people after hurricane Matthew.

## Malawi

Our emergency nutrition response helped over **198,000** women and children.

## Chad

We provided food to **33,141** people during the lean period before the harvest.

# Advocacy

## OBJECTIVES AND ACTIVITIES

**The goal of Concern's international advocacy work in 2016 was to use learning and evidence from our programmes to engage and influence governments and international institutions on hunger and humanitarian issues in order to improve the lives and livelihoods of the poorest of our world.**

**The core objective of our advocacy work was to promote awareness of and support for policy change in favour of the developing world.**

## ACHIEVEMENTS AND PERFORMANCE

In pursuing this objective, during 2016, our advocacy work covered a wide range of activities, some examples are detailed below:

- › Following agreement on Agenda2030 in 2015, we published the *Global Hunger Index 2016*, which focused on the new global commitment to reaching Zero Hunger by 2030 and used a chapter authored by David Nabarro to set out a vision for achieving the Sustainable Development Goals (SDGs) and Goal 2 in particular. The report featured two case studies documenting the learning from our nutrition programming in **Malawi** and our Graduation Programme in **Burundi**. Concern, along with Alliance2015 partners, organised a series of launches of the report to engage policy makers on SDG2 Reaching Zero Hunger. The aim of these launches was to present key decision-makers with clear analysis, grounded case studies and targeted policy recommendations.

- › In relation to Nutrition, we continued to engage with key working groups of the Scaling-up Nutrition movement as well as in the International Coalition for Advocacy on Nutrition (ICAN), ensuring that these coalitions take on key Concern messages such as on fragile contexts and resilience. We produced a report "*Nutrition Matters: Opportunities to scale up nutrition in Zambia*" analysing how much of the 2016 **Zambian** government budget had been allocated to tackle undernutrition. This was presented to the Government and major donors in Lusaka to encourage increased budgeting toward nutrition.
- › In relation to Resilience, Concern's advocacy messages were derived from our programming in the Sahel and the Horn of Africa, drawing in particular from the CRAM programme (Community Resilience to Acute Malnutrition) in **Chad**. The "*From Risk to Resilience*" report distilled our experience on resilience into policy recommendations and formed part of our resilience advocacy for the World Humanitarian Summit (WHS) and beyond.
- › Throughout 2016, a range of advocacy capacity building initiatives were undertaken including structured support to **Zambia** (budget analysis and advocacy strategy), **Malawi** (GHI launch and influencing approach), **Ethiopia** and **Pakistan** (both in the wider context of Alliance2015 Advocacy Workshops), **Burundi** (two country visits), **South Sudan** (support for nutrition advocacy in Aweil) and the **Syria** Region (ongoing advocacy agenda coordinated through a cross-organisational working group).



# Development Education

## OBJECTIVES AND ACTIVITIES

**Concern strongly believes that an educated, engaged and active public is vital to ensure long lasting and sustained commitment to the world's poorest people. The goal of our Development Education programme is to help secure that commitment.**

Our main objectives for 2016 were to:

- › Ensure that teachers and students engaged in formal education have a deeper understanding of the root causes of development issues as a result of inputs at both curricular and extra-curricular levels.
- › Deepen public understanding of and support for global development issues.

## ACHIEVEMENTS AND PERFORMANCE ON EACH OBJECTIVE

### The formal education sector.

Concern's strength in formal education remains the Concern Debates Programme which now takes place in primary, post-primary and third level education. In 2016 over 4,000 students were directly involved in the debates, campaign academy, workshops and talks delivered by the Development Education team. The all-Ireland national champions of the Concern Debates in 2016 were Cross and Passion College, Ballycastle, Co. Antrim. Their prize included a visit to Concern's programme in **Malawi**.

In November, Concern and the National Youth Council of Ireland co-hosted the second annual SDG Youth Summit on Migration and Conflict with over 200 participants.

Measurements of impact across all of our activities showed a high degree of learning, engagement and skills development in the vast majority of participants.

### Deepening public understanding of and support for global development issues.

Our focus on relevant 'World Days' including International Women's Day, Africa Day, World Humanitarian Day, World Food Day, Culture Night and World AIDS Day provided outlets for direct engagement with approximately 5,000 members of the public.

In 2016 we engaged with the Irish development education sector as an active consortium member managing Irish Aid's WorldWide Global Schools, serving on the national committee of the Irish Development Education Association (IDEA), as well as serving as chair of the Dóchas Development Education Group (DEG) and the DevelopmentEducation.ie consortium. We were also active in the Stop Climate Chaos Campaign and the Global Campaign for Education.

The Concern Development Education Grants Scheme 2016 provided funding of over €160,000 to 16 groups. Grantees received funding for work in areas of teacher and youth training, resource development and formal and community education. The grants play an important part in extending the reach of development education as well as forming valuable partnerships between Concern, the public and other development education organisations in Ireland.

# Public Engagement

## OBJECTIVES AND ACTIVITIES

**The goal of our Public Engagement is to develop awareness and support amongst the Irish public for our international and humanitarian development efforts and to garner their support for long term sustainable change for the poorest.**

Our main objectives for 2016 were to:

- › Increase public engagement through growing our social media channels.
- › Develop innovative and experimental approaches to public engagement (including using audience-led brand ambassadors).

## ACHIEVEMENTS AND PERFORMANCE ON EACH OBJECTIVE

### **Increasing public engagement through growing our social media channels.**

Concern proactively took the lead in inviting UN Special Envoy for El Niño and Climate, Mary Robinson, on an inter-agency visit to **Ethiopia** in June 2016. We supported the visit with a fully integrated fundraising, digital and media relations strategy. High profile journalists accompanied the visit and there was blanket media coverage of the visit in Irish media outlets.

In 2016 we saw a 13 per cent growth in page likes on Facebook to 52,149 which was on target. Our Twitter audience grew to 43,900 while our LinkedIn audience grew at a slower but steady linear rate to 17,182 followers. This year we launched Snapchat as a new social media channel that is critical for youth engagement. Our website continued to perform well with 993,212 page views in 2016.

### **Developing innovative approaches**

As part of a global communications strategy to highlight the tragic 5<sup>th</sup> anniversary of the **Syrian** crisis we trialled a number of innovative approaches to public engagement.

For example:

- › We invited social media influencer, Daniella Moyles, who has a strong 18-25 year old following to visit our programmes in Lebanon. This grew awareness amongst the younger demographic. We filmed, edited and released a video of Syrian children rapping about the crisis. This was our highest performing piece of content in 2016 with a reach of 161,800 and 38,600 video views.
- › We trialled a live Periscope broadcast of our annual schools' debates final which doubled the total audience for the debate and garnered new followers.
- › We had considerable success across digital, social media, national mainstream media and regional media for development education and active citizenship projects in particular for the launch of *Someone Like Me*, a book aimed at 8 to 12-year-olds, that informs children in Ireland about diversity and world development issues in a way they can understand.
- › In 2016 the food writer and TV presenter, Donal Skehan, came on board as an official brand ambassador for Concern. His visit to **Malawi** was supported with an extensive digital and media relations strategy. Facebook posts regarding Donal's visit reached an audience of 163,251 and there were over 36,000 views for his **Malawi** YouTube videos with audiences in Ireland, the UK and Malawi.



# Fundraising

**Concern cannot fight poverty and hunger alone. Our achievements are built on generous donations and fundraising by thousands of individuals, groups and organisations. We are also supported by grants from many governments and institutions. We are extremely grateful for all this support. It really makes a difference.**

## OBJECTIVES AND ACTIVITIES

**The goal for fundraising is to ensure we continue to raise sufficient funds to enable Concern to deliver its work.**

The main objectives for fundraising in 2016 were to:

- › Raise €35 million from the public.
- › Raise €150 million from governments and other co-funders.
- › Maintain a diversified income base that is not overly reliant on any one source of funds.

## ACHIEVEMENTS AND PERFORMANCE ON EACH OBJECTIVE

**Raising €35 million from the public.**

In 2016, through our generous supporters we raised €36.2 million from the public for our work – which exceeded our objective. This came from a variety of fundraising efforts:

- › **Individual giving** - Committed giving (by direct debit) is an important source of income for the organisation as it represents a significant portion of our total income and it provides a reliable base from which to plan on-going activities. During the year we focused on recruitment to maintain the number of regular givers and on increasing donor loyalty.

We also conducted a number of appeals during 2016. These were aimed at the general public as well as our existing donor base. The largest appeals were for our programmes in Ethiopia and Syria.

Tax efficient giving, in which supporters' donations are augmented by an Exchequer refund, are also increasingly important for Concern's work.

- › **Corporate, major donors and trusts** - during 2016, over 300 private companies and public sector bodies supported Concern's work through employee fundraising, corporate donations and project sponsorship, amongst many other activities. These included ElectricAid and the staff of Bank of Ireland. The UBS Optimus Foundation also provided generous support for urban programmes in Bangladesh.

We had active relationships with a number of international bodies including the Swedish Postcode, and the Zurich and Turing Foundations. Collectively, international trusts and foundations supported Concern's work with in excess of €1 million in 2016. We continue to actively research funding opportunities outside of our traditional markets.

- › **Community fundraising** - in 2016 we achieved our objectives to deepen our engagement with, and increase our number of, supporters and groups. Over 300 community based collections were organised and an increasing number of people undertook sponsored physical challenges, including the London, Dublin and New York marathons, the Dublin mini-marathon, the London Triathlon and the Climb 4 Concern series.



Broadcaster Alison Comyn with Dominic MacSorley at the launch of *Someone Like Me*, written by Fionnagh Nally. Photography: MediaPix.



UN Special Envoy for El Niño and Climate, Mary Robinson at a Concern programme during her visit to Ethiopia. Photography: Liam Burke, Press 22.

Our summer raffle continued to be popular, with over 5,200 people participating. Some 16,000 Christmas gifts were also bought (pigs, chickens and apple trees proving to be particularly popular!).

- › **Concern Korea** - 2016 saw the first full year of our new fundraising and public engagement office in South Korea. The team organised and participated in a series of public events introducing Concern to the people of South Korea. They launched the concept of Hunger Heroes, a series of child-friendly characters including Cutie Solar and Water Medi, to explain Concern's work and recruited a significant number of financial supporters.

#### **Raising €150 million from governments and other co-funders.**

During 2016 we raised €146.9 million (in cash and in-kind donations), from governments and other co-funders. This was an increase on previous years and was regarded as a very satisfactory outcome.

#### **Maintaining a diversified income base that is not overly reliant on any one source of funds.**

We have agreed parameters in order to ensure that we do not become overly reliant on any single donor. We remained comfortably within these during 2016.





Concern Debates Champions 2016,  
Cross and Passion College, Co. Antrim,  
Lusineach Mathers, Orla Donnelly,  
Sorcha Hughes and Roisin Neill.  
Photography: Mick O'Neill.



Hunger Heroes Nathan Poole,  
David Daly, Craig Doyle and Stephen  
Griffin from Scoil na Mainistreach,  
Celbridge, Co. Kildare.  
Photography: Jason Clarke.



Delighted Climb 4 Concern participants  
reach the top of Croagh Patrick.  
Photography: Dermot Magee.

# How we Measure Success and Learn from our Programmes

**Concern's approach to development work is not only about doing activities with and for programme participants; it is also about learning from doing. This requires that we monitor all programmes to ensure that intended changes are happening and that they produce a lasting impact on the lives of the people with whom we work.**

Every programme is designed with a strong monitoring and evaluation focus starting with a clear description of what changes we want to see and how we expect those changes to come about. This Theory of Change exercise is a critically important step as it defines what success looks like, and the intermediate changes that are necessary along the way.

Following on from the Theory of Change, log frames are developed for all programmes which not only show the logic of the intervention, but also define how results at every level will be measured. Concern has compiled an extensive library of standard indicators of common development results. Data is collected in digital surveys before the project (baseline) and after the project (end line), as well as throughout the programme cycle. The answers provided to the survey questions are automatically analysed to output an indicator value which is tracked over time to show progress towards defined results. The digital system also automates statistical analysis.

At the end of every programme, a final evaluation is conducted to assess the relevance, effectiveness, efficiency, sustainability and impact of the programme, using not only the data described above, but also complementary information from programme participants, local government and other stakeholders.

However it is important to note that it is not only success that we measure and record. Concern is eager to understand where programmes have not been so successful, so that we can learn from the experience and apply this learning in other Concern programmes. All evaluations include recommendations for improving future programming, and Concern maintains an interactive knowledge base with learning from all programmes. In addition every three years we conduct meta-evaluations (reviews of all evaluations completed in each sector), in order to identify common issues that can guide and improve our future practice.



# Working with Partners

**We believe we can have greater impact when working in collaboration with other organisations and institutions. Throughout its programmes Concern engages with local partners to deliver services.**

Grants paid to partner organisations contribute directly to our programmes by helping local organisations provide sustainable benefits for communities. Concern monitors the usage of all grants in order to ensure that they are achieving their desired objectives. In many partnerships, a large part of Concern's input has been and will continue to be capacity building of the local partner.

We also work in strategic partnerships with other international actors such as the UN, International NGOs and global platforms, (Scaling Up Nutrition, Climate Smart Alliance etc.).

As a founding member of Alliance2015, we are committed to working collaboratively with our fellow members towards achieving the ambition of the 2030 Agenda for Sustainable Development.

In 2016, €19.2 million was granted to local partners.

—  
In 2016, €19.2 million was granted to local partners.





Farmers collecting water in Ethiopia where many regions have had little or no rainfall over the past three years. Photography: Kieran McConville.



# Challenges in 2016

**Across many of Concern's countries of operation the issues of conflict and economic turmoil continue to impact on our ability to deliver programmes.**

We continue, along with many other agencies, to meet major humanitarian challenges including: growing and persistent conflict in places like Syria and South Sudan; the scale of needs for the unprecedented numbers of refugees and displaced populations and the devastating effects of El Niño and La Niña.

As we work in some of the world's most difficult environments, attracting and retaining qualified staff remains a major challenge. The organisation has examined this issue very closely and developed a number of initiatives to address the problem.

At an international level, a number of external developments including the largely unanticipated results of the Brexit referendum and the US election contributed to an atmosphere of global uncertainty and are likely to result in a more difficult environment for development and humanitarian focused NGOs in the years to come. Concern has already experienced some of the effects and has made cost reduction decisions accordingly.

Finally in May 2016 an incident occurred involving our direct debit deductions process. This was a systems and human error that impacted a significant number of our regular givers in the UK. We have worked hard to rebuild donor relations in the aftermath.

# Longer Term Strategy and Objectives – Achievements in 2016

**Our strategic plan runs from 2016 to 2020 and commits the organisation to progress in six key areas or goals.**

Our achievement in 2016 in relation to each goal is detailed below.

Our five-year Goals	Progress made in 2016
<p><b>Greater impact on long-term poverty</b></p> <ul style="list-style-type: none"> <li>› Increase the number of people reached to 20 million</li> <li>› Strengthen specific areas of programming related to Climate-smart agriculture and urban programming in developing contexts</li> <li>› Strengthen programming models linked to community resilience for implementation in fragile states</li> <li>› Continue to strengthen health systems in maternal and child health; improve access to water and sanitation</li> <li>› Integrate health and livelihood programmes for resilience</li> <li>› Ensure that children access schooling during emergencies</li> </ul>	<ul style="list-style-type: none"> <li>› We helped over 17.6 million people through our development programmes, we reached approximately 4.5 million people directly and over 13.1 million people indirectly.</li> <li>› Developed strategies on climate-smart agriculture, urban poverty programming and community resilience.</li> <li>› Made plans to expand climate-smart agriculture in five countries, started significant new urban programmes in Bangladesh and Haiti, and embedded resilience building in programmes.</li> <li>› Improved maternal and child health in a number of countries by increasing access to nutrition and water and strengthening health systems (in both development and emergency contexts).</li> <li>› Helped thousands of children in extremely volatile regions to enroll in school and benefit from quality teaching.</li> </ul>
<p><b>Larger, faster and better humanitarian response</b></p> <ul style="list-style-type: none"> <li>› Increase the number of people whose needs we address in emergency response to five million</li> <li>› Build our conflict management competency at programme and policy level</li> <li>› Improve the speed and quality of our emergency response work</li> <li>› Achieve greater humanitarian leadership at country level</li> </ul>	<ul style="list-style-type: none"> <li>› Responded to 45 emergencies in 25 countries, directly reaching approximately 4.6 million people.</li> <li>› Drafted a conflict strategy and continued to learn from our work in areas affected by conflict.</li> <li>› Produced five papers on conflict, including one on advocacy and two on the Syrian conflict, to share our learning on working in conflict-affected areas.</li> <li>› Continued to train staff and have partnership agreements, resources and funding mechanisms in place to accelerate our emergency responses.</li> </ul>



### More influence, greater visibility and increased public engagement

- › More focused advocacy on hunger and humanitarian issues
- › Stronger visibility in emergencies
- › Campaigning actively planned especially in Ireland
- › Communications given greater emphasis across the whole organisation
- › Thought leadership proactively managed

- › Enhanced our reputation as leaders in nutrition and humanitarian programming by authoring and presenting numerous reports, including the Global Hunger Index and reports on funding for the Syrian crisis.
- › Used findings from our programmes in all sectors to garner attention from world leaders and the media, leading to policy changes in several countries.
- › Deepened our engagement with members of the public, particularly through increased use of social media and other digital platforms, and via campaigns such as those on the Syria crisis.

