

Concern Worldwide
Annual Report &
Financial Statements 2018

A JOURNEY OF HOPE

CONCERN
worldwide

50

YEARS
TACKLING
EXTREME
POVERTY

Born in a refugee camp in the Democratic Republic of Congo after her mother fled in the wake of the Rwandan genocide, Aline Joyce Berabose has dedicated her life to building peace and empowering youth across Africa.

Learning about her mother's story of survival, with assistance from Concern, changed Aline's perspective, spurring a new sense of purpose and setting her on a journey of personal transformation and leadership.

Cover: Concern Youth Ambassador, Aline Joyce Berabose (front) and her mother, Marie Ange Berabose (back) at the Resurgence of Humanity Conference, Dublin Castle. Photo: Photocall Ireland / Concern Worldwide.

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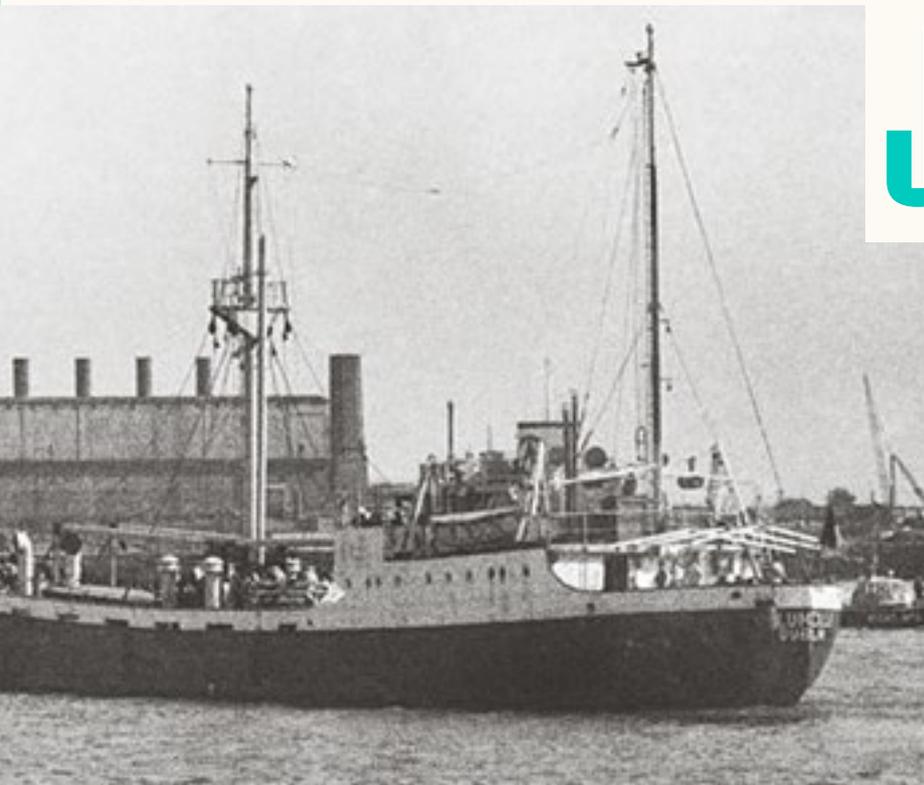
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A 50 YEAR-LONG

JOURNEY

1968



In 1968 starvation in Biafra, caused by war with the Nigerian state, reached truly catastrophic levels. When Biafra became the first famine to play out nightly on television screens around the world, a young Dublin couple, John and Kay O'Loughlin Kennedy, decided they had to do something and gathered over 40 concerned people into their flat on Northumberland Road.

With no humanitarian or fundraising experience, only a driving impulse to act in the face of great suffering, this group of young volunteers launched an ambitious fundraising campaign to support relief efforts on the ground in Biafra. Tapping into the conscience of a nation that had itself suffered the ravages of famine, their efforts led to the largest ever humanitarian response mounted out of Ireland up to this time. It started with sending shipments of relief goods to Biafra channelled into the hands of Irish people on the ground, including Aengus and Jack Finucane, who went on to build the organisation that is now Concern Worldwide.

Left: The Columille sailing from Dublin with a cargo of aid for Biafra, September 6, 1968. Photo: Concern Worldwide.

Above: Noor* (21) holds one of her twin girls in their tent in Cox's Bazar, Bangladesh, where they are being supported by Concern. *Names changed to protect the identity of individuals. Photo: Abir Abdullah / Concern Worldwide.



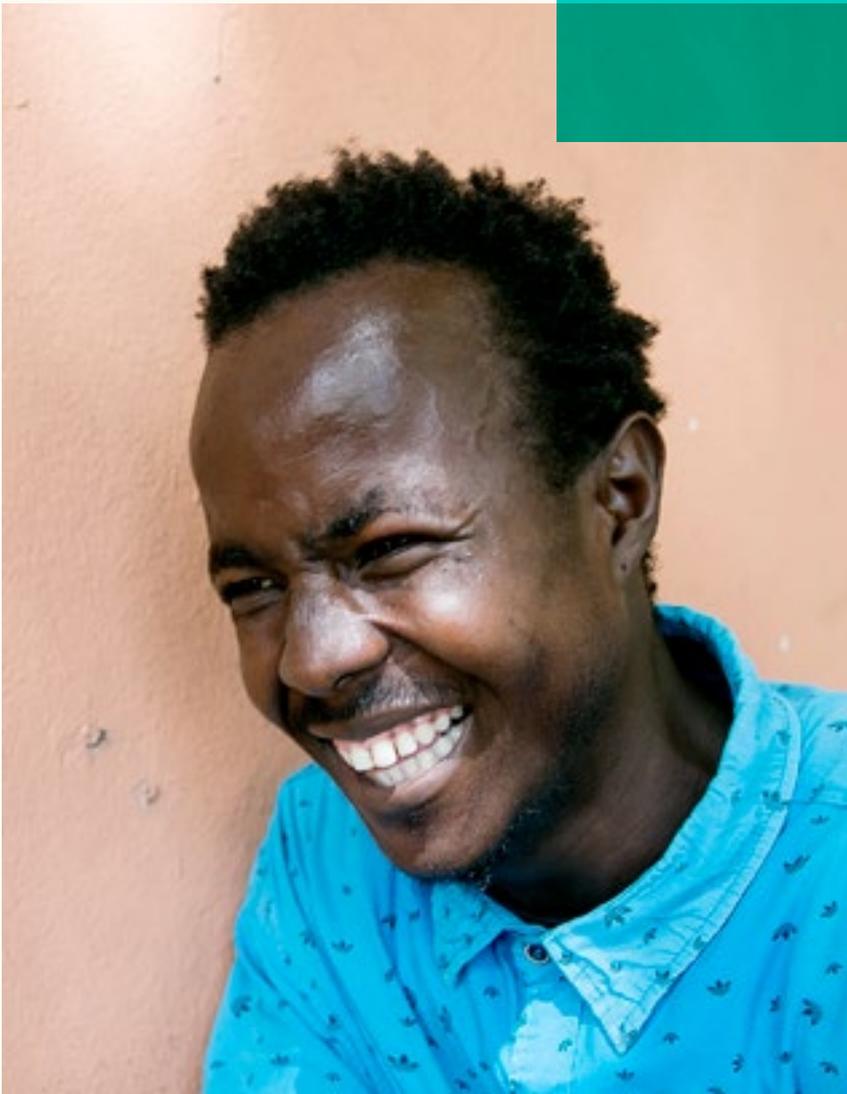
2018

Over the course of 50 years, Concern has grown into Ireland's largest humanitarian and development organisation. But we have never forgotten our roots as an instinctual response to the outrage of human suffering; as a vehicle to channel the empathy of people throughout Ireland and the world into a professional, compassionate humanitarian response.



Above: After being selected to be part of Concern's Graduation programme three months ago, renovation work has begun on Violette Bukeyenza's dilapidated house. She has also started a small business selling banana juice and has earned enough to buy a goat. She now plans to convert her front room into a small grocery shop. Photo: Darren Vaughan / Concern Worldwide.

Left: Bien-Aimé Marc Onel participated in six months of life skills training as part of "Building Hope & Opportunities in Haiti". Formerly involved in anti-social activities, he says "Concern changed my whole attitude to life. I went from a negative person to a positive person." Photo: Kieran McConville / Concern Worldwide.



CONCERN WORLDWIDE WHO WE ARE AND WHAT WE DO

Our Identity - Who We Are

Concern Worldwide 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.



A JOURNEY OF GROWTH



A series of money transfers from Concern enabled Aloys Murengantwari and his wife Marceline Nabagande to buy livestock and a plot of land where they grow beans, maize and cassava and tend their six goats. Aloys also received a bicycle from Concern which helps him run his small business fetching and selling water and vegetables. Aloys, Marceline and their daughter Irihose (4) outside their home in Burundi.

Photo: Darren Vaughan / Concern Worldwide.

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.

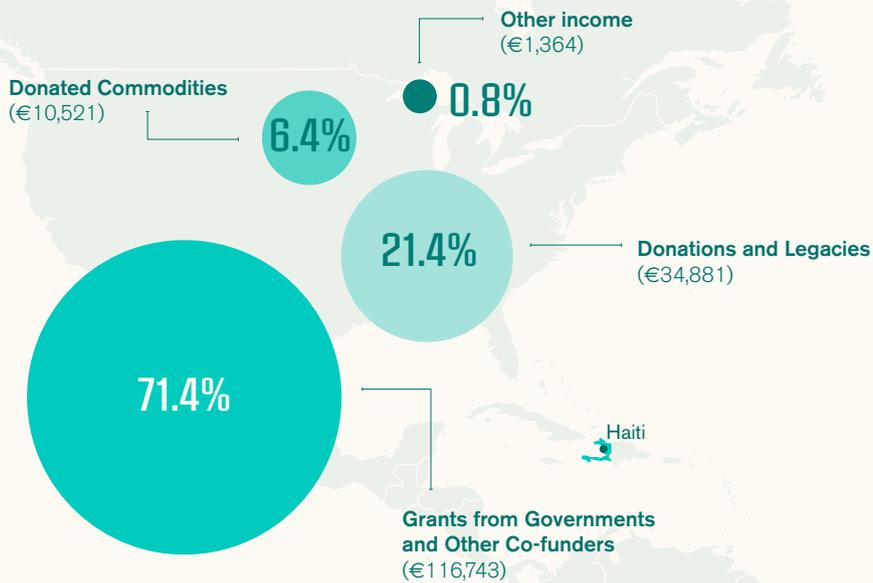
We are innovative. Finding effective solutions requires innovative thinking combined with a pragmatic approach.

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

WHERE WE WORK

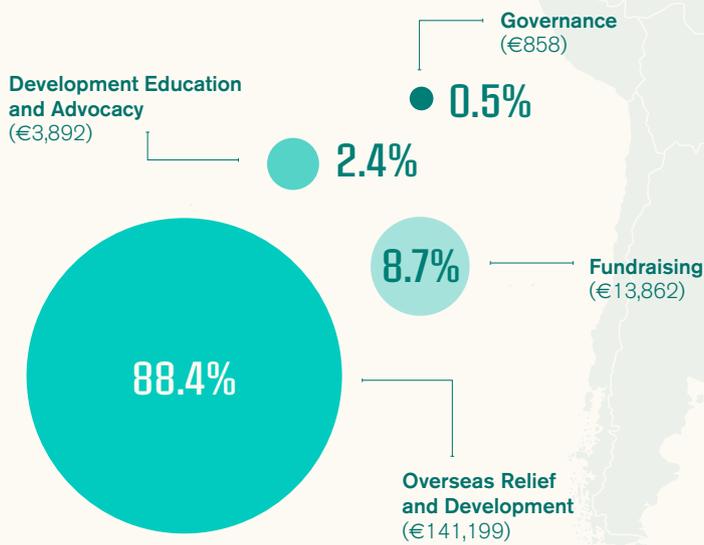
INCOME (€'000)

TOTAL: €163,509



EXPENDITURE (€'000)

TOTAL: €159,811



24.2 MILLION

People Helped

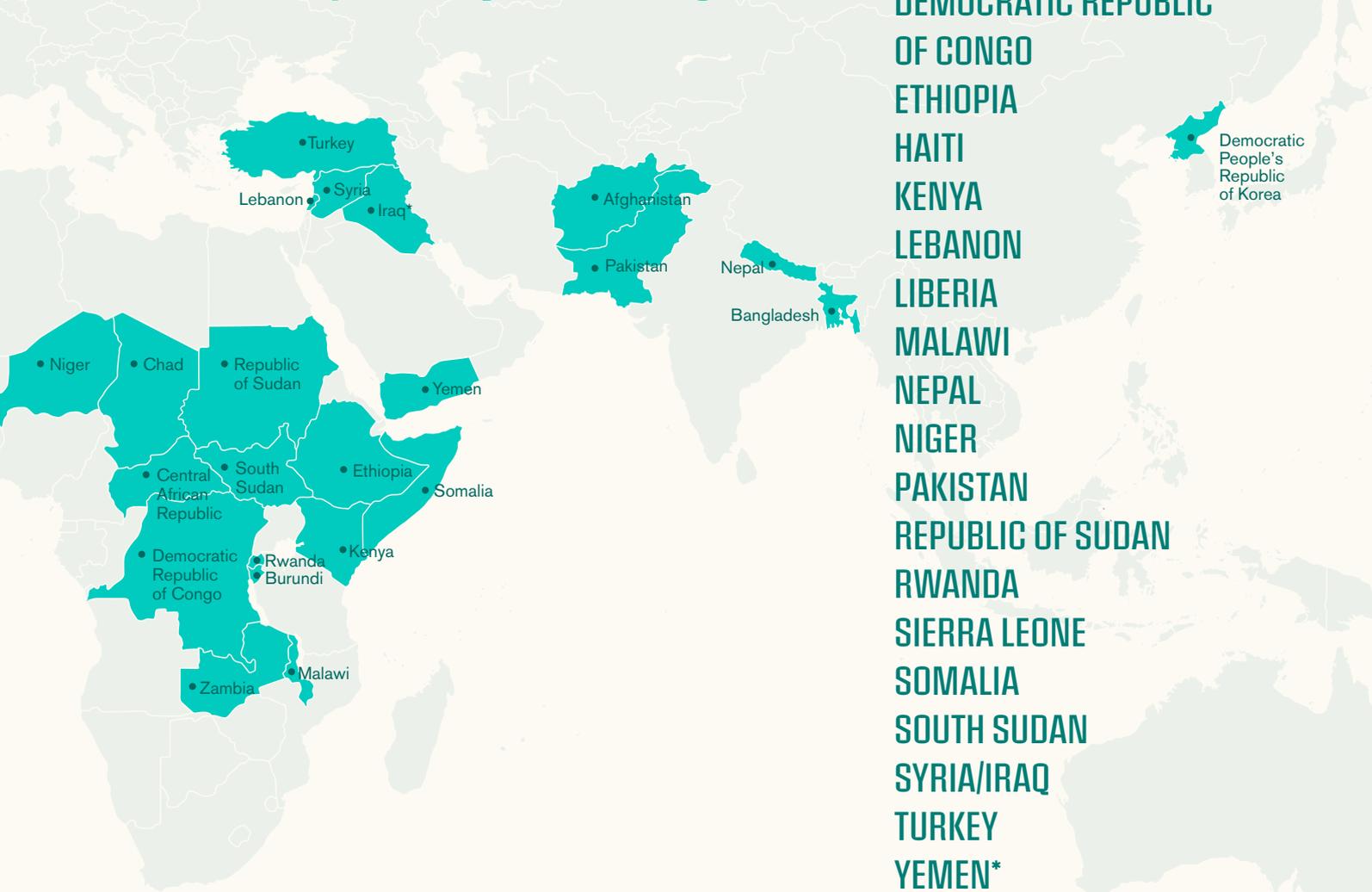
25

Countries

66

Emergency Responses

In 2018 Concern helped 24.2 million people in 25 of the world's poorest and most vulnerable countries to alleviate poverty and hunger



- AFGHANISTAN
- BANGLADESH
- BURUNDI
- CENTRAL AFRICAN REPUBLIC
- CHAD
- DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA
- DEMOCRATIC REPUBLIC OF CONGO
- ETHIOPIA
- HAITI
- KENYA
- LEBANON
- LIBERIA
- MALAWI
- NEPAL
- NIGER
- PAKISTAN
- REPUBLIC OF SUDAN
- RWANDA
- SIERRA LEONE
- SOMALIA
- SOUTH SUDAN
- SYRIA/IRAQ
- TURKEY
- YEMEN*
- ZAMBIA

*working in conjunction with our Alliance2015 partner, ACTED

88.4%

Spent on Overseas Relief and Development

€163.5 MILLION

Income Raised

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 Zamila Bunglawala
Ms Ciunas Bunworth
Ms Catherine Corcoran
Mr Donal D'Arcy
Ms Jacinta Flanagan
Ms Joanna Geraghty
Mr Colin Gordon
Professor Paul Jeffcutt
Mr Michael Kenny
Mr Cyril Maybury
Ms Teresa McColgan
Mr Jim McShane
Mr Cormac Murphy
Ms Barbara O'Reilly
Ms Nora Owen
Mr Gary Rice
Mr David Ritchie
Ms Rachel Rodgers
Dr Rosalyn Tamming
Mr John Treacy - Chair
Mr Donald Workman

Ms Catherine Corcoran, Mr Colin Gordon, Ms Barbara O'Reilly, and Mr John Treacy stood for election at the Annual General Meeting in May 2018 and were appointed to the Board. Mr Jim McShane was co-opted to the Board in September 2018, filling the casual vacancy that arose through the death of Mr Tom Moran.

Mr Tom Shipsey retired from the Board in May 2018. Mr Jan Rotte retired from the Board in September 2018.

Sub-Committees of the Board and Other Information

Finance Sub-Committee

Mr Dermot Browne*
Ms Teresa McColgan – Chair
Mr Vincent Murphy*
Mr Gary Rice
Mr David Ritchie

Programme Monitoring and Evaluation Sub-Committee

Ms Ciunas Bunworth
Ms Catherine Corcoran
Mr Howard Dalzell*
Mr Fintan Farrelly*
Ms Jacinta Flanagan
Mr Michael Kenny – Chair
Mr Cormac Murphy
Mr David Regan*
Dr Rosalyn Tamming

Audit and Risk Sub-Committee

Mr Donal D'Arcy
Ms Una Henry*
Professor Paul Jeffcutt
Mr Cyril Maybury – Chair
Ms Rachel Rodgers
Mr James Shaw-Hamilton*

Remuneration Sub-Committee

Mr Colin Gordon
Mr Michael Kenny
Ms Barbara O'Reilly
Ms Nora Owen
Mr John Treacy - Chair

*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

Company Registration Number

39647

Charity Registration Number

20009090

Revenue Charitable Status Number

5745

Finance Director During 2018

Ms Ciara O'Neill

Executive Management Team During 2018

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

Ms Anne O'Mahony

International Programmes Director

Ms Louise Supple

Human Resources Director



Jaafar* (5) pictured in the family home in Lebanon which has been kitted out by Concern with toilets, water tanks, blankets and insulation. *Name changed to protect the identity of the individual.

Photo: Mary Turner / Panos Pictures for Concern Worldwide.

A MESSAGE FROM THE CHAIR

JOHN TREACY



Above: John Treacy at the Concern 50th Anniversary Resurgence of Humanity Conference, Dublin Castle. Photo: Photocall Ireland / Concern Worldwide.