### Growing a new generation of Concern people

- › Support and develop the leaders of the future
- › Acquire skilled and diverse people by utilising more agile and responsive recruitment processes
- › Revitalise the role of volunteering in Concern
- › Ensure security policy, plans and procedures are commensurate with the threat level in our countries of operation
- › Build a shared culture that reflects Concern's values

- › Developed a talent and success management framework and used new systems to increase efficiencies in our recruitment processes.
- › In 2016 we had 50 volunteers working for us overseas, as programme support officers.
- › Continued to train appropriate staff in security management practices and protocols.

### Building a global Concern to meet multiple challenges

- › Develop a revised governance system that meets the needs of all parts of Concern
- › Adjust our management architecture, processes and systems for greater effectiveness, efficiency and coherence
- › Strengthen our grant management, financial management, logistics and ICT systems
- › Become a fully-integrated, digital organisation

- › Reviewed governance arrangements in Ireland and formulated a plan to communicate better with members.
- › Began rolling out an organisation-wide internal communications strategy.
- › Updated our finance systems.
- › Began the development of a grant management system.

### Securing the financial resources to implement the plan

- › Achieve sustained growth in fundraising income
- › Achieve substantial growth in co-funding income, principally through 'anchor' countries
- › Maintain acceptable ratios of fundraising to co-funding income
- › Establish a number of anchor countries that will be operating at a significant scale by the end of 2017
- › Enter new fundraising markets and expand private sector funding partnerships

- › Finalised our strategies for engagement with the private sector and the broader public.
- › Attracted significant new contracts and grants.
- › Continued programming and funding partnerships with private sector organisations, locally, nationally and internationally.
- › Identified Pakistan as an 'anchor' country.
- › 2016 was the first full year of operation for Concern in Korea.

Overall we believe that we made satisfactory progress during the first year of the plan and that delivery of the longer term objectives is broadly on track.

# Donal Skehan gets a taste of Concern's work in Malawi

**Area:** 118,000 sq km

**Population:** 12.6m

**Life Expectancy:** 39.8

**Access to safe water:** 73%

● Malawi

## Food writer and cook, Donal Skehan, reflects on his visit to Malawi with Concern in 2016.

In early November, Sofie and I boarded a plane for Malawi with the Concern team. We've been fortunate enough to travel a lot, but this trip turned out to be quite different to any other. We experienced the many shades of Malawi: joyful songs and dances of welcome, thriving agriculture and education projects, as well as deep suffering as a result of hunger and malnutrition.

Our first experience of Malawi was a rousing song of welcome by a group of "lead mothers" in a small, rural village. From the moment we arrived, they took us in and transported us right into the heart of the community. Even the chief of the village was there, and we felt honoured to be welcomed in that way. It brought a swell of emotion – we knew that this was a big deal.

Speaking with the "lead mothers" gave a real sense of what Concern is doing in terms of nutrition and hygiene. Concern supports these mothers to learn and pass on knowledge about how to make

their families' diets as nutritious and healthy as possible. For example, they told us about the importance of not over-boiling sweet potatoes in order to retain all of the nutrients. You don't think about these things as much when you're cooking at home – you take them for granted.

When you're trying to feed your children on very little, nutrients become very precious. The 'lead mothers' think carefully about how many nutrients they can get into their children with every single meal.

We also learned about the importance of the 'tippy tap' which allow villagers to properly wash their hands and ensure that germs aren't transferred by hand. Most of the kids in the nursery were very proud to line up and show us how to use the tippy tap, however others were a little wary of us. I'm not sure they see people like us walking through the village very often so they were a little scared!



Donal Skehan with 'lead mothers', Kaigwanga Village, Mchinji, Malawi. Photography: Jennifer Nolan.

Bottom right: Maunel Steven, Peter James, Chifindo Kagons look on in delight as Donal films a piece to camera from their village. Photography: Jennifer Nolan.







Speaking with the “lead mothers” gave a real sense of what Concern is doing in terms of nutrition and hygiene.

# Review of Financial Outcome 2016

## The financial outcome for 2016 is set out in the 'Consolidated Statement of Financial Activities' on page 70.

During 2016 Concern's income and expenditure grew to the highest levels ever achieved. This was mainly due to the increased emergency response programme activities related to the El Niño drought in Ethiopia and the expansion of our programme in Syria. The increase in programme activities in these countries has been somewhat offset by the reduction in the Ebola response activities in Liberia and Sierra Leone.

A detailed commentary on the financial results reflected in the 2016 Annual Report is set out below. The key risks facing the organisation are dealt with in the section on *structure, governance and management*.

### Income

The organisation's total income in 2016 amounted to €183.5 million. This represents an increase of one per cent from the income level achieved in 2015. While income from donations and legacies fell, there was a significant increase in the commodities donated to Concern during 2016.

Our diversified income base which includes income from public donations and government grants, continues to provide stability for the organisation in a challenging economic environment.

The main movements in Concern's income streams, during 2016, are outlined below:

### *Incoming resources from donations and legacies:*

Income from donations and legacies comprises donations from individual and corporate donors, trusts and foundations. In 2016 we received €36.2 million from this income stream – see note 2(a) to the financial statements. This represents a decrease of 12 per cent when compared to 2015 and is mainly due to a once-off increase in income received for the Nepal and Ebola emergencies in 2015.

During 2016 our committed giving income continued to be the largest income stream included in donations and legacies. Significant thanks are due to all of the donors who have continued to support the work of Concern during 2016.

### *Grants from governments and other co-funders:*

Concern received a total of €129.1 million in grants from governments and other co-funders in 2016 – see note 2(b) to the financial statements for an analysis by donor. This represents a one per cent increase from our 2015 levels.

Concern Worldwide (US) Inc. (including US Government income) was the single largest donor in 2016 – providing €29.2 million or 23 per cent of total co-funding income. The European Union was the next largest donor providing €28.6 million. Other significant donors included

the Irish Government who contributed €24.2 million and the British Government with €22.6 million.

### *Donated commodities:*

Commodities donated to the organisation and distributed as part of its emergency response and relief programmes were valued at €17.8 million in 2016, an increase of 41 per cent from 2015 – see note 2(c) to the financial statements for details. The bulk of the donations in kind relate to emergency food distributions in Ethiopia and South Sudan.

A key distinction in the charity sector is made between unrestricted income, which may be used by Concern for its general purposes to fulfil its charitable objectives, and restricted income which must be used only for the purpose specified by the donor. Restricted income goes towards financing particular programmes, or elements of our humanitarian responses, as agreed in advance with the donor. We use unrestricted income where flexible funding is needed most, for example in:

- › developing, testing and demonstrating the effectiveness of new approaches
- › reacting quickly to emergencies, before we receive dedicated appeal funding

We also use unrestricted income to finance our policy work and campaigns, and to meet essential running costs.



## Expenditure

Our total expenditure for the year was €179.4 million, made up as follows:

	€'m	%
Charitable activities	€167.3	93%
Raising funds	€12.1	7%
	€179.4	100%

Total expenditure, at €179.4 million, represents a one per cent increase from the 2015 level of €177.2 million. As previously outlined, this increase is primarily due to the increased emergency programme activities in Ethiopia and Syria as offset by a reduction in the Ebola response activities in Liberia and Sierra Leone.

Two items of note, which are included in the expenditure figures for 2016 are outlined below:

- Reversal of an impairment charge (€0.8 million) - During 2016 the Board reviewed the value of its land and freehold premises and agreed they should reverse the impairment charge, booked in 2013, in order to restore the value of these assets to their current recoverable value. This has resulted in an impairment credit of €0.8m in the current year.
- Foreign exchange loss (€1.7 million) – The net exchange loss incurred in 2016 comprises the revaluations of the Group's foreign currency bank accounts and other monetary assets at the balance sheet date. In 2015 these revaluations resulted in a foreign exchange gain of €2.3 million.

### Charitable activities

Expenditure on charitable activities in 2016 totalled €167.3 million, a one per cent increase from 2015 levels. As can be seen in note 3, most of this expenditure was utilised on emergency response activities in 2016.

### Raising funds

The cost of raising funds totalled €12.1 million in 2016. The increase in expenditure in 2016 is primarily due to the increased expenses relating to the fundraising office in the Republic of Korea (which opened in September 2015).

## Support Costs

The total costs set out above in relation to charitable activities and raising funds include attributable support costs. These support costs include the key services of programme management, technical support, finance, human resources and information technology. These services play a crucial role in providing core organisational support to the delivery of our programmes globally.

Our total support costs for the year amounted to €9.3 million (see note 6 to the financial statements), compared to €6.1 million in 2015, a 52 per cent increase. The main reason for this increase is the loss on foreign exchange transactions for the year (which was partly offset by the impairment credit in the current year), as outlined above. Leaving these two items aside, support costs increased only slightly during the year (0.2%).

## Key financial performance indicators

There are a number of key financial performance indicators which, taken together, are used by management and the Board as a measure of performance and financial strength. These are set out below:

Indicator	2016	2015
Return on fundraising spend	3.0	3.5
Government & institutional income as a percentage of total expenditure	82%	79%
Support costs as a percentage of total costs	5.2%	3.4%
Unrestricted reserves as a percentage of total income	26%	26%

- › *Return on fundraising spend* essentially measures how much we get back for each euro spent on fundraising. This figure has decreased in 2016 primarily as a result of the increased costs incurred in establishing our fundraising activities in the Republic of South Korea.
- › *Government and institutional income as a percentage of total expenditure* indicates the proportion of our work which we can get funded without

reliance on public appeals. The 82 per cent recorded in 2016 is higher than the levels achieved in 2015, demonstrating the organisation's success in securing high levels of funding during the year.

- › *Support costs as a percentage of total costs* illustrates how much of total expenditure is absorbed by essential but non-core activities and functions. The 5.2 per cent achieved in 2016 represents a significant increase on the 2015 position. As previously noted, this is mainly due to the fact that a foreign exchange loss was recorded in 2016 (versus the significant gain recorded in 2015). Leaving this item aside the percentage reduces to 4.7% for 2016 (the same as 2015).
- › *Unrestricted reserves as a percentage of total income* indicates the resources on which the group can draw in order to continue its work in the event of a downturn in income. The percentage in 2016 is the same as in 2015. The level of unrestricted reserves held at the end of 2016 is felt to be broadly sufficient for current needs and is in line with our reserves policy.

Overall we are satisfied with the financial performance for the year.

## Financial Results of Subsidiary Companies

In addition to the parent company, during 2016 there were three active subsidiary companies within the group:

- Concern Worldwide (UK) engages in fundraising, development education and advocacy work in the United Kingdom. The company had another successful year in 2016, producing substantial net income for group activities. The year-end position of the company was satisfactory and it is expected to continue trading for the foreseeable future.
- Concern Charity Trading CLG continued to provide support to the Group's fundraising activities. Any costs associated with this activity have been borne by the parent company.
- Concern Worldwide Korea Foundation was incorporated in the Republic of Korea during 2015. Its main activities are to fundraise for, and otherwise support, the

programmes of Concern Worldwide. The foundation commenced trading in September 2015 and is expected to grow its supporter base over the coming years.

As explained in note 20 to the financial statements, apart from the parent company and the above subsidiaries, there is one other company within the group. This company has been dormant since 2004 and did not have assets or liabilities at the balance sheet date.

### Pensions

Concern Worldwide operates a defined benefit pension scheme, providing benefits based on final pensionable salary as at March 31, 2009. This scheme was closed to new members in 1993 and any existing employees, who were still members, moved to the defined contribution scheme in 2009. As a result of these changes no current or future benefits are being accrued under the defined benefit scheme. The scheme continues however to provide life assurance benefits to staff based on their annual salaries during their period of scheme membership. An actuarial valuation at the balance sheet date indicated that the scheme had a surplus of €1 million (see note 15 to the financial statements).

Concern also pays ongoing benefits to two ex-staff members who became incapacitated while working overseas. We believe that we have a constructive obligation to continue to make these payments for as long as they are needed and as a result, we have recognised a liability for them in the balance sheet. Concern made external investments to cover the liability to the incapacitated staff and these were transferred into a discretionary trust for the benefit of the relevant individuals in 2007. An actuarial valuation at the balance sheet date indicated that the scheme had a deficit of €0.2 million (see note 15 to the financial statements).

In some of its overseas operations, Concern has legal or constructive obligations to pay lump sum service benefits to national staff on cessation of their employment. While the precise obligation varies from country to country it typically requires that the amount payable be based on terminal salary

and length of service. The schemes are not externally funded i.e. assets have not been placed in separately administered trusts to meet liabilities as they arise, instead the gross value of service benefits earned is recognised as a liability at each balance sheet date. At the end of the year the total liability recognised for these service benefits amounted to €5.4 million (see note 15 to the financial statements).

### Reserves Position

It is Concern's policy to retain only sufficient reserves to safeguard the continuity of its overseas operations, thereby committing the maximum possible resources to its programmes. The total reserves of €54.3 million at December 31, 2016 are detailed in note 16 to the financial statements and fall into two categories:

- › Restricted funds (€4.9 million): these funds are tied to particular purposes, which arise because of restrictions on their use imposed by the donor at time of receipt or because the funds were collected in a public appeal to raise money for a particular purpose. It is the organisation's policy to fully apply such funds for the purposes for which they were donated as quickly as possible.
- › Unrestricted funds (€49.5 million): these are of two types:
  - Designated funds (€46.6 million); these are unrestricted funds that have been allocated by the Board for specific purposes and that are (as a result) not available for general usage. In line with the reserves policy of Concern, at the end of 2016 funds had been designated for four specific purposes as follows:

- To cover the planned 2017 budget deficit.
- To recognise that a portion of reserves is readily invested in the charity's fixed assets (tangible and financial) and is not therefore available for other purposes.
- To ensure the continuity of operations in the event of a temporary downturn in income.
- To cover the risk of holding assets in our overseas programmes.
- To finance investment in new fundraising opportunities.

- General unrestricted funds (€2.9 million); these represent funds which are available for the general purposes of the charity.

The Board reviews the level of reserves held periodically. The last review was done in conjunction with the approval of the 2017 budget. At that time it was agreed that the restricted reserves should be utilised as soon as reasonably possible, and that the 2017 expenditure plans were not expected to move the organisation's unrestricted reserves from the 2016 levels, which are felt to be appropriate.

### Going concern

Set out above is a review of Concern's financial performance and the general reserves position as at December 31, 2016. Based on the results for the year, the year-end financial position and the approved 2017 budget, the Board believes that the charity has adequate resources to continue in operational existence for the foreseeable future.

The Board believes that there are no material uncertainties that call into doubt Concern's ability to continue in operation. Accordingly, Concern continues to adopt the going concern basis in preparing the financial statements.



# Structure, Governance and Management

**The Constitution of Concern Worldwide is the organisations's founding document. It provides for a membership-based organisation, registered in Ireland, limited by guarantee with a governing Board of Directors elected from the membership base.**

The following are the main active subsidiaries of Concern Worldwide:

Body	Description	Activities	Status
<b>Concern Worldwide (UK)</b>	Company limited by guarantee which is regarded as a subsidiary because Concern Worldwide is the sole member.	Concern Worldwide UK supports the overseas programmes of Concern Worldwide by providing material and human resources. It also engages in advocacy on issues related to the developing world.	Recognised as a charity by The Charity Commission of England and Wales and also registered with the Scottish and Northern Ireland charity regulators.
<b>Concern Worldwide Korea Foundation</b>	Foundation set-up by Concern in Korea in 2015, which is regarded as a subsidiary because Concern Worldwide can determine the composition of the Board of directors.	It is envisaged that Concern Korea will support the overseas programmes of Concern Worldwide by fundraising and by promoting and communicating the work of the organisation.	Registered as a charity with the Korean Ministry of Foreign Affairs and the Seoul Metropolitan City Government.
<b>Concern Charity Trading CLG</b>	Company limited by guarantee, regarded as a subsidiary because Concern Worldwide appoints the Board of directors.	Provides fundraising and other support services to Concern Worldwide.	Trading company.

Concern Worldwide (US) Inc. is an affiliated but organisationally independent organisation based in the United States of America.