Overleaf: Dominic MacSorley with Sean Brogan, from Butlersbridge, Co. Cavan who has organised the Concern Fast locally for the last 21 years. Photo: Gavin Douglas / Concern Worldwide.

In times of uncertainty and instability, commitment and consistency are key to creating real and lasting change.

Commitment to fighting extreme poverty has been at the core of Concern Worldwide's work for the past 50 years and it was a true honour to be elected as Chair of Concern last year.

Just as Concern is dedicated to its mission, I am equally committed to building on the excellent leadership of my predecessor Tom Shipsey in overseeing the Concern Board.

Tom understood that Concern's work is about people helping people and he had a resolute determination to reach out to those implementing and participating in Concern's programmes on the ground. I look forward to continuing his dedicated stewardship of Concern's values and mission during my time in the role.

Of course, Concern's work is only made possible by the continued commitment of our donors and the generosity of the public. It is this consistent support that has been the lifeblood of Concern for 50 years, allowing us to be the agency on the ground in the toughest areas and the one that stays the longest. We never take this support for granted and that is why it is so important to place efficiency, impact and accountability at the heart of Concern's operations.

Over 50 years, Concern has developed a hard-won reputation for high standards in all aspects of programming and also for ensuring that our governance arrangements follow best practice. To that end, we recently conducted an independent review of our governance model to ensure it is future fit for an organisation that is growing and adapting in the context of an increasingly uncertain environment.

A core part of the work of the board is to serve as guardians of the trust placed in Concern by donors and by the individuals and communities with whom we work. We are firmly committed to ensuring high standards of transparency and accountability in all that the organisation does.

Through documenting Concern's work in what was a special anniversary year, this year's annual report shows the quality and extent of our programming in 25 of the world's poorest countries. It represents an organisation that shows no signs of slowing down after 50 years. Instead, we are doubling down on our commitment to reach and transform the lives of the world's poorest and most vulnerable people.

I want to take this opportunity to thank the board, the executive management team and all the staff around the world, who work tirelessly every day to deliver lifesaving assistance and help some of the world's poorest and most vulnerable people on a path to development.

A handwritten signature in blue ink, appearing to read "John Treacy".

John Treacy
Chair
Concern Worldwide

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER DOMINIC MACSORLEY

2018 was a truly remarkable milestone for Concern Worldwide as we marked 50 years since our founding in 1968. What began as a simple fundraising drive, started in the apartment of a young Dublin couple, John and Kay O'Loughlin Kennedy, in response to famine in Biafra, has evolved over five decades into a global humanitarian and development organisation with over 3,300 dedicated staff across 25 countries of operation.

Our focus on the very poorest people and our belief in the ability to affect lasting change in the most desperate of situations has provided the fundamental line of guidance for Concern since we started. Last year was an opportunity to celebrate the transformative work that can be done with those who are furthest behind, and a chance for us to reaffirm our commitment to acting for change in the face of global suffering.

We held gatherings here in Ireland, in the UK, US, and in many of the countries where we operate, including an international conference on ending conflict and hunger at Dublin Castle. It was a time to appreciate the impact that Concern has made over the years and to set an ambitious vision for the future.

In 2018 we reached more than 24 million people caught up in disasters, displacement or struggling to survive while in the grip of extreme poverty. This year's annual report shows how we are expanding the depth of our programming in fragile states while harnessing even greater levels of innovation in much of our long term development and resilience building work. We invested in upgrading our grant management systems and established a new safeguarding unit, further strengthening our commitment to ensure the highest standards of safety and security of our staff and those with whom we work.

Globally, last year was one of enormous challenges and uncertainty. Conflict and climate change continue to hit the poorest hardest, driving unprecedented levels of humanitarian need, while the prolonged turmoil of Brexit has dominated the headlines in Ireland and the UK and has created an environment of continuous uncertainty.

At the same time, there is greater consensus than ever before on the need to face up to our collective obligations of international solidarity and environmental stewardship. Crucially, there is more widespread agreement on the need to reach the furthest behind first. As an agency that has embraced this moral

responsibility for decades and has used it as the principle to guide where we work and who we work with, we will continue to be a key channel through which the ambition to reach the furthest behind is actioned. Most importantly, we will continue to deliver effectively and responsibly on the ground for the people who are most in need.



Dominic MacSorley
Chief Executive Officer
Concern Worldwide



2018 HIGHLIGHTS

Ethiopia
Kenya
Republic of Sudan
Somalia
South Sudan

150,000

In Marsabit, northern **Kenya**, at least 81 per cent of the population rely on livestock as their main source of food and income. When livestock was in danger of infection by Rift Valley Fever, we supported the Country Department of Agriculture, Livestock and Veterinary Services to vaccinate over 150,000 animals which both protected them and increased productivity.

9,700

In Moyale in northern **Kenya**, we supported 9,700 asylum seekers displaced by conflict in Ethiopia. Working with the local business community we were able to source emergency household kits (e.g. jerry cans, kitchen utensils, shelter materials) within two days. We also supplied 70,000 litres of water in the two major camps, built 72 pit latrines and managed waste disposal.

177,000

In **South Sudan** we provided emergency shelter and non-food items, such as kitchen utensils and jerry cans to people living in PoC (Protection of Civilian) sites and to newly displaced populations or those returning to their home area. We reached over 177,000 people in 2018 with these essential supplies.

332,000

Our emergency nutrition programmes reached over 332,000 people across six regions in **Ethiopia** with a combination of food distributions, treatment and prevention of malnutrition in children, training on good hygiene practices, education on how to prepare nutritious meals and the provision of safe water.

43,400

Over 43,400 people attended cookery demonstrations in Tigray, **Ethiopia** to learn how to improve dietary diversity and nutrition for their families.

85,600

In **Somalia/Somaliland** we reached just over 85,600 people through our health and nutrition interventions. This included providing over 51,000 out-patient consultations, 5,000 antenatal check-ups, and immunising over 1,300 children.

SOMALIA

Over 576,000 people reached

KENYA

Over 4.2 million people reached

ETHIOPIA

Over 2.4 million people reached

29,000

We are working in 21 villages in West Darfur, **Republic of Sudan**, to enhance the local communities' ability to manage shocks and stresses and improve their livelihoods. This integrated programme reached over 29,000 people directly through the provision of clean water, training on agricultural techniques, the distribution of seeds and livestock and support to Village Development Groups.



Above: A child flies a homemade kite on the streets of Juba's Protection of Civilians Site, South Sudan.

Photo: Steve De Neef / Concern Worldwide.

Left: A food distribution organised by Concern in Juba, South Sudan.

Photo: Steve De Neef / Concern Worldwide.



SOUTH SUDAN

Over 698,000 people reached

REPUBLIC OF SUDAN

Over 2.1 million people reached

REPORT OF THE BOARD

The Board of Concern Worldwide presents its report and consolidated financial statements for the year ended December 31, 2018.

A JOURNEY OF COURAGE





Moburak* (8) leads his grandmother Nur* through a Refugee Camp for Rohingya in Cox's Bazar, Bangladesh. *Names changed to protect the identity of the individuals.

Photo: Kieran McConville / Concern Worldwide.

Five-Year Goals

Some of our main achievements in 2018 in relation to each goal are detailed below.

Overall, given the ongoing global and sector volatility, we believe that we made strong progress during 2018 and that delivery of objectives is broadly on track.

Our strategic plan runs from 2016 to 2020 and commits the organisation to making progress on six key goals.

GOAL	OUR FIVE-YEAR GOALS (AND RELATED PERFORMANCE INDICATORS)	SOME OF WHAT WE DID IN 2018
<p>Goal 1 Having greater impact on long-term poverty</p> 	<ul style="list-style-type: none"> ■ Increase the number of people reached to 20 million through our development programmes. ■ Strengthen specific areas of programming related to climate smart agriculture and urban programming in developing contexts. ■ Continue to strengthen programming models linked to community resilience for implementation in fragile states. ■ Ensure that children access schooling during emergencies. 	<ul style="list-style-type: none"> ■ Reached approximately 12.4 million people through development programmes in 2018. ■ Reached over 488,000 farmers with climate smart agriculture interventions in 17 countries in 2018. <p>Implemented large scale urban programmes in five countries (Bangladesh, Kenya, Sierra Leone, Haiti and Somalia). The programmes in Dhaka and Nairobi are influencing policy at national level.</p> <ul style="list-style-type: none"> ■ Contributed to national policy change in seven of the countries where we have community resilience programmes. ■ Continued education interventions in emergency contexts, especially in Turkey and Lebanon, reaching almost 310,000 children in 2018.
<p>Goal 2 Conducting larger, faster and better humanitarian response</p> 	<ul style="list-style-type: none"> ■ Increase the number of people whose needs we address in emergency response to five million. ■ Build our conflict management competency at programme and policy level. ■ Achieve greater humanitarian leadership at country level. 	<ul style="list-style-type: none"> ■ Responded to 66 emergencies in 20 countries, directly reaching over four million people and a further 7.6 million indirectly. ■ Approved a conflict strategy in April 2018 which is now being implemented. Completed conflict sensitivity assessments in two programme countries, with further planned for 2019; and piloted approaches for further integrating conflict sensitivity into programme design, monitoring & evaluation, and learning that will be rolled out further in 2019. ■ Continued active engagement and leadership in Humanitarian Country Teams, Technical Working Groups and Cluster Systems across most countries.

GOAL	OUR FIVE-YEAR GOALS (AND RELATED PERFORMANCE INDICATORS)	SOME OF WHAT WE DID IN 2018
<p>Goal 3 Having more influence, greater visibility and increased public engagement</p> 	<ul style="list-style-type: none"> Produce evidence-based research and experience-based position papers. Host an international conference on hunger in fragile contexts. Strong public association as an effective organisation and on identified campaigning topics as measured by market research. An increased level of public (particularly youth) engagement. Increased media and social media coverage of Concern's work and messages globally. 	<ul style="list-style-type: none"> Published 'Breaking the Cycle', three flagship reports on conflict, hunger and displacement that summarise our learning, programming and policy and advocacy priorities in fragile and conflict-affected contexts. Published six articles on hunger and resilience in the UK. Held a major international conference in Dublin to mark our 50th anniversary, Resurgence of Humanity: 'Breaking the Cycle of Conflict, Hunger and Human Suffering', which was well received and renewed our position on hunger, extreme poverty and fragile states. Consistently ranked as one of the organisations most associated with overseas aid and development in the Republic of Ireland. Reached 12 per cent of the Irish public through Concern's Irish Aid-funded Sustainable Development Goals 'Project Us' which has growing digital engagement. Reached over 470,000 people in the UK through our 'Through to 2' social media campaign. Increased year-on-year Instagram following by 30.5 per cent with dedicated youth brand awareness campaigns. Engaged almost 14,000 students in our Development Education programme. Increased Irish market media coverage by 33 per cent year-on-year. This included blanket coverage of the 50th anniversary, our international conference and a two part series on RTÉ with each episode reaching 250,000 people. Maintained levels of media coverage in the UK despite the political environment and have started to proactively achieve media coverage in South Korea. Reached a combined following of 136,341 across Facebook, Twitter, LinkedIn, Instagram and YouTube. Our social media following grew by 8.2 per cent in 2018 with a high average engagement rate of 2.8 per cent, up from 2.2 per cent in 2017.

GOAL	OUR FIVE-YEAR GOALS (AND RELATED PERFORMANCE INDICATORS)	SOME OF WHAT WE DID IN 2018
<p>Goal 4 Growing a new generation of Concern people</p> 	<ul style="list-style-type: none"> ■ 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. 	<ul style="list-style-type: none"> ■ Engaged with 79 per cent of Concern senior leadership through 'Ignite', our bespoke leadership course in 2018. ■ Filled 61 per cent of international positions within nine weeks and secured a reduction in international staff turnover from 30 to 23 per cent. ■ Secured new grant under the EU Aid Initiative. ■ 13 Volunteers deployed in 2018 in Malawi, Sierra Leone, Haiti, Turkey and Lebanon. ■ Revised key security risk documents and finalised 10 security briefing notes. ■ Revised Security Incident Reporting Tool. ■ 91 staff attended hostile environment courses. ■ 19 staff attended a security management workshop.
<p>Goal 5 Building a global Concern to meet multiple challenges</p> 	<ul style="list-style-type: none"> ■ Develop a revised governance system that meets the needs of all parts of Concern. ■ Strengthen our grant management system. ■ Become a fully-integrated digital organisation. 	<ul style="list-style-type: none"> ■ Concluded an independent review which found that Concern had effective governance structures. Minor recommendations for improvement will be followed up in 2019. ■ Selected the platform and partners for a new grant management system and completed most of the process mapping. The global live launch will take place in 2019. ■ Began development of a digital-first strategy and established a steering group to roll it out.
<p>Goal 6 Securing the financial resources to implement the plan</p> 	<ul style="list-style-type: none"> ■ Achieve sustained growth in fundraising income. ■ Target a funding mix that avoids over reliance on any one donor or income source. ■ Achieve greater organisational resilience and impact. 	<ul style="list-style-type: none"> ■ Further invested in our Republic of Korea (South Korea) operation where performance has been consistently ahead of target. Support in Ireland and the UK remains strong. ■ Remained within the agreed parameters for income diversity. ■ Actioned a number of investment proposals regarding the expansion and diversification of fundraising operations.

2018 HIGHLIGHTS



Syrian refugees Alya* (5) and her cousin Sultan* (4) are pictured in the home they share with their extended family in Northern Lebanon. The house has been refurbished by Concern. *Names changed to protect the identity of the individuals.

Photo: Mary Turner / Panos Pictures Worldwide.



1,200

In **Iraq**, we reached over 1,200 Syrian refugee children and their caregivers through our protection programme, which provides child friendly spaces and psycho-social support. Here, children - many of whom have lost family members, been subjected to domestic violence and/or been displaced several times - are able to play, learn and make new friends in a safe and caring environment.

375

Employment opportunities for Syrian refugees living in **Turkey** are limited and where they exist are often irregular, low skilled and low paying, forcing families to live in extreme poverty. We supported 375 Syrian refugees with language training, vocational skills development and help with work permit applications to enable them to enter the formal labour market and become self-sufficient.

SYRIA/IRAQ

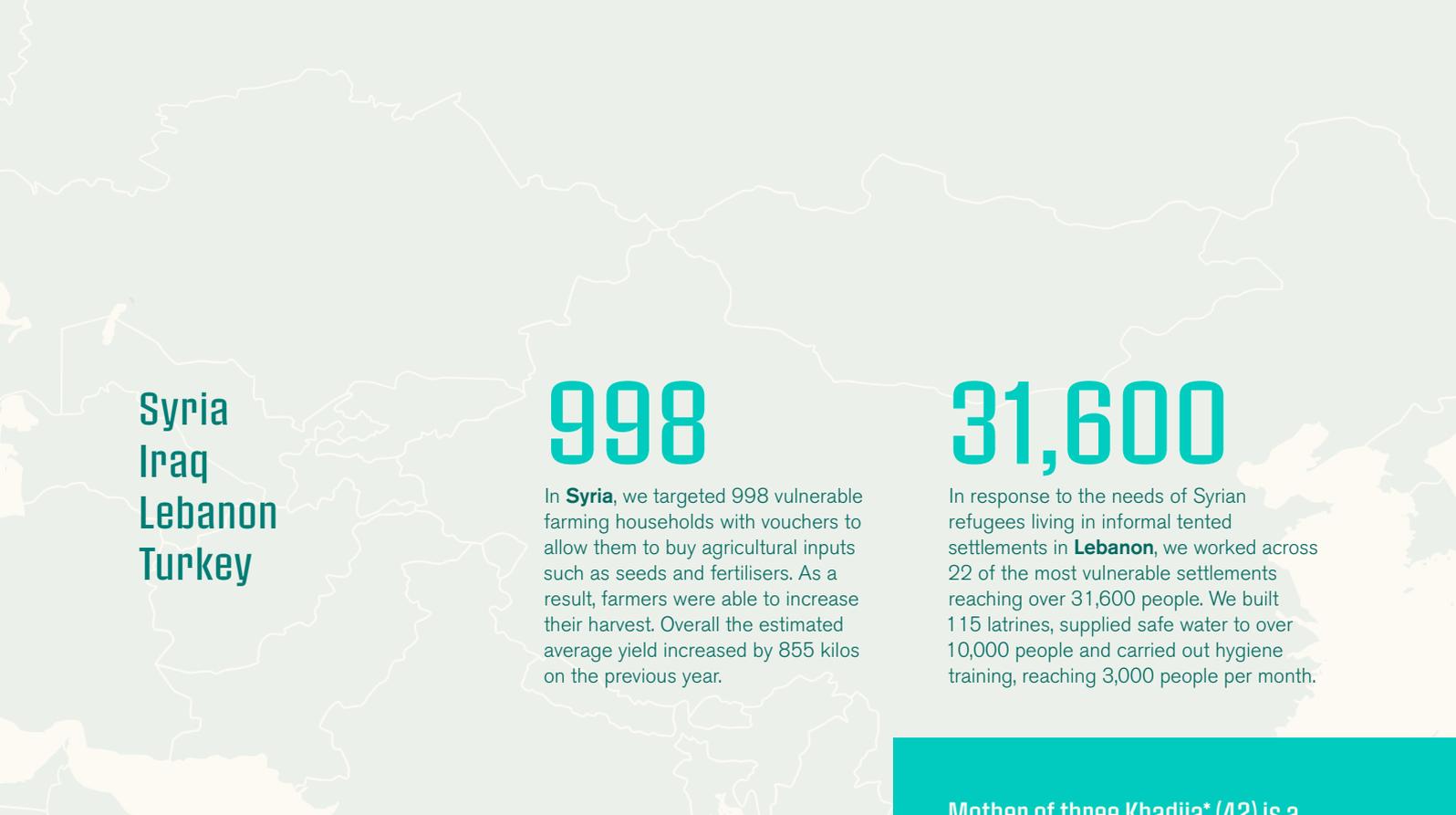
Over 943,000 people reached

LEBANON

Over 128,000 people reached

TURKEY

Over 52,000 people reached



Syria
Iraq
Lebanon
Turkey

998

In **Syria**, we targeted 998 vulnerable farming households with vouchers to allow them to buy agricultural inputs such as seeds and fertilisers. As a result, farmers were able to increase their harvest. Overall the estimated average yield increased by 855 kilos on the previous year.

31,600

In response to the needs of Syrian refugees living in informal tented settlements in **Lebanon**, we worked across 22 of the most vulnerable settlements reaching over 31,600 people. We built 115 latrines, supplied safe water to over 10,000 people and carried out hygiene training, reaching 3,000 people per month.



Mother of three Khadija* (42) is a Syrian refugee living in Northern Lebanon. She was very happy in her town in Southern Syria before the conflict broke out. In fact, she wants everyone to know that Syria was a nice place to be before she fled.

Her most treasured possession is the key to her home in Syria.

“I may have lost my home, but my keys are still with me. I aim to go back to Syria someday, rebuild my home and use the same keys” she says.

*Name changed to protect the identity of the individual.