In addition to these formal corporate arrangements, we work very closely with a wide variety of like-minded organisations in order to deliver on our programme objectives. We engage in two main types of arrangement:

- › Programme partnerships – these arise where Concern comes together with another organisation in order to complete our programme of work – these are frequently national bodies

based in our countries of operation and the relationships typically involve grant arrangements and/or capacity building.

- › Programme joint ventures – institutional donors increasingly require organisations to combine their efforts in order to secure large-scale funding opportunities – by so doing transaction costs are reduced, outreach is improved and there are opportunities for mutual learning. Where Concern engages in these joint venture/consortium arrangements it is generally on an opportunity by opportunity basis and

care is taken that there is a strong alignment of values and approaches between the consortium members.

The Concern Worldwide Board of Directors (previously the Council) is committed to maintaining high standards of corporate governance and has taken action to ensure that the organisation is fully compliant with the principles outlined in the *Irish Development NGO's Code of Corporate Governance* (as produced by the Corporate Governance Association of Ireland; partnered with Dóchas), and with the requirements of *The Governance Code for the Community, Voluntary and Charitable*

*Sector in Ireland.* Concern also adheres to the Dóchas Code of Conduct on Images and Messages. A review of the organisation's compliance with the principles of each Code is conducted annually.

Members of the Board of Directors, all of whom are non-executive, are drawn from diverse backgrounds and bring a broad range of experience and skills to the Board's deliberations. As provided for by the Constitution, Board members are elected from amongst the Concern membership base. In addition, the Board itself is empowered to co-opt new members to meet specific requirements, as well as to fill any ad hoc vacancies. All new Board members attend an induction course shortly after appointment in order to familiarise themselves with their statutory responsibilities, their role as Board members, the Concern governance framework, Concern's humanitarian work and Concern's risk environment.

During 2016 the Board reviewed the efficiency and effectiveness of governance arrangements. A number of practical changes were introduced during the year. In addition, the Board recognised that, in view of the revised legislative framework for charities and for companies more generally, there was a need to update the existing Memorandum and Articles of Association. As a result on May 28, 2016 the Memorandum and Articles of Association were replaced with the Constitution of Concern Worldwide which is compliant with requirements under the Companies Act 2014. Members approved this Constitution at the General Meeting held on May 28, 2016.

There are clear distinctions between the roles of the Board of Directors and the Executive Management Team to which day-to-day management is delegated. Matters such as policy, strategic planning, and budgets are drafted by the Executive Management Team for consideration and approval by the Board, who then monitor the implementation of these plans. The members of the Board cannot, under the governing documents, receive remuneration for services to Concern and may only be reimbursed for incidental expenses claimed.

There are four Board sub-committees; *Finance*, which monitors the organisation's financial results and policies; *Audit and Risk*, which monitors the control and risk management systems; *Programming, Monitoring and Evaluation*, which monitors the quality of Concern's programme work; and *Remuneration* which oversees pay and rewards policies and proposals across the organisation. The membership of these sub-committees includes specialists who are not members of the Board, but who volunteer their expertise to assist the sub-committees on an ongoing basis.

The Board met six times during 2016 and attendance of current members was as follows:

Name	Meetings
Ciunas Bunworth	6
Donal D'Arcy	5
Jacinta Flanagan	3
Colin Gordon	4
Paul Jeffcutt	3
Michael Kenny	6
Cyril Maybury	4
Teresa McColgan	5
Tom Moran	2
Barbara O'Reilly	4
Nora Owen	6
Gary Rice *	4
David Ritchie	3
Rachel Rodgers *	4
Jan Rotte	5
Tom Shipsey	5
Siobhan Toale	6
John Treacy	6

\* appointed during the course of the year.

The majority of Board members had additional responsibilities in relation to sub-committees. These met frequently during the year as follows: the Finance Committee met six times; the Audit and Risk Committee met four times; the Monitoring and Evaluation Committee met three times; the Remuneration Committee met once.

## Internal Control and Organisational Risk Management

Concern Worldwide operates in a wide variety of environments. As an organisation we are committed to having appropriate systems and controls in place in all locations in order to ensure that assets are safeguarded and applied only for the purposes intended. We seek to achieve this by recruiting qualified and experienced staff, providing them with suitable training and by giving them effective support in carrying out their work. Clear policies and procedures are in place and compliance is regularly reviewed. These systems are felt to generally be adequate and to provide a high degree of assurance that resources are properly applied. That said, no system provides absolute guarantees. For this reason we have strong complaint and whistle blowing systems and a well-established internal audit function that both monitors compliance and investigates problematic transactions. During 2016 we uncovered a total of 10 actual or attempted frauds, this was down from 2015 (17). As an organisation we have a zero-tolerance attitude towards fraud. We try to ensure that any possible frauds are investigated promptly, that restitution is secured and that where possible the case is referred to the local policing authorities.

Concern Worldwide has a dedicated risk management function that is responsible for ensuring that a comprehensive process exists to identify and rank significant organisational risks, it also considers how these are managed and how they are reported and monitored.

As part of the risk management process, an annual risk review is undertaken and the results are presented to the Board. The purpose of that review is to ensure that the organisation is not on an on-going basis exposed to an unacceptable level of preventable risk. Appropriate systems and procedures are in place to manage these risks and provide reasonable but not absolute assurance against occurrence. Management undertakes ongoing monitoring of the level of risk and reports on this to the Board. The major risks identified by the 2016 review are listed in order of significance:



*Economic instability:* While there has been some recovery in the Irish, UK and Eurozone economies, economic instability still represents the main risk to the organisation. Concern continues to react by carefully adjusting its budgets and expenditure to reflect likely levels of available income. It has also sought to grow and diversify income, to achieve balance in its revenue sources and to reduce exposure to any single economy or donor.

*Staff safety, well-being and security:* Concern operates in regions where the political and social circumstances make the personal health and security of staff a significant concern. The well-being of Concern's staff is of paramount importance and in order to ensure that this risk is appropriately managed the organisation has comprehensive health and security management policies in place.

*Contractual compliance:* The organisation receives a significant amount of funding from institutional donors. The management of the corresponding donor requirements, which are increasingly complex and prescriptive in nature, is challenging at both head office and field level. The organisation addresses this issue through staff training, publication of relevant guidance and frequent reviews of activities.

*Staff recruitment and retention:* Concern achieves its results through its staff. If the organisation is to succeed with its objectives, Concern staff must build effective and lasting relationships with local communities. Being able to attract and retain appropriate staff is a key on-going challenge for the organisation, particularly in the more volatile countries in which we work. The organisation has developed and frequently reviews its human resources policies and procedures to address this risk.

*Fraud, corruption and inappropriate behaviour:* Significant fraud or incidences of corruption could severely damage the organisation's reputation and result in the loss of resources. The organisation has developed detailed financial management and reporting systems to mitigate these risks, which are reviewed on a regular basis. Concern also has a comprehensive internal audit programme. A rigorous Code of Conduct for staff is proactively implemented to mitigate against any inappropriate behaviour which could potentially impact upon the communities with whom we work.

*Achievement and demonstration of programme impact:* It is important that the organisation is able to measure the impact of its programming activities in order for it to demonstrate impact. Appropriate systems have been put in place and continue to be developed.

*Public perception of the sector:* Concern recognises that the sector has been the subject of increased public and media scrutiny. The organisation seeks to be open and transparent in the way that it operates, more generally it welcomes the introduction of the Charities Regulatory Authority and its role in regulating the sector which should result in greater accountability, transparency and inspire renewed public confidence.

Overall, the Board of Directors is satisfied that systems are in place to monitor, manage and mitigate Concern's exposure to the major risks.





### SANJIDA

Sanjida at the Manik Nagar Pavement Dweller Centre in Dhaka, Bangladesh.  
Photography: Abbie Trayler-Smith / Panos Pictures for Concern Worldwide.



# Other Matters

## Staff and volunteers

Concern is an equal opportunities employer. The aim of its equal opportunities policy is to ensure that all people receive equality of opportunity regardless of gender, race, religion, disability, nationality, marital/family status and sexual orientation.

Volunteers also lent their expertise to a host of activities in 2016. We benefited greatly from the commitment and dedication of the thousands of activists and volunteers who assisted us by adjudicating debates, helping in the office and 'shaking collection buckets'. Others offered specialist advice on subjects like branding and digital strategy, acted as ambassadors or lent their voice to campaigns.

The organisation acknowledges with gratitude the work of its staff and volunteers both at home and overseas in 2016. The major achievements during the year are due to the dedication and belief of all these people.

## Our objectives as stated in our governing documents

The Constitution of Concern Worldwide states that the main object for which the organisation exists is: "... *the relief of poverty and the advancement of peoples in need*". It is further stipulated that in pursuing the main object the organisation will focus on:

- › The ultimate elimination of extreme poverty in the world's poorest countries and regions through development programmes.
- › The provision of relief and assistance to peoples in need in situations of emergency.

Concern is a public benefit entity, the benefit it provides arises from its development and relief work.

## Lobbying and Political Contributions

There were no political contributions in 2016, and as a result no disclosures are required under the *Electoral Act, 1997*.

As required under the *Regulation of Lobbying Act 2015*, Concern now records all lobbying activity and communications engaged in with Designated Public Officials (DPOs). It has made the returns and submissions required by the Act.

## Post Balance Sheet Events

There have been no events subsequent to the year-end that require any adjustment to, or additional disclosure in, the 2016 financial statements.

## Accounting Records

The Board of Directors believe that they have complied with the requirements of Chapter 2 of Part 6 of the Companies Act, 2014 with regard to books of account, by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account are maintained at the group's registered office in 52-55 Lower Camden Street, Dublin 2.

## Auditor

The Auditor, KPMG, has agreed to continue in office under Section 383(2) of the Companies Act, 2014.

## Directors Compliance Statement

The Directors acknowledge that they are responsible for securing the company's compliance with its relevant obligations as defined in the Companies Act 2014, and as required by section 225 of that act. They confirm that:

- › a compliance policy document has been drawn up that sets out policies that in their opinion are appropriate to the company respecting compliance by the company with its relevant obligations;
- › appropriate arrangements or structures are in place that are, in their opinion, designed to secure material compliance with the company's relevant obligations; and,
- › during the financial year, the arrangements or structures referred to above have been reviewed.

# Looking Ahead — Plans for the future

Our vision for the five years to 2020 is contained in the strategic plan for 2016-20 'Leaving no one behind'. This plan is built on renewed core values and builds on the solid foundations of our current mission and work.

It sets the following broad ambitions for the organisation:

- › Benefit 25 million people annually by 2020.
- › Reach a core budget of €200 million by 2020.
- › Continue to develop high quality programmes which influence policy and wider practice.

There is also a recognition that we need to build the capacity of the organisation so that it is equal to the challenges posed by the plan. Overall six key goals have been identified and detailed plans made to progress each area. Our 2016 achievements are detailed on page 52. We believe that the plan sets out a sensible path for the organisation and we will continue with its implementation over the coming years. Progress will be monitored on an ongoing basis by the Board of Directors.

A central focus of our efforts during 2017 will be to align and draw synergies from the work of our family of organisations in Ireland, Korea, the UK, US and through our European partners in Alliance2015.

The extraordinary level of public support for, and loyalty to, Concern has differentiated us from other organisations and we will continue to nurture these essential relationships in 2017. A new global communications strategy will be launched and we will also invest in a series of initiatives designed both to increase awareness of our work and to raise funds in Ireland, Korea, the UK and US.

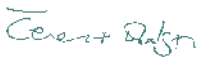
At home, we have been encouraged by the approach of the Irish Government in maintaining their commitment to overseas development aid.

While the organisation continues to be proud of its achievements, it recognises that much remains to be done. With the help of our supporters, we will continue to work with the most vulnerable people in the world to create real and lasting changes in their lives.

On behalf of the Board



**Tom Shipsey**  
Director



**Teresa McColgan**  
Director

April 24, 2017



# Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Annual Report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Company financial statements in accordance with *The Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102)*, and with the *Accounting and Reporting by Charities; Statement of Recommended Practice (Charities SORP)* applicable to charities preparing their accounts in accordance with FRS 102, comprising applicable Company Law.

Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the net income of the Group for the year. In preparing these 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;
- › state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- › prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

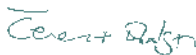
The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



**Tom Shipsey**  
Director



**Teresa McColgan**  
Director

# Independent Auditors' Report to the Members of Concern Worldwide

We have audited the financial statements ("financial statements") of Concern Worldwide ("the Group" or "the Company") for the year ended December 31, 2016 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, the Consolidated Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and *The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)*, and the *Accounting and Reporting by Charities; Statement of Recommended Practice (Charities SORP)* applicable to charities preparing their accounts in accordance with FRS102. Our audit was conducted in accordance with International Standards on Auditing (UK & Ireland) (ISAs).

## Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified.

In our opinion the financial statements:

- › give a true and fair view of the assets, liabilities and financial position of the Group and Company as at December 31, 2016 and of the Group's surplus for the year then ended;
- › have been properly prepared in accordance with FRS102 as applied with regard to the Charities SORP; and
- › have been properly prepared in accordance with the requirements of the Companies Act 2014.

2. Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below.

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 and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Director's report is consistent with the financial statements.

3. We have nothing to report in respect of matters on which we are required to report by exception.

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of Directors remuneration and transactions required by sections 305 to 312 of the Act are not made.



**Basis of our report, responsibilities and restrictions on use**

As explained more fully in the statement of Directors' Responsibilities set out on page 65, 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 ISAs. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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.

Whilst an audit conducted in accordance with ISAs is designed to provide reasonable assurance of identifying

material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our 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.

April 25, 2017



**Caroline Flynn**  
for and on behalf of

KPMG  
Chartered Accountants,  
Statutory Audit Firm  
1 Stokes Place,  
St. Stephen's Green  
Dublin 2

**JILLO ARERE**

Five year old Jillo Arere lives in Marsabit, Kenya, where Concern has been promoting the Community Conversations project, which has resulted in improved infrastructure and services in the locality. Photography: Kieran McConville, June 2016.







---

# Financial Statements 2016

## Consolidated Statement of Financial Activities for the year ended December 31, 2016

	Notes	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
		€'000	€'000	€'000	€'000
<b>Income from:</b>					
Donations and legacies	2(a)	28,044	8,172	36,216	41,263
Charitable activities:					
- grants from governments and other co-funders	2(b)	721	128,402	129,123	128,149
- donated commodities	2(c)	-	17,821	17,821	12,613
Other income	2(d)	352	20	372	186
<b>Total income</b>		<b>29,117</b>	<b>154,415</b>	<b>183,532</b>	<b>182,211</b>
<b>Expenditure on:</b>					
Charitable activities	3(a)	13,068	154,270	167,338	165,254
Raising funds	3(c)	11,286	789	12,075	11,959
<b>Total expenditure</b>		<b>24,354</b>	<b>155,059</b>	<b>179,413</b>	<b>177,213</b>
<b>Net income for the year</b>		<b>4,763</b>	<b>(644)</b>	<b>4,119</b>	<b>4,998</b>
<b>Other recognised gains and losses:</b>					
Exchange (loss)/gain on consolidation of subsidiaries	16(a)	(600)	(288)	(888)	285
Actuarial (loss)/gain on staff retirement arrangements	15(2)	(1,284)	-	(1,284)	1,550
<b>Net movement in funds</b>	16(a)	<b>2,879</b>	<b>(932)</b>	<b>1,947</b>	<b>6,833</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	16(a)	46,583	5,787	52,370	45,537
<b>Total funds carried forward</b>		<b>49,462</b>	<b>4,855</b>	<b>54,317</b>	<b>52,370</b>

On behalf of the Board



Tom Shipsey  
Board Member



Teresa McColgan  
Board Member



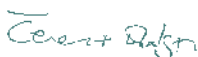
## Consolidated Balance Sheet at December 31, 2016

	Notes	2016		2015	
		€'000	€'000	€'000	€'000
<b>Fixed assets</b>					
Tangible assets	7		15,742		15,229
Investments	8		-		4
Surplus on defined benefit pension scheme	15(2)		1,021		1,874
<b>Total fixed assets</b>			<b>16,763</b>		<b>17,107</b>
<b>Current assets</b>					
Stock	9		178		177
Debtors and prepayments	10		28,969		29,561
Cash at bank and in hand	11		51,183		44,701
<b>Total current assets</b>			<b>80,330</b>		<b>74,439</b>
<b>Creditors: amounts falling due within one year</b>	12		<b>(34,328)</b>		<b>(30,534)</b>
<b>Net current assets</b>			<b>46,002</b>		<b>43,905</b>
<b>Total assets less current liabilities</b>			<b>62,765</b>		<b>61,012</b>
<b>Creditors: amounts falling due after more than one year</b>	13		<b>(2,857)</b>		<b>(3,470)</b>
<b>Net assets excluding staff retirement liabilities</b>			<b>59,908</b>		<b>57,542</b>
Staff retirement liabilities	15(2)		(5,591)		(5,172)
<b>Net assets</b>			<b>54,317</b>		<b>52,370</b>
<b>The funds of the charity:</b>					
Unrestricted funds	16(a)		49,462		46,583
Restricted funds	16(a)		4,855		5,787
<b>Charity funds</b>			<b>54,317</b>		<b>52,370</b>