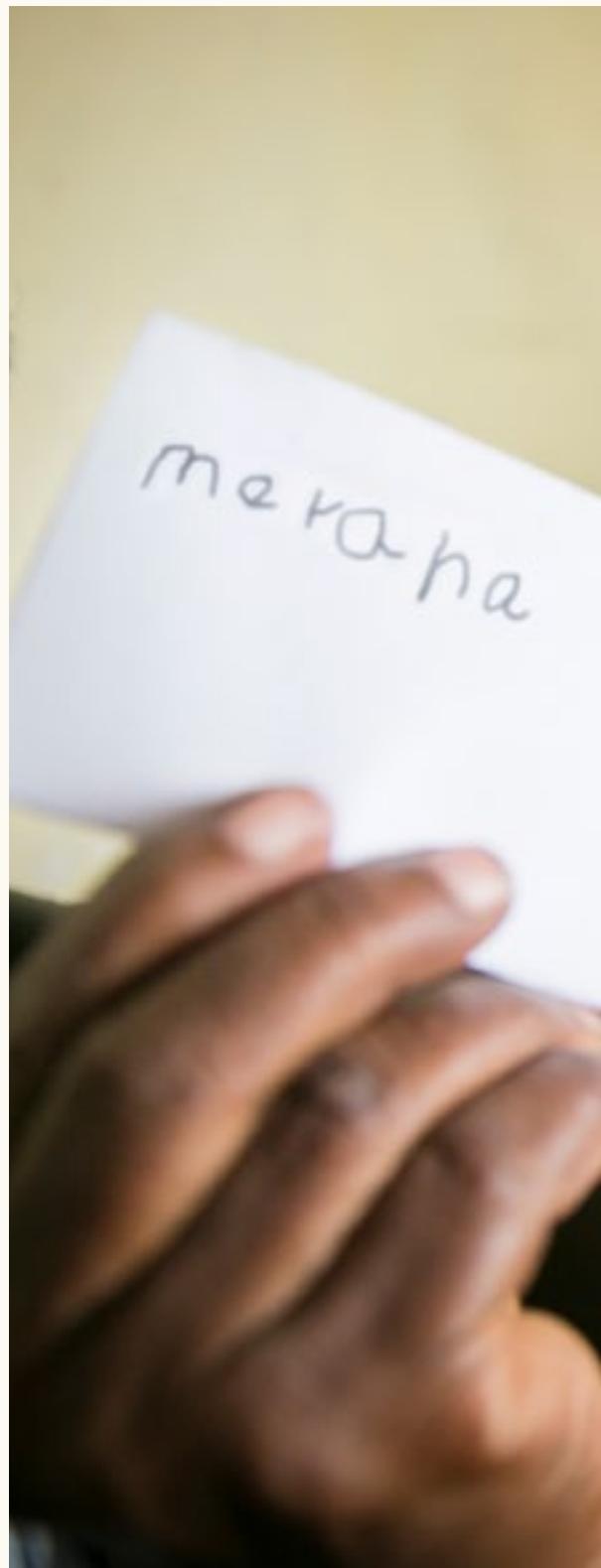
Photo: Jason Kennedy / Concern Worldwide.

OUR PROGRAMMES

In 2018, Concern reached approximately 24 million people in 25 of the world's poorest and most vulnerable countries. Our work spans five main areas: emergencies, livelihoods, health, education and integrated programmes. Our broad programme goals, the objectives and some illustrative examples of our work in each area are described below.

24 Million People
25 Countries
Over €141 Million

EXPENDITURE BY OVERSEAS PROGRAMME €'000



Merana Previl (63) has just learned to write her own name. Merana attends the literacy training course, part of the 'Building Hope & Opportunities in Haiti' integrated urban programme in Cité Soleil, Port au Prince. A number of the women taking part never attended school.

Photo: Kieran McConville / Concern Worldwide.



A JOURNEY

OF EMPOWERMENT

11.6 Million People

In 2018, we responded to 66 emergencies in 20 countries, reaching over four million people directly and 7.6 million indirectly, six million of whom were female.

Many of the countries we work in are susceptible to frequent natural disasters and outbreaks of conflict, resulting in already vulnerable people losing their homes and livelihoods. In the immediate aftermath of an emergency, we provide life-saving support to families and communities and we then work alongside them to get people back on their feet, rebuilding livelihoods and infrastructure and working to reduce the risk and impact of future crises.

Objectives and activities

The goal of our emergency programme is to fulfil our humanitarian mandate to effectively respond to and mitigate against natural and human-influenced disasters.

We aim to:

- Respond rapidly in order to save lives and reduce suffering
- Improve access to food, healthcare and water
- Prevent and reduce the impact of emergencies

Examples of our achievements in 2018 are set out below:

Respond rapidly in order to save lives and reduce suffering

In late August, **Democratic People's Republic of Korea** suffered the devastating effects of Typhoon Soulik, which hit already vulnerable communities. In North and South Hwanghae provinces, over 10,000 people were affected. We responded to the immediate needs in North Hwanghae supplying over 1,700 hygiene kits, along with water tanks, blankets and warm clothes for children. In addition, we provided approximately 2,000 children in 45 childcare institutions with rice, soybeans and dried vegetables for three months.

An outbreak of Ebola took hold of several parts of the **Democratic Republic of Congo** in 2018, the first outbreak in Mbandaka in the north west of the country, followed by another in North Kivu and Ituri Province where cholera was also present. Concern responded to the situation in North Kivu by training 360 health workers on how to diagnose and treat suspected

20 Countries



Above: A healthy meal prepared by the lead mothers of Concern's nutrition programme in the Protection of Civilians (PoC) site in Bentiu, South Sudan. Photo: Steve De Neef / Concern Worldwide.



Top Right: Anna George (39) sits inside her home in Bentiu PoC with her sons Malech Jal (16), Chieng (3) and Bijiek (11) and her nephew Gien Gal (5). Chieng (pictured on the right with mother Anna) was suffering from oedema and was diagnosed as severely malnourished. He was admitted immediately into Concern's nutrition programme. His oedema was so severe that he was also referred for immediate medical care in a health centre. Photo: Steve De Neef / Concern Worldwide.



Above: Food preparation inside a communal shelter in Bentiu's PoC. Photo: Steve De Neef / Concern Worldwide.

Ebola cases and delivering hygiene kits to approximately 27,300 people. In addition, we reached almost 62,000 people with messaging about the risks of Ebola and cholera.

In July, En Nahud, a town in West Kordafan, **Republic of Sudan** was hit by flash flooding which destroyed homes and badly affected people's livelihoods with farmland and livestock lost to the floods. Overall 23,800 people were affected. Concern was the first agency to respond, getting emergency supplies to the stricken community within three days. We also ran health and hygiene awareness campaigns and carried out preventative measures such as disinfection and chlorination. This helped ensure that there were no incidents of water borne diseases, which often occur after flooding incidents and can result in high rates of illness and death.

Improved access to food, healthcare and water

In **Bangladesh**, the Rohingya refugee crisis continued to be the focus of our emergency programming. Volunteers, screened approximately 49,500 children under the age of five in nine camps each month for signs of severe malnutrition, admitting over 6,140 to our outpatient clinics where we achieved a cure rate of 97 per cent.

In Kirundo, **Burundi**, a combination of factors have led to high levels of malnutrition in children with approximately 8,000 households affected. Concern supported over 3,200 households with malnourished children ensuring they got immediate high quality treatment and then provided cash payments to the families to help them meet their basic needs.

Over 98,000 people affected by conflict in **Central African Republic** were helped through our emergency programmes. In Kouango sub-prefecture, we supported over 32,700 people who had been displaced, or who had returned to the area, to rebuild their livelihoods. This included some 3,000 households who received seeds or took part in seed fairs and had training on improved agricultural techniques. A further 1,000 households received fishing kits comprising of nets, buckets and weighing scales, amongst other items.

An ongoing crisis in the Lake Chad Basin continues to cause mass population displacement within **Chad** and neighbouring countries exacerbating an already fragile food security, nutrition

and health situation. In response, we established emergency health and nutrition services for host and displaced communities.

Over 27,000 children under the age of five in 70 villages were screened for acute malnutrition and were referred to health centres for care, as appropriate. We also drilled eight boreholes to provide clean, safe drinking water to over 4,000 people, and trained community volunteers to conduct hygiene awareness campaigns with at least 2,000 households.

In the Amhara region of **Ethiopia** we worked with over 25,000 households to reduce incidences of acute malnutrition in children under five. We rehabilitated 22 springs, built 23 roof-water harvesting schemes and five pipe lines thereby giving over 85,600 people access to clean water to help prevent disease. In addition, we strengthened the capacity of district health staff to spot and treat malnutrition by training 64 health workers and a further 113 health extension workers.

Prevent and reduce the impact of emergencies

In Akkar, **Lebanon**, we responded to multiple fires in five informal tented settlements which are home to thousands of Syrian refugees. Fifty six tents and 300 inhabitants, including 160 children, were affected. Recognising the on-going risks from fire, we have provided equipment and training to vulnerable families.

In **Pakistan**, 136 million people, or 40 per cent of the population are exposed to natural hazards due to a combination of climate change, poor governance and weak infrastructure. In South Punjab, we are building the capacity of 75 villages and seven Union Councils at government and community level to reduce their risk of disaster. The programme reached just under 400,000 people in 2018. Activities included developing disaster management plans, forming and training emergency response teams, constructing 300 disaster resilient handpumps, 56 water facilities and latrines in communal shelters and delivering 400 training sessions on climate smart agriculture and conservation agriculture.

Climate change and sudden shocks such as flooding or drought can have a catastrophic effect on already vulnerable people. In **South Sudan** we are working with almost 90,000 people in Aweil West and Aweil North counties to improve their capacity to manage events like these.

Over 1,240 members of Agro-Pastoral Field Schools were trained to train others in climate smart agriculture and how to better manage natural resources. We also supported the establishment of 13 community resilience planning committees who are responsible for analysing the main hazards facing their communities and drawing up plans to mitigate the risks.

In Cité Soleil in **Haiti**, Family Emergency Plans were drawn up with 940 households to help them cope in an area prone to disasters and risks. Three emergency intervention teams in three neighbourhoods were created and members were trained on disaster risk reduction so they are better prepared when the next emergency happens.

Mika Abdu (37) is cultivating courgettes, amaranth and cabbage in several vegetable sacks in his back yard in Sabon Kalgo, Tahoua, Niger - and has already started to reap the benefits by harvesting amaranth leaves. The sacs potager as they are known, require only a limited amount of water for leafy vegetables to grow all year round. "I wasn't used to growing plants in a sack - it was new to me," he said. "But it's only now when I see what has been produced that I understand. I now realise that what Concern has done for us is something good. It provides us with additional food to eat."

Photo: Darren Vaughan / Concern Worldwide.

66 Emergencies €89 Million

In 2018 we spent €89 million meeting emergency needs and improving access to food, water and healthcare.

LIVELIHOODS

In 2018, we improved the food security and livelihoods of approximately 1.5 million people directly and three million indirectly. Of these, 2.3 million were female.

People living in extreme poverty struggle to earn enough to ensure that their families have enough to eat and get adequate health care and an education. Our livelihood programmes aim to give them the tools to ensure they are able to earn a sustainable living, helping them to learn new skills, improve the productivity and nutritional value of their crops and set up small businesses to generate more income.

Objectives and activities

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

We aim to:

- Reduce hunger
- Strengthen our social protection programming, work skills and support systems
- Promote graduation to economic productivity
- Strengthen our climate smart agriculture programme

Examples of our work and achievements in 2018 are set out below:

Reduce hunger

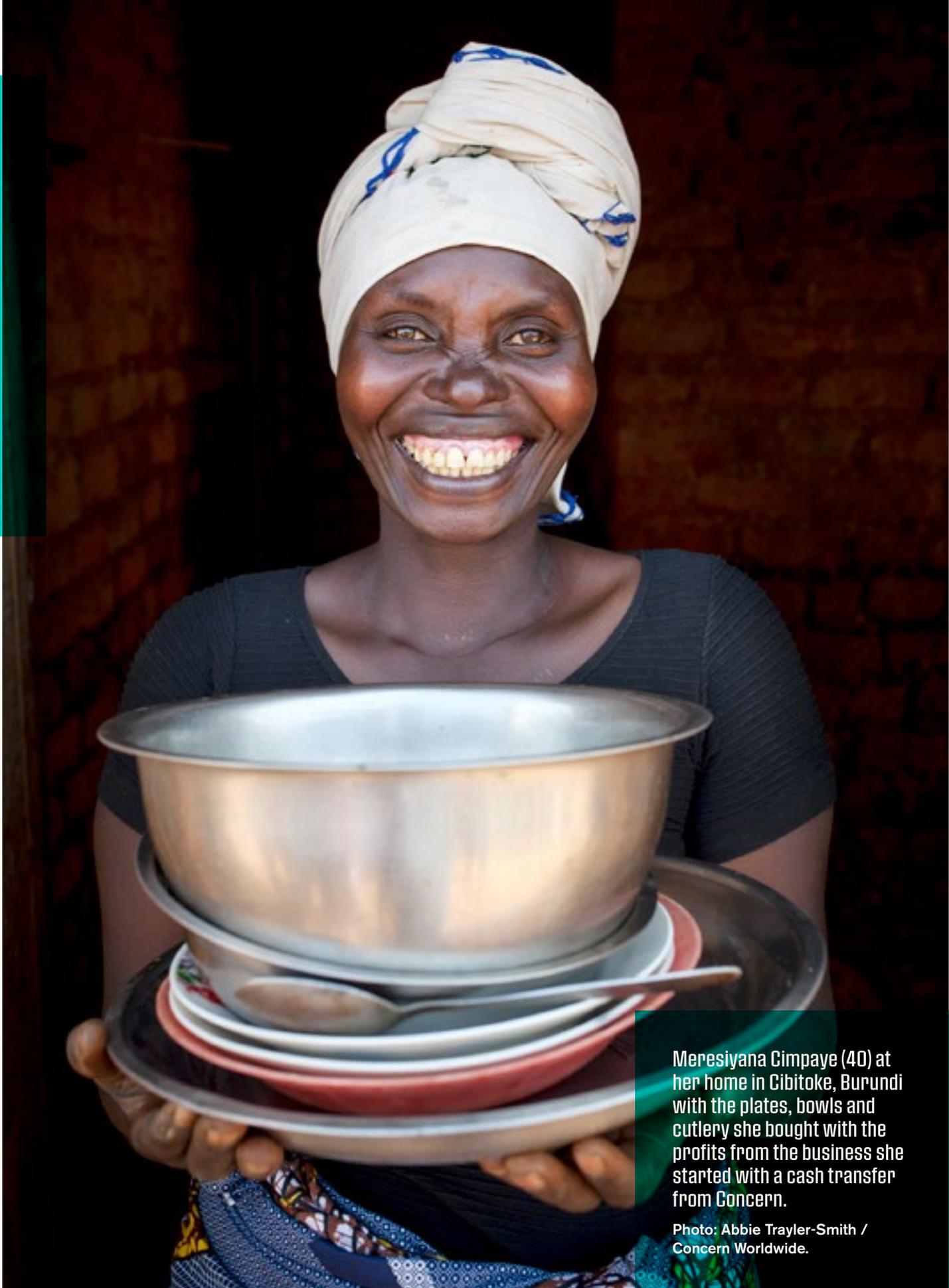
In **Sierra Leone** where the repercussions of the 2014 Ebola outbreak continue to affect livelihoods, we work with over 4,000 of the most vulnerable households to help improve food production, reduce post-harvest food loss and increase income. Some 685 new beneficiaries joined the programme in 2018. We established and trained nine new Farmer Field School groups improving farming practices. Eight grain stores were built or rehabilitated, five rice milling machines were installed, 13 culverts were completed and 18 kilometres of road rehabilitated to link farmers to traders.

Through a range of projects including cash-for-work, seed distributions, agricultural training and animal disease control, over 10,600 vulnerable people in **Afghanistan** are now better able to earn a living.

For people aiming to improve their livelihoods, not being able to reach larger markets to buy and sell seeds and produce can be a significant barrier. To help overcome this in **Central African Republic** we rehabilitated 48 kilometres of road and three bridges which improved access to both markets and health services for remote communities. The roads were built by 1,100 people through a 'cash-for-work' programme which allowed participants to buy basic necessities such as food and medicine.

Over 1,900 households in **DPR Korea** were supplied with vegetable seeds, pesticide sprayers, plastic sheets and shovels to make kitchen gardens. Between April and October, each household produced an average 350 kilos of vegetables.





Meresiyana Cimpaye (40) at her home in Cibitoke, Burundi with the plates, bowls and cutlery she bought with the profits from the business she started with a cash transfer from Concern.

Photo: Abbie Traylor-Smith / Concern Worldwide.

Strengthen our social protection programming, work skills and support systems

In our urban programmes in **Bangladesh**, over 1,220 households were provided with training in a range of skills to enable them to start small businesses and were then provided with cash grants to set them up. Programme participants became members of a community saving system, which improved their ability to manage savings and make sound investments helping them to look forward to a more secure future.

Opportunities for paid work for Syrian refugees in **Lebanon** are limited – they are allowed to work in only three sectors; construction, agriculture and environment.

We supported nearly 5,000 people to earn a sustainable income by helping them to establish small businesses such as cheese making and carpentry and learn new skills that can be used in the future. Most of the income they earn is spent in local shops and businesses thereby benefiting the economy of the whole region.

In five districts in **Syria** we are working with vulnerable conflict affected communities both to address their immediate food needs and to increase their opportunities to find work. We reached just over 38,500 people in 2018. Food vouchers were distributed to just over 3,900 households, 1,874 families took part in cash-for-work schemes and 489 people received vocational training in activities such as carpet weaving, sewing and mobile phone repair.

Promote graduation to economic productivity

Over 3,000 households in **Burundi** and a further 1,300 in **Rwanda** were supported through our 'Graduation' programme which supports extremely poor people to learn a range of skills, gain knowledge and take part in activities that increase their capacity to earn a living and move out of poverty and hunger.

In a survey conducted in 2018, the number of months that families taking part in the programme suffer a 'hunger gap' (i.e. the number of months they struggle to meet their minimum daily food requirements) had decreased in Rwanda from 3.91 in 2017 to 2.31 in 2018 and in Burundi from 4.02 to 2.41.

Our 'Graduation' programme in **Malawi**, now in its second year, has made a significant impact on programme participants. The households involved in the programme have seen an appreciable decrease in poverty levels: they have been able to send their children to school, buy livestock, improve their homes, have a more varied diet and start saving money. We reached over 23,190 people through this programme in 2018.

Strengthen our climate smart agriculture programme

Our livelihood programme in **Somaliland** reached 2,180 of the most vulnerable people - female headed households, unemployed youth, drought-prone farmers and those in marginalised groups. We trained farmers in climate smart agriculture and provided seeds and tools. We established Self Help Groups and equipped them with the start-up grants and the skills they needed to establish their own small businesses. Eight groups have increased their income to over US\$74 per month.

In **Chad**, where the effects of climate change, including erratic rainfall patterns, droughts and flash floods have devastating effects on the most vulnerable people, we have set up environmental committees in 26 villages. They, in turn have spread messages about how to protect the environment to an estimated 1,200 people in their communities. We also trained six groups of women to construct fuel efficient stoves which use less firewood and therefore place less pressure on the environment.

The impact of climate change continues to be a threat in **Liberia** with the rural poor being particularly vulnerable. We supported 30 smallholder farmer groups with gardening tools, seeds and hands-on training about climate smart agriculture, to establish demonstration plots so they could test different farming techniques and choose the one that would work best for them.

€12.8 Million

In 2018 we spent €12.8 million delivering programmes that enable people in extreme poverty to have secure livelihoods.

4.5 Million People

HEALTH

In 2018, our health programmes reached over 9.2 million people of whom almost three million were direct beneficiaries. Five million were females.