On behalf of the Board



**Tom Shipsey**  
Board Member



**Teresa McColgan**  
Board Member

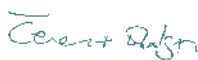
## Company Balance Sheet at December 31, 2016

	Notes	2016		2015	
		€'000	€'000	€'000	€'000
<b>Fixed assets</b>					
Tangible assets	7		15,446		14,976
Investments	8		391		395
Surplus on defined benefit pension scheme	15(2)		1,021		1,874
Total fixed assets			16,858		17,245
<b>Current assets</b>					
Stock	9		178		177
Debtors and prepayments	10		22,328		20,802
Cash at bank and in hand	11		49,765		43,060
Total current assets			72,271		64,039
<b>Creditors:</b> amounts falling due within one year		12	(32,031)		(26,616)
Net current assets			40,240		37,423
Total assets less current liabilities			57,098		54,668
<b>Creditors:</b> amounts falling due after more than one year		13	(2,857)		(3,470)
<b>Net assets excluding staff retirement liabilities</b>			54,241		51,198
Staff retirement liabilities		15(2)	(5,591)		(5,172)
<b>Net assets</b>			48,650		46,026
<b>The funds of the charity:</b>					
Unrestricted funds	16(b)		45,198		42,597
Restricted funds	16(b)		3,452		3,429
<b>Charity funds</b>			48,650		46,026

On behalf of the Board



**Tom Shipsey**  
Board Member



**Teresa McColgan**  
Board Member



## Consolidated Cash Flow Statement for the year ended December 31, 2016

	Notes	2016 €'000	2015 €'000
<b>Net cash provided by operating activities</b>	17	<b>7,379</b>	2,832
<b>Cash flows from investing activities</b>			
Deposit interest received		82	82
Payments to acquire tangible fixed assets		(232)	(283)
<b>Net cash used in investing activities</b>		<b>(150)</b>	(201)
<b>Cash flows from financing activities</b>			
Repayments on bank loan		(598)	(582)
<b>Net cash used in financing activities</b>		<b>(598)</b>	(582)
<b>Change in cash and cash equivalents in the year</b>		<b>6,631</b>	2,049
Cash and cash equivalents at the beginning of the year		44,700	42,361
Exchange rate movements	18	(151)	290
<b>Cash and cash equivalents at the end of the year</b>	18	<b>51,180</b>	44,700

## Notes to the Financial Statements

### 1) ACCOUNTING POLICIES

The principal accounting policies adopted, which are considered material to Concern Worldwide's (also referred to as "the Group" or "the Company") financial statements, are stated below. The key judgements and assumptions in applying these policies relate to:

- (i) The criteria applied to the recognition of grant income from co-funders and the related debtor and creditor balances (see Note 1(C)).
- (ii) The accuracy of the assumptions applied to the valuation of staff retirement assets and liabilities (see Note 1(N)).
- (iii) The basis for the classification of expenditure in the *Consolidated Statement of Financial Activities* (see Note 1(D)).

### A) BASIS OF PREPARATION

The financial statements are prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the financial reporting standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared under the historical cost convention, except for pension scheme assets and financial instruments which are classified at fair value. The financial statements have been prepared on a going concern basis (as outlined in the report of the Board on page 58).

The Group and Company financial statements have applied Accounting and Reporting by Charities: Statement of Recommended Practice ("Charities SORP"). The Group have applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland.

The Board have concluded that given the nature of the organisation it is appropriate to depart from the requirements of FRS 102 in relation to the accounting treatment of tangible assets and stock located in its overseas branches (see Note 1(B)).

As permitted by section 291(3)(4) of the Companies Act 2014, the Group has varied the standard formats specified in that Act for the Statement of Financial Activities, the Balance Sheets and Cash Flow Statement. Departures from the standard formats, as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with sections 4.7, 10.6 and 15.2 of that SORP. The Company has taken advantage of the exemption available to it under section 304 of the Companies Act 2014, which permits a company that publishes its Company and Group financial statements together not to present its own statement of financial activities and related notes.

Concern Worldwide is a Company Limited by Guarantee (registered number 39647), and is a registered charity (charity number CHY5745). The Company, as a charity, is exempt from the reporting and disclosure requirements of sections 325 (1)(C) and 329 of the Companies Act, 2014. The Group meets the definition of a public benefit entity under FRS 102.

The presentation currency of these financial statements is Euro (€). All amounts in the financial statements have been rounded to the nearest €1,000.

### B) BASIS OF CONSOLIDATION

#### Group companies

The consolidated financial statements include the financial statements of the Company and its subsidiaries, drawn up to December 31 each year.

#### Branches in the developing world

The work of the organisation in the developing world is carried out through branches of the Company located in the countries of operation. The branches are the local representatives of the Group. They do not have a separate legal personality and have been set up specifically to carry out the work of the organisation. All funds held by the branches are the legal property of the

Group. Expenditure on goods and services made by or on behalf of local branches is expensed when the costs are incurred.

The full cost of tangible assets and stock incurred by branches is included in expenditure in the year of acquisition and is not reflected in the Company or Group balance sheets. The Group does not capitalise these items because the assets, in the majority of cases, have conditions attached to them such that their net realisable value to the Group is nil. Typically, tangible assets purchased with donor funds are required to be sold at the end of a programme, with the proceeds returned to the donor. In other instances, it may be required to transfer ownership of the asset to a government authority or partner organisation. Stocks are generally assigned for distribution in full by the end of a funded programme. If they were not distributed, their cost would need to be refunded to the donor financing the original purchase. While this accounting treatment is a departure from the requirements of FRS 102, the Group and Company believe that this is necessary in order to ensure that the financial statements present a true and fair view.

All other assets and liabilities of branches are included in the Company and consolidated balance sheets.

#### Joint arrangements

Income and expenditure by the Group and Company, as a member of a consortium, are recognised in the *Consolidated Statement of Financial Activities* only to the extent that the organisation is directly responsible for the management and utilisation of the funds. Amounts received by the Group and Company, in its capacity as the agent for other consortia members, are not recorded in income.

#### Affiliated US Organisation

Concern Worldwide (US) Inc. is a related, though independently governed, company based in New York, which supports the mission of the Group by providing financial and human resources for programmes, recruiting staff and raising awareness of the Group and its mission.



## Notes to the Financial Statements (continued)

### 1) ACCOUNTING POLICIES (continued)

Concern Worldwide (US) Inc. is governed by an independent board of directors which retains full control over the financial and operating policies of the company. Concern Worldwide (US) Inc. is not controlled by the Group and, therefore, is not consolidated in the results of the Group.

Grants made by the Group to meet operational costs of Concern Worldwide (US) Inc. are included in the cost of charitable activities and costs of generating funds and are expensed as disbursed. Grants received from Concern Worldwide (US) Inc. to fund overseas projects are recognised in the same way as grants from governments and other co-funders.

#### C) INCOME

Income is recognised by inclusion in the *Consolidated Statement of Financial Activities* only when the Group is legally entitled to the income, the amounts involved can be measured with sufficient reliability and it is probable that the income will be received by the Group.

#### Donations and legacies

This income (which consists of monetary donations from the public, corporates, trusts, legacies, major donors and related tax refunds), is recognised in the period in which the organisation is entitled to the resource, when receipt is probable and when the amount can be measured with sufficient reliability. In the case of monetary donations from the public this income is recognised when the donations are received, with legacies it is when confirmation of unconditional entitlement to the bequest is received, whereas with tax refunds it is when all legislative requirements have been met and the amounts can be measured with reasonable certainty.

Grants from corporates, trusts and major donors are recognised on the same basis as grants from governments and other co-funders.

#### Charitable activities

##### *Grants from governments and other co-funders*

Grants from governments and other co-funders are recognised when the Group is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreements. Grants from governments and other co-funders typically include the following conditions:

- Performance based conditions - the Group is contractually entitled to funding only to the extent that the core objectives of the grant agreement are achieved. Where the Group is meeting the core objectives of a grant agreement it recognises the related expenditure, to the extent that it is reimbursable by the donor, as income.
- Time based conditions - the Group is contractually entitled to funding on the condition that it is utilised in a particular period. In these cases the Group recognises the income to the extent it is utilised within the period specified in the agreement.

In the absence of such conditions, assuming that receipt is probable and the amount can be reliably measured, grant income is recognised once the Group is notified of entitlement.

##### *Donated commodities*

Donated commodities and services provided for use by the Group as part of programmes designed, implemented and managed by the Group are valued and included in *Income* only when the Group is legally entitled to the commodities, the amounts involved can be measured with sufficient reliability and it is probable that the items will be received by the Group.

Locally sourced donations are valued at the estimated market value in their country of origin at the time of receipt.

Donations that are sourced outside of the area in which they are distributed are valued at the estimate of open market value provided by the donor.

The full valuations of donated commodities are recognised as income from charitable activities and are expensed as charitable expenditure in the year of receipt.

#### Income from trading activities

Income from other trading activities includes retail income from the sale of donated goods through shops. Income is recognised net of value added tax (where applicable).

Donated commodities for resale (in the Group's charity shops), are recognised within retail income when they are sold, net of value added tax and discounts.

### D) EXPENDITURE

Expenditure is analysed between charitable activities and raising funds. The costs of each activity are separately accumulated, separately disclosed and analysed according to their major components.

Expenditure is recognised when a legal or constructive obligation exists as a result of a past event, a transfer of economic benefits is required in settlement and the amount of the obligation can be reliably measured.

Support costs, which cannot be attributed directly to one activity, are allocated to activities in proportion to estimated benefits received.

The costs of public campaigns, together with related salary costs, which are undertaken to meet the dual purposes of raising funds and of promoting awareness of issues in the developing world, are split between costs of generating funds and costs of charitable activities on the basis considered appropriate for each type of campaign.

#### Charitable activities

Costs of charitable activities comprise costs of overseas programmes, development education, advocacy work and governance costs together with related support costs.

## Notes to the Financial Statements (continued)

### 1) ACCOUNTING POLICIES (continued)

All costs of charitable activities are recognised on an accruals basis.

Donated commodities and services for use by the Group as part of programmes designed, implemented and managed by the Group are included as costs of charitable activities in the year in which they are received.

Expenditure in the form of grants to local partners is recognised as part of the costs of charitable activities. Expenditure on these grants is recognised when the activities the grant has funded have been undertaken, the related expenditure has been incurred and the performance conditions have been satisfied. Funds advanced which are not yet recognised as expenditure by year end are included in debtors in the consolidated and Company balance sheets.

Governance costs represent the salaries, direct expenditure and overhead costs incurred on the strategic, as opposed to day-to-day management of the charity and on compliance with constitutional and statutory requirements. Costs related to internal audit and organisational risk management are also included in this category.

#### Raising funds

Costs of raising funds comprise the costs incurred in fundraising, including the costs of advertising, producing publications, printing and mailing fundraising material, staff costs and an appropriate allocation of support costs. All costs of raising funds are recognised on an accruals basis.

### E) FUND ACCOUNTING

The Group maintains various types of funds as follows:

#### Restricted funds

Restricted funds represent income received that can only be used for particular purposes, as specified by the relevant donor. Such purposes are within the overall aims of the charity.

#### Unrestricted funds

Unrestricted funds consist of General funds and Designated funds.

- (i) General funds represent amounts which are expendable at the discretion of the Group in furtherance of the objectives of the charity.
- (ii) Designated funds represent amounts that the Group has, at its discretion, set aside for specific purposes. These funds would otherwise form part of the general reserves of the charity. Specifically, the Group sets aside funds to protect its ongoing programmes and activities from unexpected variations in income, to allow it to invest in new funding opportunities, to finance tangible assets for on-going use by the charity and to cover planned future deficits.

### F) TANGIBLE ASSETS

Tangible assets are recognised when a resource is controlled by the Group as a result of a past event or transaction, it is probable that the expected future economic benefits associated with the asset will flow to the Group and the historical or fair value can be reliably measured.

Tangible assets (except for assets of branches in the developing world), are stated at cost less accumulated depreciation. Depreciation is calculated to write off the original cost of the tangible assets, less estimated residual value, over their expected useful lives, at the following annual rates:

Freehold premises: 3%  
Office furniture: 10%  
Office equipment: 20%  
Computer equipment: 33%  
Motor vehicles: 20%

Depreciation is charged on a straight-line basis in the year in which assets are put into use by the Group. Land is not depreciated and no depreciation is

charged on assets under construction until construction has been completed and the assets are ready for use.

The cost of tangible assets incurred by branches in the developing world is included in expenditure in the year of acquisition and is not reflected in the Company or consolidated balance sheets.

Provision is made for any impairment of tangible assets below their carrying amounts.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### G) INVESTMENTS

Investments in subsidiaries are carried in the parent company balance sheet at cost less any provision for impairment.

### H) FOREIGN CURRENCIES

The financial statements are prepared in Euro (€), which is the Group's and Company's functional currency because the majority of funds raised by the Group are in Euro.

Transactions in foreign currencies are recorded in Euro at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the year end rate of exchange. The resulting gains and losses are dealt with as expenditure in the *Consolidated Statement of Financial Activities*.

The Group's net investment in its overseas subsidiary undertakings is translated at the rates ruling at the balance sheet date.

## Notes to the Financial Statements (continued)

### 1) ACCOUNTING POLICIES (continued)

The income and expenditure of overseas subsidiary undertakings are translated at the average exchange rates for the year. Exchange differences resulting from the retranslation of the opening balance sheets of the overseas subsidiary undertakings, together with the differences on translation of the net income/expenditure at average rates are included in Other recognised gains and losses in the *Consolidated Statement of Financial Activities*.

#### I) TAXATION

No current or deferred taxation arises as the Group, with the exception of Concern Charity Trading CLG, has been granted charitable exemption by the revenue authorities. Irrecoverable value added tax is expensed as incurred.

Any taxes arising in, or as a result of overseas operations are included in the cost of direct charitable activities in the *Consolidated Statement of Financial Activities*.

#### J) STOCKS

Stocks comprise relief supplies held centrally for transfer to overseas operations. Stocks are stated at cost, less provisions for obsolescence and any other diminution in value. Cost is the purchase price, net of any trade discount, plus any additional costs associated with bringing the items to their current location and condition.

Unsold donated items (which have been donated to the Group's charity shops) are not included in closing stock since their cost is nil and their value is uncertain until sold.

#### K) DEBTORS

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Debtors and prepayments in countries of operation comprise balances arising from programme activities.

Income recognised by the Group from governments and other co-funders, but not yet received at year end, is included in debtors.

#### L) CASH AT BANK AND IN HAND

Cash at bank and in hand is comprised of cash on deposit at banks requiring less than 3 months notice of withdrawal. These are carried at amortised cost.

#### M) CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be reliably measured or estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due and at their present value where the time value of money is deemed significant.

Creditors in countries of operation comprise accruals and trade payables arising from programme activities.

Funds already received from donors, that do not meet the criteria for recognition as income, are shown in creditors.

#### N) PENSIONS AND OTHER RETIREMENT PROVISIONS

##### (i) Defined contribution pension scheme

A defined contribution pension scheme is a post-employment benefit scheme under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the *Consolidated Statement*

*of Financial Activities* in the period during which services are rendered by the employees.

##### (ii) Defined benefit pension scheme

A defined benefit pension scheme is a post-employment benefit scheme other than a defined contribution pension scheme. The Company's net obligation in respect of the defined benefit pension scheme and other long term employee benefits, is calculated separately for each scheme, by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The difference between the fair value of the assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit method, is disclosed as a liability/asset in the balance sheet.

The Company determines the net interest expense/income on the net defined liability/asset for the period by applying the discount rate, as determined at the beginning of the annual period, to the net defined benefit liability/asset taking account of changes arising as a result of contributions and benefit payments.

A valuation of the scheme is performed annually by a qualified actuary using the projected unit credit method. The Group recognises net defined benefit scheme liabilities, in full, at each balance sheet date and net defined benefit scheme assets are recognised to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the *Consolidated Statement of Financial Activities*.

Re-measurement of the net defined benefit liability/asset is recognised in *Other recognised gains and losses* in the period in which it occurs.



## Notes to the Financial Statements (continued)

### 1) ACCOUNTING POLICIES (continued)

#### (iii) Liability in relation to incapacitated staff

For the liability in relation to incapacitated staff, the amount charged to the *Consolidated Statement of Financial Activities* is the actuarially determined cost of benefits to two ex-staff members for the year. The expected return on the investments made to cover the liabilities and the increase in these liabilities, due to the unwinding of the discount during the year, are included under the appropriate expenditure headings in the *Consolidated Statement of Financial Activities*.

The difference between the fair value of the assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit method, is disclosed as a liability/asset in the balance sheet.

#### (iv) Overseas local staff service provision

The Company recognises a liability in respect of termination benefits accruing to local staff when the individual employee becomes entitled to such benefits through service. The liability is increased annually for the cost of service benefits earned during the year and that cost is charged to the *Consolidated Statement of Financial Activities*. Payments of service benefits are charged to the provision as they arise.

#### O) INTEREST BEARING BORROWINGS

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method.

#### P) DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives, such as forward contracts, are entered into by the Group to economically hedge recognised foreign currency denominated monetary assets and liabilities. They are not designated under hedge accounting but rather any fair value gains or losses arising are recognised in the *Consolidated Statement of Financial Activities*.

#### Q) LEASES

Income and expenditure from operating lease rentals are credited/charged to the Group and Company statement of financial activities on a straight-line basis over the life of the lease terms.

## Notes to the Financial Statements (continued)

### 2 INCOME

#### (a) Donations and legacies

	2016	2015
	€'000	€'000
Individual giving	27,728	31,152
Legacies	2,830	1,871
Corporates, major donors and trusts	4,185	4,263
Community fundraising	1,109	1,347
Disasters Emergency Committee (DEC)	327	2,630
Retail income	37	-
<b>Total</b>	<b>36,216</b>	<b>41,263</b>

Concern Worldwide (UK) is a member of the Disasters Emergency Committee (DEC), which is an umbrella organisation for UK international charities. It conducts advertising and public appeals for funds on behalf of its members.

In 2016 €8.2 million (2015: €11.4 million) of incoming resources from donations and legacies were restricted.

#### (b) Charitable activities - grants from governments and other co-funders

	2016	2015
	€'000	€'000
Irish Government		
- Irish Aid Programme Funding (IAPF)	19,188	19,343
- Other grants	5,016	5,255
Concern Worldwide (US) Inc. (including US Government)	29,167	27,061
European Union	28,639	23,563
British Government	22,587	28,441
UN Agencies	14,527	17,773
Canadian Government	1,778	554
German Government	1,742	-
World Bank	1,516	1,407
Swedish Government	889	304
Swiss Government	735	7
Jersey Overseas Aid	468	137
Other Governments	353	296
Alliance2015	195	686
Norwegian Government	136	1,016
Scottish Government	143	509
Other co-funders	2,044	1,797
<b>Total</b>	<b>129,123</b>	<b>128,149</b>

Grants from governments and other co-funders comprises of grants made by various governments to fund the charitable activities of the Group.

In 2016 €128.4 million (2015: €128.1 million) of incoming resources from governments and other co-funders were restricted.

## Notes to the Financial Statements (continued)

### 2 INCOME (continued)

#### (c) Income from charitable activities - donated commodities

Donor	Commodity received	Country or Organisation	2016 €'000	2015 €'000
World Food Programme	Foodstuffs	United Nations	9,438	5,613
Office of U.S. Foreign Disaster Assistance	Foodstuffs	United States	3,089	-
United Nations Children's Fund	Foodstuffs, medical supplies	United Nations	2,734	1,926
International Organisation for Migration	Blankets, cooking utensils, construction materials	United Nations	1,087	2,613
United Nations High Commissioner for Refugees	Tents, blankets, cooking utensils, construction supplies, foodstuffs	United Nations	539	1,118
Food and Agriculture Organization	Foodstuffs	United Nations	488	-
Global Alliance for Improved Nutrition	Foodstuffs	Switzerland	219	-
ECHO (European Commission)	Transport	European Union	64	85
Irish Aid	Tents, cooking utensils, transport	Ireland	52	271
Save the Children International	Seeds, mobile phones	USA	34	229
Action Contre la Faim International	Nutrition therapeutic supplies, medicines	France	3	144
PAE	Construction supplies, furniture	USA	-	200
United Nations Humanitarian Response Fund	Foodstuffs	United Nations	-	146
Other donors	Various	Various	74	268
<b>Total</b>			<b>17,821</b>	<b>12,613</b>

In 2016 and 2015 all donated commodities received were restricted.

#### (d) Other income

	2016 €'000	2015 €'000
Income from letting premises	94	105
Deposit interest	87	81
Other income	191	-
<b>Total</b>	<b>372</b>	<b>186</b>

In 2016 €0.02 million (2015: €0.2 million) of other income was restricted.



## Notes to the Financial Statements (continued)

### 3 EXPENDITURE

#### (a) Charitable activities

Expenditure on charitable activities can be analysed by programme type as shown below. As many of these programmes achieve results in more than one of these categories, we introduced a new integrated programme category in 2016, which will improve categorisation going forward.

Programme	Own work	Grants to partners	Distribution of donated commodities	Total direct	Support (Note 3(d))	Total 2016	Total 2015
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Health and nutrition	24,307	2,595	-	26,902	1,547	28,449	34,580
Education	7,874	1,045	-	8,919	499	9,418	10,033
Livelihoods	22,632	4,280	-	26,912	1,443	28,355	37,680
Integrated programming	21,463	4,437	-	25,900	1,013	26,913	-
Emergency	42,529	6,629	17,821	66,979	2,540	69,519	78,588
<b>Total overseas programmes</b>	<b>118,805</b>	<b>18,986</b>	<b>17,821</b>	<b>155,612</b>	<b>7,042</b>	<b>162,654</b>	160,881
Development education and advocacy	3,137	177	-	3,314	468	3,782	3,689
Governance costs (Note 3 (b))	274	-	-	274	628	902	684
<b>Total</b>	<b>122,216</b>	<b>19,163</b>	<b>17,821</b>	<b>159,200</b>	<b>8,138</b>	<b>167,338</b>	165,254
<b>Total 2015</b>	124,316	22,598	12,613	159,527	5,727		165,254

Further details of grants to partners are set out in Appendix 3.

#### (b) Governance costs

	Direct	Support (Note 3(d))	Total 2016	Total 2015
	€'000	€'000	€'000	€'000
Staff costs	121	289	410	382
Legal and professional fees	88	91	179	206
Office and other costs	65	248	313	96
<b>Total</b>	<b>274</b>	<b>628</b>	<b>902</b>	684
<b>Total 2015</b>	244	440		684

## Notes to the Financial Statements (continued)

### 3 EXPENDITURE (continued)

#### (c) Raising funds

	Campaigns	Staff	Occupancy & other direct	Total direct	Support (Note 3(d))	Total 2016	Total 2015
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Individual giving	2,735	3,919	2,271	8,925	951	9,876	9,692
Legacies	45	-	52	97	9	106	109
Corporates, major donors and trusts	42	747	348	1,137	113	1,250	1,302
Community fundraising	185	340	152	677	72	749	815
Retail	11	48	28	87	7	94	41
<b>Total 2016</b>	<b>3,018</b>	<b>5,054</b>	<b>2,851</b>	<b>10,923</b>	<b>1,152</b>	<b>12,075</b>	11,959
<b>Total 2015</b>	3,829	4,940	2,847	11,616	343		11,959

#### (d) Support costs

Where support costs are attributable to a particular activity the costs are allocated directly to that activity. Where support costs are incurred to further more than one activity they are apportioned between the relevant activities based on the amount of staff time which each activity absorbs. The allocation of the main types of support costs is detailed below.

	Charitable activities			Cost of raising funds	Total 2016	Total 2015
	Overseas programmes	Development education and advocacy	Governance			
	€'000	€'000	€'000	€'000	€'000	€'000
Overseas programme management	2,567	-	-	-	2,567	2,476
Overseas programme technical support	1,123	151	-	-	1,274	1,334
Finance	427	92	194	275	988	819
Information & communication technology and other services	468	73	241	576	1,358	1,380
Human resources	1,150	-	13	270	1,433	1,057
Other support costs	438	225	44	74	781	1,319
<b>Subtotal</b>	<b>6,173</b>	<b>541</b>	<b>492</b>	<b>1,195</b>	<b>8,401</b>	8,385
Net exchange loss/(gain)	1,244	-	136	324	1,704	(2,315)
Impairment reversal on tangible assets (Note 7)	(375)	(73)	-	(367)	(815)	-
<b>Total support costs</b>	<b>7,042</b>	<b>468</b>	<b>628</b>	<b>1,152</b>	<b>9,290</b>	6,070
<b>Total 2015</b>	4,832	455	440	343		6,070

Net exchange loss/(gain) comprise the revaluations of the Group's foreign currency bank accounts and other monetary assets and liabilities at the balance sheet date.

## Notes to the Financial Statements (continued)

### 4 OTHER INFORMATION

	2016	2015
	€'000	€'000
The net income for the year is stated after charging/(crediting) the following items:		
<b>(a) Group</b>		
Depreciation of tangible assets	495	484
Impairment reversal on tangible assets	(815)	-
Auditors' remuneration, including expenses - Group:		
Audit of the Group and subsidiary financial statements	83	83
Other assurance and advisory services	26	45
Income from letting premises	(94)	(105)
Reimbursement of expenses claimed by members of the Board	4	3
Payments under operating leases for premises used by the Group	117	136
Staff retirement liabilities past service credit	-	(20)
Interest payable on bank loan	90	105
<b>(b) Company</b>		
Depreciation of tangible assets	453	442
Impairment reversal on tangible assets	(815)	-
Auditors' remuneration - Company:		
Audit of Company only financial statements	65	65
Other assurance and advisory services	26	45
Staff retirement liabilities past service credit	-	(20)
Interest payable on bank loan	90	105

### 5 TAXATION

There is no charge to taxation in respect of the parent company and its subsidiaries, as these companies have been granted charitable exemption by the revenue authorities.

Concern Charity Trading CLG does not enjoy charitable exemption and is liable to corporation tax. A tax charge did not arise in respect of the year ended December 31, 2016 (2015: Nil).



## Notes to the Financial Statements (continued)

### 6 STAFF COSTS

#### (a) Costs and numbers

The aggregate staff costs of the persons employed by the Group during the year were as follows:

	2016	2015
	€'000	€'000
<b>Management and support staff (Ireland, Republic of Korea and UK)</b>		
Wages and salaries	13,067	12,323
Social protection costs	1,258	1,243
Pension costs (i)	1,067	997
Defined benefit pension scheme past service credit	-	(20)
<b>Sub-total</b>	<b>15,392</b>	<b>14,543</b>
<b>Project staff in countries of operation</b>		
Wages and salaries	28,747	31,011
Social protection costs	2,875	2,930
Local staff cessation benefits	2,058	1,727
<b>Sub-total</b>	<b>33,680</b>	<b>35,668</b>
<b>Total</b>	<b>49,072</b>	<b>50,211</b>

(i) Pension costs include employer contributions to the defined contribution pension scheme amounting to €0.8 million (2015: €0.7 million) (see Note 15(1)), and the cost of insurance policies that provide benefits in the event of the death or ongoing incapacity of staff members amounting to €0.3 million (2015: €0.3 million).

(ii) The average number of employees is as follows:

	2016	2015
	No. employees	No. employees
Management and support staff (Ireland, Republic of Korea and UK)	344	332
Project staff in countries of operation	3,631	3,181
<b>Total</b>	<b>3,975</b>	<b>3,513</b>

## Notes to the Financial Statements (continued)

### 6 STAFF COSTS (continued)

#### (b) Salary range

A total of 34 employees (2015: 32) earned remuneration in excess of €60,000 in 2016 as follows:

	2016	2015
	No. employees	No. employees
€60,001 to €70,000	18	18
€70,001 to €80,000	5	4
€80,001 to €90,000	7	6
€90,001 to €100,000	4	4

Remuneration includes salaries and any benefits in kind but excludes employer pension scheme contributions.

There were no employees whose remuneration was greater than €60,000 to whom retirement benefits were accruing under defined benefit pension schemes in 2016 (2015: 0).

Contributions of between 7.5% and 12% of salary were made by the Company to the defined contribution pension scheme for 34 (2015: 32) members of staff who earned in excess of €60,000.

The Group has a remuneration policy that has been agreed by its remuneration committee as delegated by the Board. This policy states that the Group seeks to be competitive with its peers in each of the markets in which it operates. As a general principle, this means the Group pitches its salaries at the median of the market place. A salary grading structure has been in place for a number of years and has been approved by the Board.

Remuneration, including pension contributions, paid to the key management team of the Group (the executive management team as detailed on page 13) in 2016 amounted to €949,437 (2015: €874,631).

The Group's CEO, Dominic MacSorley, was paid a salary of €99,740 (2015: €98,250) and received a 9% contribution to a defined contribution pension scheme. He received no additional benefits in the current or prior year.

#### (c) Remuneration of Board members

None of the members of the Board received remuneration for their services. Expenses, incurred in travelling to meetings of the parent and subsidiary boards, that were reimbursed to 7 members (2015: 11) amounted to €4,187 (2015: €3,417).

The Group has a programme in place whereby Board members periodically visit a country of operation, in order to ensure that they are familiar with the Group's work on the ground. The costs of these visits (which comprise medicals, visas, economy flights and basic accommodation), are generally borne by the Group and in 2016 amounted to €11,143 (2015: €7,609) for 8 members (2015: 6).

## Notes to the Financial Statements (continued)

### 7 TANGIBLE ASSETS

TANGIBLE ASSETS - GROUP	Land & freehold premises	Office furniture & equipment	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>					
At beginning of year	19,166	1,892	4,492	43	25,593
Additions in year	75	48	70	39	232
Disposals and retirements in year	-	(729)	(3,000)	(32)	(3,761)
Transfers	-	(7)	7	-	-
Exchange difference	(41)	(64)	(61)	-	(166)
<b>At end of year</b>	<b>19,200</b>	<b>1,140</b>	<b>1,508</b>	<b>50</b>	<b>21,898</b>
<b>Depreciation and impairment provisions</b>					
At beginning of year	4,335	1,616	4,373	40	10,364
Depreciation charge for year	307	62	115	11	495
Eliminated on disposals and retirements	-	(729)	(3,000)	(32)	(3,761)
Transfers	-	(2)	2	-	-
Impairment reversal	(815)	-	-	-	(815)
Exchange difference	(25)	(41)	(61)	-	(127)
<b>At end of year</b>	<b>3,802</b>	<b>906</b>	<b>1,429</b>	<b>19</b>	<b>6,156</b>
<b>Net book value</b>					
<b>At December 31, 2016</b>	<b>15,398</b>	<b>234</b>	<b>79</b>	<b>31</b>	<b>15,742</b>
<b>At December 31, 2015</b>	<b>14,831</b>	<b>276</b>	<b>119</b>	<b>3</b>	<b>15,229</b>

The offices at 23-25 Grantham Street, Dublin 8 are part financed by a loan that is secured by the property - see Note 13.

The Board reviewed the carrying value of the premises at December 31, 2016 and based on current market rates, it is satisfied that the impairment provision arising in previous years should be reversed. The Board is satisfied that the service potential of all tangible assets held by the Group at December 31, 2016 has not diminished.



## Notes to the Financial Statements (continued)

### 7 TANGIBLE ASSETS (continued)

TANGIBLE ASSETS - COMPANY	Land & freehold premises	Office furniture & equipment	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>					
At beginning of year	18,906	1,442	4,060	43	24,451
Additions in year	-	5	64	39	108
Disposals and retirements in year	-	(729)	(3,000)	(32)	(3,761)
<b>At end of year</b>	<b>18,906</b>	<b>718</b>	<b>1,124</b>	<b>50</b>	<b>20,798</b>
<b>Depreciation and impairment provisions</b>					
At beginning of year	4,161	1,329	3,945	40	9,475
Depreciation charge for year	296	37	109	11	453
Eliminated on disposals and retirements	-	(729)	(3,000)	(32)	(3,761)
Impairment reversal	(815)	-	-	-	(815)
<b>At end of year</b>	<b>3,642</b>	<b>637</b>	<b>1,054</b>	<b>19</b>	<b>5,352</b>
<b>Net book value</b>					
<b>At December 31, 2016</b>	<b>15,264</b>	<b>81</b>	<b>70</b>	<b>31</b>	<b>15,446</b>
<b>At December 31, 2015</b>	<b>14,745</b>	<b>113</b>	<b>115</b>	<b>3</b>	<b>14,976</b>

The offices at 23-25 Grantham Street, Dublin 8 are part financed by a loan that is secured by the property - see Note 13.

The Board reviewed the carrying value of the premises at December 31, 2016 and based on current market rates, it is satisfied that the impairment provision arising in previous years should be reversed. The Board is satisfied that the service potential of all tangible assets held by the Company at December 31, 2016 has not diminished.