The communities we work with around the world are often unable to get the help they need to prevent suffering from under-nutrition and preventable diseases. To help overcome this, we work with local and national governments to strengthen healthcare systems and increase access to good healthcare, nutrition and water and sanitation services.

Objectives and activities

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

We aim to:

- Prevent under-nutrition and extreme hunger
- Strengthen maternal and child health
- Strengthen health facilities
- Improve access to clean water and sanitation



Jacqueline brought her daughter Faith (18 months) to Makuru Health Centre, Kenya where she was screened as malnourished and received treatment.

Photo: Jennifer Nolan / Concern Worldwide.

9.2 Million People 21 Countries

Examples of our work and achievements in 2018 are set out below:

Prevent under-nutrition and extreme hunger

Concern is recognised as the leading technical agency around Community Management of Acute Malnutrition (CMAM) in **Niger** where malnutrition is persistent due to a range of causes. In Tahoua district, we provided support to 42 Health Centres, 21 Health Posts and two intensive nutritional rehabilitation centres to increase the skills of health workers around malnutrition. At the community level, over 18,700 mothers across 201 villages were trained to spot the early signs of malnutrition and radio messages about good health practices were broadcast throughout the year. An estimated 706,396 people benefit from this programme, 64 per cent of whom are under the age of five.

In the Tigray region of **Ethiopia**, over 3,000 women were given seeds, tools and training to practice backyard gardening so they could diversify both their own and their children's diet to prevent malnutrition. The resulting vegetable and fruit plantations covered over 500 hectares of land and yielded a wide variety of produce including swiss chard, carrots, beetroot, mung beans and bananas.

Strengthen maternal and child health

In **Chad** where there is a strong socio-cultural barrier to giving birth at a health clinic or bringing sick children to receive treatment, we have conducted training for health centre workers on how to better manage childhood illness and given awareness training to traditional birth attendants and community leaders about the importance of people using the clinics. The Annual Household Survey results show that behavioural changes are happening – 38 per cent of people are now taking their child to a health centre within 24 hours of the child becoming sick with fever, an increase of 16 per cent.

The way in which babies and young children are fed for the first two years of their life has a major impact on their future wellbeing. Our urban programmes in **Bangladesh** are designed to improve health, hygiene and nutrition to combat malnutrition. Amongst our programme participants, we have seen an increase from 37 to 67 per cent of young children who are being exclusively breastfed because of our education and awareness training.

Strengthen health facilities

In **Sudan** we worked to improve the health systems providing basic health and nutrition services to vulnerable communities in the Jebel Moon and Kulbus localities. Activities included technical training for health workers, financial support for staff from the local health authority to enable the health centres to function and training lead mother/mother support groups about how to manage malnutrition and best practice around feeding infants and young children. Over 125,000 people were directly reached through this programme in 2018.

Our community-led approach to health improvements in **Sierra Leone** has been successful in giving ownership and joint responsibility for projects to the community. In Tonkolili district we trained staff in 25 health facilities, 50 traditional healers and 100 influential women on the prevention and treatment of malaria. Prior to the project, traditional healers and health unit staff were in competition to provide treatment for malaria but now work together and there has been a steady increase in the number of people visiting the health units for treatment.

Despite working in very difficult circumstances due to security and logistical challenges in the **Central African Republic**, there has been good progress in improving health, nutrition and hygiene behaviours in the communities in which we work. In Lobaye over 9,280 people were taught good hygiene practices by trained Community Health Volunteers. A final survey in 2018 showed that amongst those surveyed, 87 per cent carried out at least one improved hygiene practice compared to only 46 per cent at the beginning of the project. Hand washing with soap, vital for helping stop the spread of disease, increased by nearly 30 per cent from 20 to almost 50 per cent.

Improve access to clean water and sanitation

We provided four gravity-fed water systems on cooperative farms in **DPR Korea**, which gave over 5,000 people access to clean drinking water, as well as water for cleaning, washing, kitchen gardens and livestock. The new water schemes have made a significant improvement to peoples' livelihoods and decreased the prevalence of disease.

In Bannu, in northwest **Pakistan** we reached just under 10,500 people who were either temporarily displaced by on-going conflict or were part of the host community, with improved access to clean water and knowledge about good hygiene, nutrition and sanitation. As the programme drew to a close, our endline survey showed that access to clean water had improved from 11 to 17 litres per person per day, with 100 per cent of respondents being satisfied with the quality of and access to water. Hand washing with soap at critical times increased from eight to 89 per cent and there was a noticeable decrease in the prevalence of diarrhoeal disease from 83 to eight per cent.

In 12 districts of north east **Syria** we reached over 360,000 vulnerable people through a water, sanitation and health programme. This included the rehabilitation and monitoring of 15 water supply systems, the rehabilitation of four sewage systems, carrying out environmental health campaigns, emergency water trucking to four camps and installing 444 water tanks and 145 latrines in 13 camps and centres.

€16.3 Million

In 2018 we spent €16.3 million delivering programmes that contribute to the achievement of health and nutrition security for poor people.

EDUCATION

In 2018, our education programmes directly benefited almost 350,000 people and 372,000 indirectly. Over 360,000 were female.

Concern's work in primary education is grounded in the belief that all children have a right to education. We believe that education is one of the best routes out of poverty and integrate it into both our development and emergency work to give extremely poor children more opportunities in life and to support their overall well-being.

Objectives and activities

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

We aim to:

- Increase school access
- Improve learning outcomes
- Improve school facilities
- Provide access to education for children in emergencies

Below are some examples of our work and achievements in 2018:

Increase school access

Promoting quality education requires a number of inputs at community level including having a school close to home to encourage parents to send their children, especially girls. In Takhar Province in **Afghanistan** we established or supported 31 community based schools and 32 literacy classes for women, built or renovated separate latrines for girls and boys and recruited or supported 63 teachers, reaching almost 6,500 children, women and men in 22 villages.

Improve learning outcomes

Our education programme 'Let our Girls Succeed' supports girls in Marsabit County in **Kenya**, to stay in school beyond primary level. Seventy per cent of the population



€3.6 Million

In 2018 we spent €3.6 million delivering programmes that help extremely poor children access a quality primary education.

is illiterate and of those children who do attend primary school, only 39.5 per cent go on to secondary school. Working through a network of communities, 205 girls in 20 project schools were assisted in 2018, 86 per cent of whom went on to secondary school or to a vocational training centre.

In Mogadishu, **Somalia**, we supported quality primary education to over 5,500 children. Together with the Ministry of Education, we provided training for 196 teachers and 35 education committees in a number of areas including lesson planning and positive class management techniques. We also procured and distributed 5,000 Somali language reading books and over 28,000 primary school syllabus textbooks.

Improve school facilities

A deteriorating humanitarian and security situation over the last three years in neighbouring Chad and Nigeria has resulted in over 252,000 displaced people fleeing to the Diffa region of **Niger** seeking refuge. Providing a safe learning environment for children in these

circumstances is paramount. In 2018 we provided access to quality education to over 7,230 children in 25 schools, building an extra 13 emergency classrooms and 17 separate boys and girls latrines.

Provide access to education for children in emergencies

Eighty per cent of Syrian refugee children living in **Lebanon** aged three to five and 77 per cent of those aged 15-17 are not enrolled in school. Our non-formal education programmes reached over 3,000 children giving them the relevant and necessary education to prepare them to enter a formal school for the first time and to prevent students from dropping out.

In **Turkey**, our emergency education programme continued to fill gaps and support Syrian children to receive an education. The provision of teaching materials, cleaning supplies and furniture to three temporary education centres, helped ensure that almost 1,700 children were able to receive a good quality education in a safe place.

School girls and their teacher in class at a Concern supported school near Mogadishu, Somalia.

Photo: Marco Gualazzini/Concern Worldwide.

INTEGRATED

In 2018, we reached approximately 3.5 million people directly through our integrated programmes, and 6.5 million indirectly. Over 4.7 million were female.

Communities and individuals often remain locked in extreme poverty due to multiple interconnected factors. For that reason, many of our programmes are integrated, bringing together, for example, agriculture and livelihoods with other sectors like water, health and education to tackle the multiple needs of a community in a coordinated way.

Objectives and activities

The goal of our integrated programmes is to improve the lives of the extreme poor by addressing their needs in a holistic way and tackling the inter-related barriers that impede development.

Some examples of our work and achievements in 2018 are below:

In Cité Soleil, a marginalised urban area in Port-au-Prince, **Haiti**, gang violence, conflict and lack of opportunities combine to keep people locked in poverty. Our programme to create opportunities and to tackle conflict reached almost 10,000 people, including 400 who completed life skills training to help them either start their own business or to enter a vocational training programme. Around 240 gang members and eight neighbourhood committees received training on peaceful conflict management and a further 181 young people took part in training on behaviour change.

Our emergency response programme across five regions of **Somalia/Somaliland** provided a fully integrated response to drought, floods and displacement reaching almost 186,000 affected people. Lifesaving help for internally displaced and other marginalised groups included providing cash payments to buy food, household items to improve shelter and hygiene, access to clean, safe water, emergency education services for their children and the provision of health services.

In **Liberia**, where 32 per cent of children under five suffer from chronic malnutrition, we are working with 120 communities to reduce levels of childhood illness and death. In 2018 we reached over 14,500 people directly through projects that included training 91 groups of mothers and carers about nutrition and supporting kitchen gardens; establishing 58 savings and loans associations; constructing 43 hand pumps (with another 25 underway) and establishing and training 68 village committees on the sustainable management and use of water resources.

In Northern Bahr el Ghazal (NBeG) in **South Sudan**, we are working to improve the health and nutrition of vulnerable women and children through integrated programmes that focus on health, nutrition, livelihoods and building community resilience to shocks such as flooding or erratic weather. In 2018 the programme reached over 250,000 people with activities that included support to 49 health facilities with nutrition services and training for Ministry of Health staff on community management of acute malnutrition and infant and child nutrition. We also established mobile units to get to remote communities who were able to treat over 16,000 children who otherwise might not have been reached.