### 8 INVESTMENTS

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Investment in subsidiary	-	-	391	391
Programme investments	-	4	-	4
<b>Total</b>	<b>-</b>	<b>4</b>	<b>391</b>	<b>395</b>

In 2015, the Company established and became the sole member of a new subsidiary, Concern Worldwide Korea Foundation - see Note 20(c).

## Notes to the Financial Statements (continued)

### 9 STOCK

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Stock	178	177	178	177
<b>Total</b>	<b>178</b>	<b>177</b>	<b>178</b>	<b>177</b>

Stock is comprised of relief supplies held centrally for transfer to countries of operation. In the opinion of the Board, the replacement cost of stock on hand at the year end did not differ materially from the carrying value.

### 10 DEBTORS AND PREPAYMENTS

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Amounts due from governments and other co-funders	23,812	24,325	17,996	14,466
Debtors and prepayments in countries of operation	3,287	3,869	3,287	3,869
Other debtors and prepayments	1,860	1,362	1,035	207
Amounts due from subsidiary	-	-	-	2,255
Deposit interest receivable	10	5	10	5
<b>Total</b>	<b>28,969</b>	<b>29,561</b>	<b>22,328</b>	<b>20,802</b>

All amounts included within debtors and prepayments fall due within one year.

### 11 CASH AT BANK AND IN HAND

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Funds held in parent and subsidiary companies	8,004	2,485	6,586	844
Funds held in countries of operation	4,937	5,867	4,937	5,867
Short term deposits of parent company	38,242	36,349	38,242	36,349
<b>Total</b>	<b>51,183</b>	<b>44,701</b>	<b>49,765</b>	<b>43,060</b>

All funds held in parent and subsidiary companies are held with banks that have a satisfactory credit rating as approved by the Board. Cash holdings which are not immediately required for operations are invested in short term interest bearing deposits. All of these deposits are held at variable interest rates and are repayable within 90 days. There are no material differences between the fair value of these deposits and their carrying value owing to their short term duration. At December 31, 2016 the deposits were held; in Euro €10.8 million (2015: €9.8 million); in US Dollar \$15.2 million (2015: \$16.6 million) and in Sterling £11.1 million (2015: £8.3 million). The weighted average interest rates related to these deposits were; in Euro deposits 0.0% (2015: 0.09%); in US Dollar deposits 0.5% (2015: 0.2%) and in Sterling deposits 0.32% (2015: 0.39%).

## Notes to the Financial Statements (continued)

### 11 CASH AT BANK AND IN HAND (continued)

Funds held overseas are maintained in the most secure financial institutions available in countries of operation. All of the above funds are available for immediate use by the Group.

The risk arising from concentration of investments is reduced by limits on amounts held with individual banks or institutions at any one time.

Restricted funds of €4.9 million (2015: €5.8 million) (see Note 16(a)) are included in the deposits set out above. Restricted funds of the Company of €3.4 million (2015: €3.4 million) (see Note 16(b)) are included in the deposits set out above. Included in the funds held in parent and subsidiary companies is €3.3 million (2015: €1.3 million) in respect of joint arrangements - see Note 22.

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Amounts advanced from governments and other co-funders	20,671	22,768	18,878	19,418
Trade creditors and accruals in countries of operation	7,432	5,493	7,432	5,493
Other trade creditors and accruals	5,621	1,686	2,862	1,119
Bank overdraft (i)	3	1	-	-
Bank loan (see Note 13)	601	586	601	586
Amount due to subsidiaries (ii)	-	-	2,258	-
<b>Total</b>	<b>34,328</b>	<b>30,534</b>	<b>32,031</b>	<b>26,616</b>

(i) The bank overdraft is repayable on demand.

(ii) The amounts due to subsidiaries represent funds secured by subsidiaries that are in excess of the expenditure incurred in the current year.

### 13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Bank loan	2,857	3,470	2,857	3,470
<b>Total</b>	<b>2,857</b>	<b>3,470</b>	<b>2,857</b>	<b>3,470</b>

In 2008, the Group obtained a loan from its bankers for an original sum of €8.0 million in order to finance the purchase and renovation of a building adjacent to its existing head office. The interest rate on €3.0 million of the loan was fixed in 2012 for five years at a rate of 3.03%. The remainder of the loan attracts an interest charge, based on the Bank of Ireland cost of funds rate plus a fixed margin of 0.59% per annum. The average interest rate paid on the loan for 2016 was 1.12% (2015: 1.32%). The loan is repayable over 240 months by way of monthly instalments, which commenced on August 11, 2008. This loan is secured by a fixed charge over the property at 23-25 Grantham Street, Dublin 8. The portion of the loan repayable within 1 year is disclosed under Note 12 - *Creditors: Amounts falling due within one year*.



## Notes to the Financial Statements (continued)

### 14 MOVEMENT IN RECEIVABLES AND ADVANCES FROM GOVERNMENTS AND OTHER CO-FUNDERS

	Group			Company		
	Opening balance	Movement during the year	Closing balance	Opening balance	Movement during the year	Closing balance
	2016	2016	2016	2016	2016	2016
	€'000	€'000	€'000	€'000	€'000	€'000
Amounts due from governments and other co-funders	24,325	(513)	23,812	14,466	3,530	17,996
Amounts advanced from governments and other co-funders	(22,768)	2,097	(20,671)	(19,418)	540	(18,878)
<b>Total</b>	<b>1,557</b>	<b>1,584</b>	<b>3,141</b>	<b>(4,952)</b>	<b>4,070</b>	<b>(882)</b>

	Group	Company
	2016	2016
	€'000	€'000
<b>Analysis of movement</b>		
Cash received during the year	(130,076)	(102,767)
Income earned during the year	132,482	106,837
Exchange rate movement	(822)	-
<b>Total</b>	<b>1,584</b>	<b>4,070</b>

Amounts receivable from donors, that meet the criteria for recognition as income, are included in amounts due from governments and other co-funders (see Note 10). Amounts received from donors, that do not yet qualify for recognition as income, are included in amounts advanced from governments and other co-funders until the recognition criteria are met (see Note 12).

During 2016, €18.3 million of the amounts advanced from governments and other co-funders were released to the *Consolidated Statement of Financial Activities*. New deferred income of €16.6 million is included in amounts advanced from governments and other co-funders at year end.

### 15 STAFF RETIREMENT ARRANGEMENTS

The Group and Company operate staff retirement arrangements for staff based in Ireland and the UK, ex-staff who receive benefits due to incapacitation related to their work with the Group and local staff based in overseas countries of operation.

The current arrangements are as follows:

#### (1) Defined contribution pension scheme

The Company operates a defined contribution pension scheme for all qualifying members of current staff in Ireland and the UK. The contributions are paid into a separate fund, the assets of which are invested by independent trustees.

The defined contribution pension scheme charge for 2016 was €0.8 million (2015: €0.7 million) all of which related to employees in Ireland and the UK. In line with the Group's allocation basis, pension costs which are attributable to a particular activity are allocated directly to that activity. Where pension costs are incurred to further more than one activity they are apportioned between the relevant activities based on the amount of staff time which each activity absorbs. Defined contribution pension costs are paid from unrestricted funds.

At December 31, 2016 an accrual of €0.1 million (2015: €0.03 million), in respect of contributions to this scheme is included in creditors and does not form part of the staff retirement liabilities provision, all of this accrual relates to the parent company.

## Notes to the Financial Statements (continued)

### 15 STAFF RETIREMENT ARRANGEMENTS (continued)

#### (2) Defined benefit pension scheme and other pension arrangements

At the balance sheet date, the net obligation or surplus in relation to the defined benefit scheme and other pension arrangements are as follows:

<b>Assets</b>	<b>Group &amp; Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>€'000</b>	<b>€'000</b>
Surplus on defined benefit pension scheme (see (a) below)	1,021	1,874
<b>Total</b>	<b>1,021</b>	<b>1,874</b>
<b>Liabilities</b>		
	<b>Group &amp; Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>€'000</b>	<b>€'000</b>
<b>Funded</b>		
Liability for incapacitated staff benefits (see (b) below)	(158)	(156)
<b>Unfunded</b>		
Liability for overseas local staff service provision (see (c) below)	(5,433)	(5,016)
<b>Total</b>	<b>(5,591)</b>	<b>(5,172)</b>

The movement in the net obligation or surplus on these arrangements during the year was as follows:

	<b>Defined benefit pension scheme</b>	<b>Scheme for incapacitated staff</b>	<b>Overseas local staff service provision</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Balance at beginning of year</b>	1,874	(156)	(5,016)	<b>(3,298)</b>	(4,423)
Current service costs	-	-	(1,916)	<b>(1,916)</b>	(1,727)
Net Interest income/(cost)	53	(5)	-	<b>48</b>	(3)
Net actuarial (loss)/gain	(1,262)	(22)	-	<b>(1,284)</b>	1,550
Contributions paid during the year	356	25	1,499	<b>1,880</b>	1,285
Past service credit	-	-	-	<b>-</b>	20
<b>Balance at end of year</b>	<b>1,021</b>	<b>(158)</b>	<b>(5,433)</b>	<b>(4,570)</b>	(3,298)

Amounts included as expenditure on staff retirement arrangements in the *Consolidated Statement of Financial Activities* for the year were €1.9 million, all of which was categorised as *Expenditure on Charitable Activities* (given the composition of the scheme's membership). This represented a credit of €0.05 million for the defined benefit pension scheme; a charge of €0.006 million for the liability for incapacitated staff and a charge of €2.0 million in relation to the overseas local staff service provision.

An actuarial gain of €1.29 million was credited to *Other recognised gains and losses*. This represented a gain of €1.27 million for the defined benefit pension scheme and a gain of €0.02 million for the liability for incapacitated staff.

## Notes to the Financial Statements (continued)

### 15 STAFF RETIREMENT ARRANGEMENTS (continued)

#### (a) Defined benefit pension scheme

The Company operates a defined benefit pension scheme, providing benefits based on final pensionable salary as at March 31, 2009. This scheme was closed to new members in 1993 and any staff who were still members moved to the defined contribution pension scheme in 2009. As a result of these changes no current or future benefits are being accrued under the defined benefit pension scheme. The scheme continues however, to provide life assurance benefits to staff, based on their annual salaries during their period of scheme membership.

The scheme failed to meet the minimum funding standard in 2009 and as a result a revised funding proposal was put in place during that year which provides for the Company to make annual contributions of €0.2 million per annum in addition to maintaining its existing contribution rate of 25% of revalued pensionable salaries as at March 31, 2009 until October 31, 2018. The most recent full valuation of the scheme was as at January 1, 2016 by a qualified independent actuary.

#### (i) Financial assumptions

The main financial assumptions used to calculate the retirement benefit liabilities were as follows:

	2016	2015
Valuation method	Projected unit method	Projected unit method
Discount rate for scheme liabilities	1.75%	2.6%
Inflation rate	1.65%	1.5%
Rate of increase to pensions in payment	1.65%	1.5%

The valuation uses 108% of PNXL00 mortality table for current employees and retired members which allows for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows; male 23.1 years (2015: 23 years) and female 24.4 years (2015: 24.2 years).

Assumptions relating to future salary increases are not applicable in 2016 as, with effect from March 31, 2009, there are no future benefits accruing.

If the life expectancy of a member had been changed to assume all members of the fund lived for one year longer, the value of the reported surplus at December 31, 2016 would have decreased by €0.5 million (2015: €0.4 million).

The impact of an increase or decrease of 0.25% in the discount rate, price inflation assumption and the impact of allowing for an additional year of life expectancy are set out in the table below:

Assumption	Base Value	Change in Assumption	Liability	Increase/ (decrease) on scheme liabilities	% increase/ (decrease) on scheme liabilities
			€'000	€'000	%
Discount rate	1.75%	+0.25%	13,344	(593)	-4.3%
		-0.25%	14,566	629	4.5%
Price inflation	1.65%	+0.25%	14,522	585	4.2%
		-0.25%	13,383	(554)	-4.0%
Mortality	88/89 Years	Member assumed to live one extra year	14,445	508	3.6%



## Notes to the Financial Statements (continued)

### 15 STAFF RETIREMENT ARRANGEMENTS (continued)

#### (a) Defined benefit pension scheme (continued)

##### (ii) Valuation

The scheme assets are stated at their fair value at each balance sheet date. The present value of the liability to meet future pension payments is arrived at by applying a discount rate equivalent to the rate of return expected to be derived from a Class AA Eurozone corporate bond.

Using these bases, the valuation at December 31, 2016 was as follows:

	2016	2015
	€'000	€'000
Bonds	7,791	6,915
Cash	3,513	3,345
Equities	3,485	3,389
Property	169	150
<b>Total fair value of pension scheme assets</b>	<b>14,958</b>	<b>13,799</b>
Present value of pension scheme liabilities	(13,937)	(11,925)
<b>Net surplus in defined benefit pension scheme</b>	<b>1,021</b>	<b>1,874</b>

##### (iii) Movement in fair value of scheme assets

	2016	2015
	€'000	€'000
Opening fair value of scheme assets	13,799	13,246
Interest income	359	278
Actuarial gain on assets	755	268
Employer contributions	356	356
Net benefits paid	(311)	(349)
<b>Closing fair value of scheme assets</b>	<b>14,958</b>	<b>13,799</b>
<b>Actual return on pension scheme assets</b>	<b>1,114</b>	<b>546</b>

##### (iv) Movement in present value of scheme liabilities

	2016	2015
	€'000	€'000
Opening present value of scheme liabilities	(11,925)	(13,271)
Interest expense	(306)	(255)
Net benefits paid	311	349
Actuarial (loss)/gain on liabilities	(2,017)	1,252
<b>Closing present value of scheme liabilities</b>	<b>(13,937)</b>	<b>(11,925)</b>

## Notes to the Financial Statements (continued)

### 15 STAFF RETIREMENT ARRANGEMENTS (continued)

#### (b) Liability for incapacitated staff

The Company pays ongoing benefits to two ex-staff members who became incapacitated while working overseas. The Company believes that it has a moral and constructive obligation to continue to make these payments for as long as they are needed and, as a result, it has recognised a liability for these payments.

The Company made investments to cover the liability to the incapacitated staff and these were transferred into a discretionary trust for the benefit of the relevant individuals in 2007.

An updated actuarial assessment of the liabilities to the incapacitated staff was carried out using the projected unit method at December 31, 2016 by AON Hewitt on behalf of the Company.

#### (i) Financial assumptions

The main financial assumptions used to calculate the liability for incapacity benefits payable were as follows:

	2016	2015
Rate of increase in benefits in payment	1.65%	1.50%
Inflation rate	1.65%	1.50%
Discount rate for liabilities - Euro €	1.70%	2.50%
Discount rate for liabilities - Stg £	2.70%	3.75%

In addition it has been assumed that the beneficiaries will enjoy a normal lifespan of eighty-nine years. They are currently aged fifty-two and sixty-three years.

#### (ii) Valuation

The assets are stated at their fair value at each balance sheet date. The present value of the liability to meet future payments is arrived at by applying a discount rate equivalent to the rate of return expected to be derived from a Class AA corporate bond.

Using these bases the valuation at December 31, 2016 was as follows:

	2016	2015
	€'000	€'000
Property	433	400
Other	107	108
<b>Total market value of incapacitated staff arrangement assets</b>	<b>540</b>	<b>508</b>
Present value of liabilities	(698)	(664)
<b>Net deficit in incapacitated staff arrangement</b>	<b>(158)</b>	<b>(156)</b>

## Notes to the Financial Statements (continued)

### 15 STAFF RETIREMENT ARRANGEMENTS (continued)

#### (b) Liability for incapacitated staff (continued)

##### (iii) Movement in fair value of arrangement assets

	2016	2015
	€'000	€'000
Opening fair value of arrangement assets	508	433
Interest income	18	14
Actuarial gains on assets	14	61
Employer contributions	25	27
Benefits paid	(25)	(27)
<b>Closing fair value of arrangement assets</b>	<b>540</b>	<b>508</b>
<b>Actual return on arrangement assets</b>	<b>32</b>	<b>75</b>

##### (iv) Movement in the present value of arrangement liabilities

	2016	2015
	€'000	€'000
Opening present value of arrangement liabilities	(664)	(640)
Interest expense	(23)	(20)
Net benefits paid for the year	25	27
Actuarial losses on liabilities	(36)	(31)
<b>Closing present value of arrangement liabilities</b>	<b>(698)</b>	<b>(664)</b>

#### (c) Overseas local staff service provision

In most of its overseas operations, the Company has either a legal or constructive obligation to pay service benefits to national staff on cessation of their employment. While the precise obligation varies from country to country, it typically requires that the amount payable be based on terminal salary and length of service. The Company provides for the full benefits accrued to existing staff at each balance sheet date. The provision is unfunded and represents the Company's best estimate of service benefits earned.

##### Movement in unfunded liabilities

	2016	2015
	€'000	€'000
Liability at beginning of year	(5,016)	(4,191)
Current service costs	(1,916)	(1,727)
Benefits paid during the year	1,499	902
<b>Unfunded liability at end of year</b>	<b>(5,433)</b>	<b>(5,016)</b>



## Notes to the Financial Statements (continued)

### 16 FUNDS

#### (a) Reconciliation of funds - Group

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	€'000	€'000	€'000	€'000
<b>Total funds of the charity at beginning of year</b>	<b>46,583</b>	<b>5,787</b>	<b>52,370</b>	45,537
<b>Movement in funds</b>				
Net income for the year	4,763	(644)	4,119	4,998
Exchange (loss)/gain on consolidation of foreign subsidiaries	(600)	(288)	(888)	285
Actuarial (loss)/gain on staff retirement arrangements	(1,284)	-	(1,284)	1,550
<b>Net movement in funds for the year</b>	<b>2,879</b>	<b>(932)</b>	<b>1,947</b>	6,833
<b>Charity funds at end of year</b>	<b>49,462</b>	<b>4,855</b>	<b>54,317</b>	52,370

The funds held by the Group at the balance sheet date are made up as follows:

	Subsidiaries	Company	Total 2016	Total 2015
	€'000	€'000	€'000	€'000
Unrestricted funds	4,264	45,198	49,462	46,583
Restricted funds	1,403	3,452	4,855	5,787
<b>Total</b>	<b>5,667</b>	<b>48,650</b>	<b>54,317</b>	52,370

#### (b) Reconciliation of funds - Company

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	€'000	€'000	€'000	€'000
<b>Total funds of the charity at beginning of year</b>	<b>42,597</b>	<b>3,429</b>	<b>46,026</b>	40,675
<b>Movement in funds</b>				
Net income for the year	3,885	23	3,908	3,801
Actuarial (loss)/gain on staff retirement arrangements	(1,284)	-	(1,284)	1,550
<b>Net movement in funds for the year</b>	<b>2,601</b>	<b>23</b>	<b>2,624</b>	5,351
<b>Charity funds at end of year</b>	<b>45,198</b>	<b>3,452</b>	<b>48,650</b>	46,026

## Notes to the Financial Statements (continued)

### 16 FUNDS (continued)

#### (c) Movements in funds

The movements in funds classified in accordance with the Group accounting policies are as follows:

	Notes	Balance at January 1, 2016	Income	Expenditure	Other recognised gains and losses	Exchange gains / (losses)	Transfers	Balance at December 31, 2016
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Restricted funds</b>								
Afghanistan		37	3,484	(3,512)	-	(3)	-	6
Bangladesh		104	4,069	(4,148)	-	(1)	-	24
Burundi		-	1,482	(1,482)	-	-	-	-
Central African Republic		19	2,737	(2,755)	-	-	-	1
Chad		18	2,614	(2,400)	-	(12)	-	220
Democratic People's Republic of Korea		-	1,582	(1,571)	-	-	-	11
Democratic Republic of Congo		-	6,349	(6,139)	-	-	-	210
Ethiopia		130	17,856	(17,713)	-	-	-	273
Haiti		171	4,541	(4,543)	-	(14)	-	155
Kenya		44	5,153	(5,150)	-	1	-	48
Lebanon		284	7,743	(7,732)	-	-	-	295
Liberia		89	2,857	(2,937)	-	(8)	-	1
Malawi		38	3,247	(3,188)	-	2	-	99
Mozambique		7	3,849	(3,855)	-	-	-	1
Nepal		2,747	449	(1,072)	-	(144)	-	1,980
Niger		114	4,873	(4,835)	-	(5)	-	147
Pakistan		105	11,539	(11,616)	-	(10)	-	18
Philippines		53	-	(39)	-	-	-	14
Republic of Sudan		12	5,750	(5,694)	-	(3)	-	65
Rwanda		6	1,673	(1,679)	-	-	-	-
Sierra Leone		560	5,069	(5,164)	-	(48)	-	417
Somalia		10	10,037	(9,992)	-	(2)	-	53
South Sudan		-	20,518	(20,518)	-	-	-	-
Syria/Turkey		955	13,483	(13,902)	-	(35)	-	501
Tanzania		-	107	(107)	-	-	-	-
Uganda		26	4,122	(4,141)	-	(3)	-	4
Yemen		-	79	(28)	-	(2)	-	49
Zambia		183	3,017	(3,129)	-	1	-	72
Other projects & funded HQ support costs		75	6,136	(6,018)	-	(2)	-	191
<b>Total restricted funds</b>	(i)	<b>5,787</b>	<b>154,415</b>	<b>(155,059)</b>	<b>-</b>	<b>(288)</b>	<b>-</b>	<b>4,855</b>
<b>Unrestricted funds</b>								
General funds	(ii)	418	29,117	(24,354)	(1,284)	(600)	(405)	2,892
Designated funds:	(iii)							
Planned budget deficit		1,221	-	-	-	-	162	1,383
Tangible assets		11,715	-	-	-	-	379	12,094
Programme continuity fund		30,549	-	-	-	-	104	30,653
Tangible asset investments		4	-	-	-	-	(4)	-
Potential loss of assets fund		-	-	-	-	-	500	500
Fundraising investment fund		2,676	-	-	-	-	(736)	1,940
<b>Total unrestricted funds</b>		<b>46,583</b>	<b>29,117</b>	<b>(24,354)</b>	<b>(1,284)</b>	<b>(600)</b>	<b>-</b>	<b>49,462</b>
<b>Total funds</b>	(iv)	<b>52,370</b>	<b>183,532</b>	<b>(179,413)</b>	<b>(1,284)</b>	<b>(888)</b>	<b>-</b>	<b>54,317</b>

## Notes to the Financial Statements (continued)

### 16 FUNDS (continued)

#### (c) Movements in funds (continued)

The funds carried forward at December 31, 2016 are:

##### Restricted funds

- (i) Restricted funds represent income received that can only be used for particular purposes specified by donors. Such purposes are within the overall aims of the Group. It is the Group's policy to fully apply such funds for the purposes for which they were donated as quickly as possible.

##### Unrestricted funds

- (ii) General unrestricted funds are for use at the discretion of the Board in furtherance of the objectives of the Group.
- (iii) Designated funds represent amounts that the Group has at its discretion set aside for specific purposes, which would otherwise form part of the general reserves of the Group. At the end of 2016 funds had been designated for specific purposes as follows:
  - Funds set aside to cover the expected deficit on unrestricted funds in 2017.
  - The carrying value of tangible assets for use by the Group less associated bank debt.
  - The net amount that the Board has agreed to be set aside to ensure that it can protect its ongoing programme of work from unexpected variances in income.
  - The carrying value of the Group's investments.
  - Funds set aside to cover the potential loss of assets in our overseas programmes.
  - Funds set aside to finance investment in new fundraising opportunities.

The Group's policy is to only retain sufficient reserves to safeguard the continuity of its overseas operations, thereby committing the maximum possible resources to its current programmes. The Board reviews the level of reserves held periodically. The last review was done in conjunction with the approval of the 2017 budget. At that time it was agreed that the restricted reserves should be utilised as soon as reasonably possible, and that the 2017 expenditure plans were not expected to move the Group's unrestricted reserves from the 2016 levels, which are felt to be adequate.



## Notes to the Financial Statements (continued)

### 16 FUNDS (continued)

#### (c) Movements in funds (continued)

##### (iv) Analysis of Group net assets between funds

	Restricted Funds	Unrestricted Funds	Total Funds
	€'000	€'000	€'000
Fund balances at December 31, 2016 are represented by:			
Tangible assets	-	15,742	15,742
Surplus on defined benefit pension scheme	-	1,021	1,021
Current assets	8,180	72,150	80,330
Current liabilities	(3,325)	(31,003)	(34,328)
Creditors: amounts falling due after more than one year	-	(2,857)	(2,857)
Staff retirement liabilities	-	(5,591)	(5,591)
<b>Total</b>	<b>4,855</b>	<b>49,462</b>	<b>54,317</b>

##### Analysis of Company net assets between funds

	Restricted Funds	Unrestricted Funds	Total Funds
	€'000	€'000	€'000
Fund balances at December 31, 2016 are represented by:			
Tangible assets	-	15,446	15,446
Investments	-	391	391
Surplus on defined benefit pension scheme	-	1,021	1,021
Current assets	4,576	67,695	72,271
Current liabilities	(1,124)	(30,907)	(32,031)
Creditors: amounts falling due after more than one year	-	(2,857)	(2,857)
Staff retirement liabilities	-	(5,591)	(5,591)
<b>Total</b>	<b>3,452</b>	<b>45,198</b>	<b>48,650</b>

## Notes to the Financial Statements (continued)

### 17 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	€'000	€'000
<b>Net income for the year</b>	<b>4,119</b>	4,998
Depreciation	495	484
Loss on disposal of investment	4	-
Reversal of impairment of tangible assets	(815)	-
Deposit interest earned	(87)	(81)
Difference between pension charge and cash contributions	(12)	425
Increase in stocks	(1)	(124)
Decrease/(increase) in debtors and prepayments	598	(9,689)
Increase in creditors	3,777	6,830
Exchange movements	(699)	(11)
<b>Net cash provided by operating activities</b>	<b>7,379</b>	2,832

### 18 ANALYSIS OF CASH AND CASH EQUIVALENTS

	Opening balance	Net cash flow	Exchange rate movements	Closing balance
	2016	2016	2016	2016
	€'000	€'000	€'000	€'000
Cash at bank and in hand	44,701	6,633	(151)	51,183
Bank overdraft	(1)	(2)	-	(3)
<b>Total cash and cash equivalents</b>	<b>44,700</b>	<b>6,631</b>	<b>(151)</b>	<b>51,180</b>

### 19 FINANCIAL RISK MANAGEMENT

The Group's operations expose it to different financial risks that include credit risk, interest rate risk, foreign exchange risk and liquidity risk. The Group has financial risk management policies in place, as approved by the Board, which seek to limit the impact of these risks on the performance of the Group. It is the aim of the Group to manage these risks in a non-speculative manner.

The Group view credit risk, foreign exchange risk and liquidity risk to be of particular relevance to its operations.

## Notes to the Financial Statements (continued)

### 19 FINANCIAL RISK MANAGEMENT (continued)

#### (a) Credit risk

Credit risk arises where individuals or institutions are unable to repay amounts owed to the Group. The maximum exposure to credit risk is represented by the carrying amount of the financial assets in the balance sheet:

	2016	2015
	€'000	€'000
<b>Carrying amount of financial assets of the Group:</b>		
Amounts due from governments and other co-funders (i)	23,812	24,325
Cash at bank, in hand and bank overdraft (ii)	51,180	44,700
Sundry debtors and deposit interest receivable (iii)	5,063	5,152
<b>Total</b>	<b>80,055</b>	<b>74,177</b>

Credit risk arises in the following forms:

- (i) The amounts due from governments and other co-funders, as disclosed in Note 10, represent amounts owed to the Group by governments and other co-funders for work that has been performed but for which the related funding has not been received by the year end. This is managed by the Group through ensuring that all agreements with these funders are supported by signed contracts and that all reporting and project related requirements are fulfilled to ensure receipt of funding. The Group also considers the credit risk of the funder prior to entering into contracts.

The collectability of outstanding receivable balances is closely monitored by reference to administrative and compliance requirements that are specific to each co-funder. There is not a significant concentration of risk and the history of defaults is negligible.

- (ii) The financial institutions in which cash deposits and cash at bank are placed, could default on the amounts held. This is managed by the Group by ensuring that head office cash deposits and cash at bank are invested with institutions that have a satisfactory credit rating as approved by the Board. A satisfactory rating is deemed to be a long term credit rating of at least A3 and a short term credit rating of at least P2 with Moody's Ratings of financial institutions, unless otherwise specifically approved. The Group also has policies in place to limit the concentration of cash deposits and cash at bank with any one financial institution. Transfers of cash to overseas branches are done on a needs basis.

- (iii) The Group has detailed procedures for monitoring and managing the credit risk related to other receivables.

#### (b) Foreign exchange risk

Foreign exchange risk is the risk that the Group's operations or its investments will be affected by fluctuations in exchange rates. This arises in two ways:

- Most of the Group's income is received in Euro, Sterling and US Dollars while most of its costs, particularly its overseas costs, are denominated in a range of other currencies. Fluctuations in the value of Euro, Sterling and US Dollars could therefore have a significant effect on the Group's ability to deliver its planned programme of work.
- Assets and liabilities of the Group that arise in currencies other than Euro may, as a result of exchange fluctuations, not achieve the value attributed in the Group balance sheet.

These currency risks are monitored on an ongoing basis and are managed by appropriate hedging and the regular review of exchange rates in order to ensure that the planned programme of work remains affordable.



## Notes to the Financial Statements (continued)

### 19 FINANCIAL RISK MANAGEMENT (continued)

#### (b) Foreign exchange risk (continued)

The following table details the Group's exposure to foreign exchange risk at the balance sheet date:

	2016				
	Total	Euro	Sterling	US Dollar	Other
	€'000	€'000	€'000	€'000	€'000
Amounts due from governments and other co-funders	23,812	6,477	5,775	9,682	1,878
Stock, debtors and prepayments	5,335	1,412	842	1,164	1,917
Cash and cash equivalents	51,180	18,378	13,865	15,961	2,976
Amounts advanced from governments and other co-funders	(20,671)	(14,559)	(1,686)	(2,068)	(2,358)
Other creditors and accruals	(13,054)	(2,794)	(2,719)	(4,195)	(3,346)
<b>Total 2016</b>	<b>46,602</b>	<b>8,914</b>	<b>16,077</b>	<b>20,544</b>	<b>1,067</b>
<b>Total 2015</b>	43,905	1,985	19,642	18,948	3,330

A 10% strengthening of the Euro, based on outstanding assets and liabilities at December 31, 2016 would have reduced the surplus for the year as set out below. A 10% weakening would have the opposite impact.

	2016	2015
	€'000	€'000
Sterling	1,608	1,964
US Dollar	2,054	1,895
Other currencies	107	333

The Group manages this risk through the ongoing matching of foreign assets and liabilities.

#### (c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet financial obligations as they fall due from cash flows generated by its activities. This risk can arise from mismatches in the timing of cash flows relating to assets and liabilities.

The following table reflects the contractual financial liabilities of the Group, including estimated interest payments:

	2016					
	Carrying Amount	Contractual Cash flows	< 6 Months	6 - 12 Months	1 - 2 Years	2 - 5 Years
	€'000	€'000	€'000	€'000	€'000	€'000
Trade creditors and accruals	13,054	13,054	13,054	-	-	-
Bank loan	3,458	3,464	310	325	1,309	1,520
<b>Total 2016</b>	<b>16,512</b>	<b>16,518</b>	<b>13,364</b>	<b>325</b>	<b>1,309</b>	<b>1,520</b>
<b>Total 2015</b>	11,235	11,302	7,471	306	1,229	2,296

The Group's liquidity is managed by ensuring that sufficient cash and deposits are held on short notice, and by retaining sufficient reserves to cover short term fluctuations in income.

## Notes to the Financial Statements (continued)

### 20 SUBSIDIARIES

The parent company, Concern Worldwide, has a beneficial and controlling interest in the following subsidiaries:

- (a) Concern Worldwide (UK) is registered as a company limited by guarantee that does not have a share capital. The subsidiary's registered office is at Unit 13 & 14 Calico House, Clove Hitch Quay, Plantation Wharf, London. The wholly owned subsidiary commenced to trade on January 1, 2004. It operates in the United Kingdom, its main activities are to fundraise for and otherwise support, programmes of work which relieve poverty, distress and suffering in the poorest countries of the world. The net assets of Concern Worldwide (UK) at December 31, 2016 were €5.5 million (2015: €6.3 million).

Concern Worldwide (UK) has a 100% shareholding in Concern Worldwide (NI) which has its registered office at 47 Frederick Street, Belfast, Northern Ireland and is dormant. Concern Worldwide (NI) is exempt from the requirements relating to the audit of accounts under section 479A of the UK Companies Act 2006.

- (b) Concern Charity Trading CLG is registered at 52-55 Camden Street, Dublin 2 as a company limited by guarantee and does not have any share capital. The wholly owned subsidiary, which was incorporated in 2000, is registered and operates in the Republic of Ireland. The main activity of Concern Charity Trading CLG is to support specific fundraising activities on behalf of its parent company. The company did not trade during the year. The net assets of Concern Charity Trading CLG at December 31, 2016 were nil (2015: nil). The Company qualifies for the audit exemption as outlined under section 365(2) of the Companies Act 2014.
- (c) Concern Worldwide Korea Foundation ("Concern Korea") has a registered office at 2 floor, Chunji building, 374-1, Seongyo-dong, Mapo-Gu, Seoul, Korea, 121-894. The Foundation was incorporated on July 22, 2015 and commenced operations on September 1, 2015. It operates in the Republic of Korea. Its main activities are to fundraise for and otherwise support the programmes of the Group's work which relieve poverty, distress and suffering in the poorest countries of the world. Concern Korea aims to engage the public of Korea in a greater understanding of the issues facing the beneficiaries in the countries that the Group operates in. The Foundation is recognised as a subsidiary on the basis that the Group can determine the composition of the board of directors. The net assets of Concern Korea at December 31, 2016 were €0.5 million (2015: €0.5 million).

### 21 CONCERN WORLDWIDE (US) INC.

Concern Worldwide (US) Inc. is a not-for-profit organisation registered in the United States of America, and is an affiliate of the Group. Concern Worldwide (US) Inc. is governed by an independent board of directors which retains full control over the financial and operating policies of the company. The principal activity of Concern Worldwide (US) Inc. is the raising of funds from the US Government and the general public. Concern Worldwide (US) Inc. has entered into separate agreements with the Group whereby it will provide sub-awards from these funds exclusively to the Group for the period that the agreements remain in force. The total amount of funding received from Concern Worldwide (US) Inc. in 2016 was €21.9 million (2015: €27.1 million). These grants are accounted for in the same way as grants from governments and other co-funders.

The Group provides funds to Concern Worldwide (US) Inc. to contribute towards its operational costs. The total amount transferred in 2016 was €0.04 million (2015: €0.5 million). This amount is included in the expenditure of the Group, analysed according to the purposes for which the funds were applied.

### 22 COMMITMENTS, CONTINGENCIES AND GUARANTEES

- (i) The 2017 Annual Plan, which was approved by the Board on December 10, 2016 allows for overseas expenditure in 2017 of €109 million. Any increase over this amount requires the approval of the Board.

The Group is committed to assist certain overseas projects for periods in excess of one year. The Group has entered agreements with partner agencies to undertake overseas programme activities which commit it to expenditure of €5.9 million over the two years. Any payment to be made under these agreements is contingent on the Group's receipt of funds from its co-funders in accordance with funding agreements that have already been signed. Therefore the Group has not recognised a liability in respect of these commitments. All of the agreements require the partner to carry out specific activities and payments will only be made where those activities are satisfactorily completed.

## Notes to the Financial Statements (continued)

### 22 COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

- (ii) Total future lease payments under non-cancellable operating lease agreements at December 31, 2016 in respect of premises used by the Group and Company are as follows:

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Payable on leases in which the commitment expires within:				
One year	111	129	-	-
Two to five years	445	517	-	-
More than five years	223	389	-	-
<b>Total</b>	<b>779</b>	<b>1,035</b>	<b>-</b>	<b>-</b>

During the year €0.1 million (2015: €0.1 million) was recognised as an expense in the *Consolidated Statement of Financial Activities* in respect of operating leases.

- (iii) Future capital expenditure approved by the Board but not provided for in these financial statements is as follows:

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Contracted	-	-	-	-
Authorised but not contracted	293	606	245	362
<b>Total</b>	<b>293</b>	<b>606</b>	<b>245</b>	<b>362</b>

- (iv) At the year end, the Group had a contingent liability for taxes introduced by the government of one of the countries of operation. The maximum liability is estimated at €0.2 million (2015: €0.2 million), however negotiations are ongoing and the Group considers that the ultimate payment, if any, would be approximately 50% of this amount. The Group has not made a provision in the *Consolidated Statement of Financial Activities* for any amounts that may ultimately become payable, because it regards such payments as unlikely to be required.
- (v) The Group has entered into a loan agreement with its bankers for the original sum of €8.0 million in order to finance the purchase and renovation of a building adjacent to its existing head office. This loan is secured by a fixed charge on the building. The carrying value of the loan at December 31, 2016 is €3.5 million (2015: €4.1million).
- (vi) During 2016 the Group was the lead agency in 15 consortia arrangements of non-governmental organisations (2015: 12), that were awarded grants and contracts from institutional co-funders to fund programme activities. The total value of these grants and contracts is €87.2 million (2015: €65.6 million). Of this amount €41.3 million is expected to be spent by the Group (2015: €28.3 million) and the balance will be utilised by the other consortia members.

In 2016, expenditure on these grants and contracts totalled €21.3 million (2015: €16.2 million). Of this amount €11.4 million (2015: €6.3 million) was utilised by the Group and the remainder was utilised by the other consortia members.



## Notes to the Financial Statements (continued)

### 22 COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

The analysis of funds held, received on behalf of and paid to other consortia members during the year is outlined below:

	Opening balance	Funds received during the year	Funds transferred to partners	Closing balance
	€'000	€'000	€'000	€'000
Funds relating to consortia members	1,334	13,376	(11,385)	3,325

As the Group signed the agreements and contracts with the institutional co-funders, it has obligations in relation to monitoring and reporting the full expenditure of these grants, and these obligations remain until the projects have been fully concluded. The Group may also be liable for any disallowances by the donor that cannot be recovered from the other consortia members. No provision or disclosure has been made in these accounts for any such liabilities (for which the Group is jointly and severally liable), because the likelihood of them materialising is believed to be remote.

### 23 LEGAL STATUS OF COMPANY

In accordance with section 1180 of the Companies Act, 2014, the Company is exempt from including the word 'limited' in its name. The Company is limited by guarantee and has no share capital. At December 31, 2016, there were 658 members (2015: 689), whose guarantee is limited to €6.35 each. This guarantee continues for one year after individual membership ceases.

As permitted by section 304 of the Companies Act, 2014, the Company has not presented its own statement of financial activities. As indicated in Note 16(b), the surplus of the Company before *Other recognised gains and losses* for the financial year was €2.9 million (2015: €3.8 million).

### 24 RELATED PARTY DISCLOSURES

The Company is availing of the exemption under FRS 102 (33.11) Related Party Disclosures not to disclose details of transactions with companies within the Group. Note 6 details key management compensation and expenses paid to Board members. Transactions related to Concern Worldwide (US) Inc. are detailed in Note 21.

The Group is a member of the Disasters Emergency Committee (DEC) and during the year paid a subscription to it of €0.04 million (2015: €0.03 million). Concern Worldwide (UK)'s Executive Director is a trustee of the DEC. The Group's income for the year included €0.3 million (2015: €2.5 million) receivable from DEC Appeals.

The Group is also a member of Alliance2015 and in the year paid a subscription of €0.07 million (2015: €0.04 million) to it. The Group's Chief Executive Officer is the President of Alliance2015. The Group's income for the year included €0.2 million (2015: €0.6 million) receivable from Alliance2015.

### 25 POST BALANCE SHEET EVENTS

There have been no events subsequent to the year end that require any adjustment to, or additional disclosure in, the 2016 financial statements.

### 26 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board on April 24, 2017.

## Appendix 1

### Five Year Summary of Consolidated Statement of Financial Activities

	FRS102/Charities SORP FRS102			Previous Irish GAAP	
	2016	2015	2014	2013	2012
	€'000	€'000	€'000	€'000	€'000
<b>Income</b>					
Donations and legacies	36,216	41,263	40,481	40,561	41,765
Irish Government	24,204	24,598	22,716	23,051	24,435
Concern Worldwide (US) Inc. (including US Government)	29,167	27,061	17,679	15,651	16,408
European Union	28,639	23,563	21,838	25,058	30,977
British Government	22,587	28,441	16,740	7,998	5,976
Other international co-funding	24,526	24,486	16,078	11,307	16,011
Donated commodities	17,821	12,613	8,156	2,799	7,190
Deposit interest and sundry income	372	186	188	904	662
<b>Total Income</b>	<b>183,532</b>	<b>182,211</b>	<b>143,876</b>	<b>127,329</b>	<b>143,424</b>
<b>Expenditure</b>					
Afghanistan	4,188	4,439	4,691	4,263	5,442
Bangladesh	4,407	5,052	5,343	6,393	8,604
Burundi	1,661	1,801	1,821	1,579	2,061
Central African Republic	2,808	3,225	451	-	-
Cambodia	-	-	-	291	1,955
Chad	2,912	2,765	2,347	2,451	3,246
Democratic People's Republic of Korea	1,577	1,954	2,078	1,760	1,343
Democratic Republic of Congo	6,066	6,466	6,061	4,936	4,589
Ethiopia	17,991	7,913	5,203	7,229	6,962
Haiti	4,481	6,511	6,511	8,121	11,889
India	-	-	-	782	1,943
Kenya	5,540	6,692	4,584	5,312	6,329
Lao PDR	-	-	-	-	34
Lebanon	7,699	5,938	4,912	1,184	-
Liberia	3,373	7,659	3,343	2,348	2,876
Malawi	3,284	4,232	2,922	2,619	2,540
Mozambique	4,049	3,244	2,328	2,658	1,839
Nepal	1,067	3,028	-	-	-
Niger	4,739	6,692	5,367	5,987	8,437
Pakistan	11,891	11,568	8,593	10,691	12,263
Philippines	39	950	2,338	1,230	-
Rwanda	1,890	2,495	2,274	1,825	2,020
Sierra Leone	5,379	12,482	6,171	3,882	5,061
Somalia	10,513	11,020	9,544	8,667	13,543
Republic of Sudan	6,213	5,935	4,834	4,536	4,003
South Sudan	20,584	19,733	11,873	4,359	5,997
Syria/Turkey	13,891	5,101	3,051	547	-
Tanzania	329	2,005	3,525	3,210	3,025
Uganda	4,322	3,688	3,219	2,719	2,622
Zambia	3,481	3,059	2,280	2,030	2,379
Zimbabwe	-	-	-	1,812	3,288
Yemen	13	14	-	-	-
Other countries & projects	1,225	388	354	1,340	1,329
Overseas support costs	7,042	4,832	6,026	8,450	6,705
Governance costs	902	684	638	-	-
Development education & advocacy	3,782	3,689	3,602	3,420	3,393
<b>Total cost of charitable activities</b>	<b>167,338</b>	<b>165,254</b>	<b>126,284</b>	<b>116,631</b>	<b>135,717</b>
<b>Raising funds</b>	<b>12,075</b>	<b>11,959</b>	<b>11,611</b>	<b>11,688</b>	<b>10,842</b>
<b>Governance costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>715</b>	<b>763</b>
<b>Total expenditure</b>	<b>179,413</b>	<b>177,213</b>	<b>137,895</b>	<b>129,034</b>	<b>147,322</b>
<b>Fair value of investments</b>	<b>-</b>	<b>-</b>	<b>766</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) for the year</b>	<b>4,119</b>	<b>4,998</b>	<b>6,747</b>	<b>(1,705)</b>	<b>(3,898)</b>

## Appendix 2

### Irish Aid Programme Funding (IAPF) funded by the Government of Ireland through Irish Aid

#### A The 2016 IAPF grant was utilised as follows:

	2016
	€'000
Direct programme activities	16,888
Programme quality	1,141
Programme support and administration	1,159
<b>Total</b>	<b>19,188</b>

#### Details of the direct programme activities are as follows:

Programme Outcomes	2016
	€'000
Assets and return on assets	8,165
Inequality	3,777
Risk and vulnerability	4,546
Development education	400
<b>Total direct programme expenditure</b>	<b>16,888</b>

#### IAPF Expenditure by Country

Afghanistan	960
Bangladesh	1,175
Burundi	800
Chad	871
Democratic People's Republic of Korea	430
Democratic Republic of Congo	1,210
Ethiopia	1,153
Haiti	1,000
Liberia	961
Malawi	890
Mozambique	900
Niger	977
Republic of Sudan	1,145
Rwanda	604
Sierra Leone	900
Somalia	1,093
South Sudan	693
Zambia	726
Development education	400
<b>Total direct programme expenditure</b>	<b>16,888</b>

#### B Analysis of movement in Irish Aid accrued and deferred income for the year ended December 31, 2016

	Opening balance January 1, 2016	Cash Received	Income Earned	Closing balance December 31, 2016
	€'000	€'000	€'000	€'000
IAPF	-	19,188	(19,188)	-
Other Irish Aid Funding	2,553	4,793	(5,016)	2,330
<b>Total</b>	<b>2,553</b>	<b>23,981</b>	<b>(24,204)</b>	<b>2,330</b>



## Appendix 3

### Grants to Partner Agencies for Charitable Activities

The top 50 grant recipients in 2016 are listed below:

Name of partner agency		Country	No. of grants	2016 €'000
1	NGO's Development Society	Pakistan	2	830
2	Al Massar Charity Organisation for Nomads Development & Environmental Conservation	Republic of Sudan	3	714
3	Research and Development Foundation	Pakistan	2	677
4	Lifeline Gedo	Somalia	4	670
5	Young Power in Social Action	Bangladesh	5	646
6	Doaba Foundation	Pakistan	5	629
7	Sukaar Foundation	Pakistan	4	525
8	YouthLink Somalia	Somalia	4	499
9	Shabelle Community Development Organisation	Somalia	2	483
10	Bright Star Development Society Balochistan	Pakistan	3	422
11	Sungi Development Foundation	Pakistan	3	417
12	Sami Foundation	Pakistan	3	398
13	PAK Rural Development Programme	Pakistan	3	372
14	Mojaz Foundation	Pakistan	2	371
15	Shushilan	Bangladesh	4	370
16	Water, Environment and Sanitation Society	Pakistan	4	353
17	Education, Health, Social, Awareness & Rehabilitation Foundation	Pakistan	5	338
18	Lodhran Pilot Project	Pakistan	2	337
19	Creative Approaches for Development	Pakistan	3	300
20	Horn of Africa Development Initiative	Kenya	2	300
21	Veer Development Organisation	Pakistan	1	293
22	Sajida Foundation	Bangladesh	2	290
23	Friends In Village Development Bangladesh	Bangladesh	3	285
24	Anglican Development Services of Mount Kenya East	Kenya	3	270
25	Sangtani Women Rural Development Organisation	Pakistan	1	269
26	Jagrata Juba Shangha	Bangladesh	3	261
27	Participatory Village Development Programme	Pakistan	2	254
28	International Middle East Peace Research Center	Syria/Turkey	2	253
29	Environmental Protection Society	Pakistan	1	247
30	Pally Bikash Kendra	Bangladesh	2	244
31	Peace And Development Organisation	Pakistan	3	239
32	Grassroots Pakistan	Pakistan	1	229
33	Redeemed Integrated Development Agency	Kenya	2	218
34	Mumbwa Child Development Agency	Zambia	2	216
35	Mukuru Slums Development Project	Kenya	2	215
36	Grupo di Voluntariato Civile	Lebanon	1	203
37	Shafak	Syria/Turkey	1	189
38	Islamic Relief	Pakistan	1	175
39	Social Effort for Education and Development (SEED)	Pakistan	2	165
40	Nile Hope	South Sudan	2	149
41	Social & Economic Enhancement Programme	Bangladesh	2	137
42	Daraja Civics	Kenya	1	136
43	Beira Agricultural Growth Corridor	Mozambique	1	135
44	Sustainable Development Society	Pakistan	1	135
45	Sawa Sudan for Development and Humanitarian Aid	Republic of Sudan	2	135
46	Indus Resource Centre	Pakistan	1	127
47	Lasoon - Society for Human and Natural Resource Development	Pakistan	1	126
48	Gargaar Relief and Development Organization	Somalia	1	122
49	Pikin to Pikin	Sierra Leone	1	119
50	Gono Kallyan Sangstha	Bangladesh	1	117
<b>Subtotal</b>				<b>15,604</b>
51	Other partners			<b>3,559</b>
<b>TOTAL</b>				<b>19,163</b>

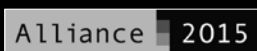
Concern Worldwide  
is a signatory of



Concern Worldwide is  
certified against the 2010  
HAP standard



Concern Worldwide is a  
member of



**Follow Concern online:**

 **Twitter.com/concern**

 **Facebook.com/concernworldwide**

**Youtube.com/concernworldwide**

**Republic of Ireland**

52-55 Lower Camden Street  
Dublin 2  
D02 H425  
+ 353 1 417 77 00  
[info@concern.net](mailto:info@concern.net)

**Northern Ireland**

47 Frederick Street  
Belfast  
BT1 2LW  
+ 44 28 9033 1100  
[belfastinfo@concern.net](mailto:belfastinfo@concern.net)

**England and Wales**

13/14 Calico House  
Clove Hitch Quay  
London  
SW11 3TN  
+ 44 207 801 1850  
[londoninfo@concern.net](mailto:londoninfo@concern.net)

**USA**

355 Lexington Avenue  
16th Floor  
New York  
NY 10017  
+ 1 212 5578 000  
[info.usa@concern.net](mailto:info.usa@concern.net)

**Republic of Korea**

2fl, Cheon-ji bldg  
115 Yanghwa-ro  
Mapo-Gu, Seoul  
+ 82 324 3900  
[info.korea@concern.net](mailto:info.korea@concern.net)