We reached over 22,000 vulnerable Syrian refugees directly in three target locations in **Turkey** through our protection programme which helps them to better manage the burdens of life as a refugee. The programme includes psychosocial support, the delivery of information sessions to refugees on their rights and obligations and referral to additional services. In 2018 we also began implementing a protection support programme for out-of-school children and others at high risk of dropping out to ensure they are better equipped from a well-being perspective to enter the Turkish school system. Over 300 children attended a 12 week course covering areas such as identity, stress management, interpersonal relations and rights and responsibilities.

10 Million People

€19.3 Million

In 2018 we spent €19.3 million delivering programmes that address the needs of the extremely poor in a holistic way.

DEVELOPMENT EDUCATION AND ADVOCACY

Development Education

The goal of Concern's development education programme is to deepen awareness and understanding of issues around global poverty and underdevelopment amongst the public, especially young people.

Our main objectives are 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.
- Engage with the general public to create awareness and understanding of development issues and Concern's work in relation to them.

Overleaf: Keynote Speaker, United Nations Deputy Secretary-General Amina Mohammed (top) and President Bill Clinton (bottom) at the Concern 50th Anniversary Resurgence of Humanity Conference, Dublin Castle. Photo: Photocall Ireland / Concern Worldwide.

Below are some examples of our work and achievements in 2018:

Within the formal education system:

Concern's development education activities including school talks, our all island Concern Debates programme, World Day Workshops, Campaign Academy and Transition Year Academy directly engaged with 13,882 students from 222 primary schools, 236 post primary, and 15 third level colleges.

Over 370 teachers served as Debates mentors at primary and post primary level, while 225 teachers took part in a Concern training event. We also published and distributed over 3,000 development education materials primarily for use by teachers in class room settings.

We remain an active consortium member delivering Irish Aid's WorldWide Global Schools post-primary programme. We also provided further support to 16 groups active in the area of development education who were able to reach audiences that Concern on its own could not reach.

Within the non-formal education system:

Our engagement in non-formal education programmes is delivered in partnership with long established and highly regarded groups, working in the areas of youth and adult and community education. In December 2018 we were chosen by Irish Aid, as part of a consortium with Trócaire, National University of Ireland, Maynooth and National Youth Council Ireland to deliver the Youth Sector Strategic Partnership Programme: Youth 2030 - Development Education in the Irish Youth Sector.

Engaging with the general public:

Concern's Irish Aid backed grassroots initiative 'Project Us' which aims to engage the public with the United Nations' Global Goals is going from strength to strength. In 2018 we ran 17 world café conversations throughout Ireland which 518 people attended.

These took place in partnership with community groups such as Men's Sheds, Solas and Chefs' Network Ireland and in secondary schools and third level institutions.

'Project Us' also had a strong digital presence with membership of the Facebook page growing and social posts reaching an audience of over 69,000. Our video promoting the initiative has been viewed over 18,000 times on YouTube.

As part of our strategy to build youth engagement in the Irish market we developed an integrated brand awareness campaign, '#OneStep', working with pro bono partners the Institute of Advertising Practitioners in Ireland (IAPI), Rothco, Wide Eye Media and Pull the Trigger. The campaign led with a nationwide cinema advertisement featuring vlogger Seth Fowler talking about the shoes of a humanitarian worker during an emergency response to the earthquake in Nepal. The advertisement was accompanied by Instagram stories of aid workers in the field and an audience-led media relations strategy. The campaign reached an audience of 2.8 million through traditional and digital media. According to Millward Brown, Concern's brand awareness amongst 15 to 35 year olds grew by five per cent in the period of the campaign.

RTÉ News broadcast two Nationwide episodes charting the history of Concern but with a focus on the type of humanitarian and development work we do in Kenya and Ethiopia with the support of Irish Aid. The episodes reached a combined audience of approximately half a million.

Finally, in 2018 Concern was an official charity partner of the Gaelic Athletic Association (GAA) and recruited Dublin footballer Michael Darragh Macauley, who visited our programmes in Kenya as a brand ambassador. Through this partnership we reached an audience of over 750,000.

Advocacy

The goal of Concern's international advocacy work is to draw on the evidence and learning from our programmes in order to influence the policies and practices of the Irish, UK and US Governments, alongside those of the European Union and UN.

Our main objectives are to:

- Improve our influence with key policy makers using our existing reputation in the areas of hunger, food and nutrition security.
- Focus attention on humanitarian issues in neglected crises and around mitigating and tackling conflict, using our experience, presence on the ground and political influence.

Examples of our work and achievements in 2018:

Improve our influence around food and nutrition security

Our annual 'Global Hunger Index' (GHI) report focused on the links between hunger and migration, outlining specific recommendations for national and international policy makers in relation to addressing these issues. The Index was launched in the European Parliament at a briefing chaired by EU Commissioner for Agriculture and Rural Development Phil Hogan. A number of MEPs were in attendance, as were representatives of the Irish and German permanent mission in Brussels. The GHI was launched in 14 countries in 2018 in partnership with our Alliance2015 partner Welthungerhilfe.

We also produced a number of other papers including 'Community-based Early Warning and Early Action', a draft case study on civil society's role in Scaling Up Nutrition in Malawi, an analysis of the UK Department for International



Development's (DFID) spend on nutrition, and a report on Concern's nutrition spend under our 'Nutrition For Growth' commitments.

We presented Concern's work on disaster risk reduction in fragile and conflict-affected contexts to government, UN, research and NGO representatives at the Africa-Arab Regional Platform on Disaster Risk Reduction. In December, we published 'A Review of Community-Centred Early Warning Early Action Systems' looking at how emergency responses can be launched more quickly and be better suited to meet the needs of crisis-affected people.

Concern is increasingly influential on national policy change in Kenya, (Urban Early Warning Early Action) and in Bangladesh (Urban Social Safety Nets). In Chad, Concern has had significant input on the national environmental policy and the agriculture production policy.

Focus attention on humanitarian issues

To mark our 50th anniversary, Concern held a major international conference in Dublin in September on the theme of 'Resurgence of Humanity: Breaking the Cycle of Conflict, Hunger and Human Suffering', where we presented our research reports from South Sudan and Central African Republic. Keynote speakers such as Former US President Bill Clinton, UN Deputy Secretary-



General Amina Mohamed and an tUachtarán Michael D. Higgins commended Concern's commitment to ending hunger, extreme poverty and highlighted the need to end the cycle of conflict that is undermining development progress.

In October, we held a related event at the Irish Embassy in London. The event was opened by the Irish Minister for International Development, Ciarán Cannon, TD, with a keynote speech from Mark Lowcock, UN Under-Secretary-General for Humanitarian Affairs. A panel discussion on the challenges faced in addressing global hunger and conflict was chaired by the BBC's special correspondent Fergal Keane.

2018 HIGHLIGHTS



Afghanistan



Bangladesh

Afghanistan Bangladesh

59,000

As part of our coastal community resilience programme in **Bangladesh** which reaches a total of almost 59,000 people, 280 self-help groups were established to help reduce the vulnerability and enhance the resilience of the coastal communities to climate change. They have been trained on climate smart agriculture, rainwater harvesting techniques, multi-layer vegetable gardening and non-farming related small trades.

126,800

In our urban programmes in **Bangladesh**, which targets the extreme poor living in slums, squatter settlements and on the pavements we have introduced innovative health financing schemes, distributing 31,000 health vouchers allowing 126,800 people access to free primary basic healthcare packages, including nutrition services. Those participating in the programme have seen their average annual expenditure on healthcare reduced to zero from 7,866 Bangladeshi Taka (€82).

774

In response to persistent drought and in coordination with the Ministry of Rural Reconstruction and partner organisations, we completed seven water supply networks, giving 774 households in the Rustaq, Chall and Kohistan districts of **Afghanistan** better access to clean and drinkable water.

870,000

Over 870,000 people were directly helped through our urban integrated programme in **Bangladesh** which improves the livelihoods, resilience, health and nutrition status of extremely poor people living in slums, squatter settlements or on the pavements.

AFGHANISTAN

Over 213,650 people reached

BANGLADESH

Over 4.4 million people reached



Sakuma Begum* (14) lives in a Concern pavement dweller centre in Dhaka, Bangladesh with her brother Kassim*. They receive a host of supports from Concern including shelter, food, education and lockers to keep their personal belongings safe. *Names changed to protect the identity of the individual.

Photo: Jennifer Nolan / Concern Worldwide.

HOW WE WORK

Working with Partners

Concern cannot achieve its mission in isolation. We believe we can achieve greater impact working in collaboration with other organisations and institutions.

Our partners include other international and local NGOs (non-government organisations), government bodies, research institutions and private sector companies. Partnerships may involve collaborating in joint operations, supporting and monitoring work, providing and benefiting from technical expertise or engaging and funding local organisations to implement a project together with Concern.

In 18 of the countries where we operated in 2018, programmes were partially or fully implemented through local partners, including local government. In all of our programme sectors, partnerships are evident to different degrees with Livelihoods representing 29 per cent of partners, Integrated 17 per cent, Health nine per cent, Education two per cent, and Emergencies 43 per cent. In 2018 the largest number of partners continues to be in Pakistan.

A workshop to review our partnership approach was held during the year; recommendations around partnership management, building staff capacity and updating tools and guidelines will be taken forward in 2019.

We continue to work in strategic partnerships, for example we are an active member of the Scaling Up

Nutrition movement. In the academic arena, we collaborate closely with the following: Sonke Gender Justice; Feinstein International Centre, Tufts University; Institute for Development Studies, University of Sussex; Development Studies Association of Ireland; Harvard Humanitarian Initiative; Trinity College Dublin; University College Dublin; University College London and the University of Edinburgh.

In the private sector Concern works in partnership with Phillips which supports solutions to health care in Kenya; the Zurich Foundation which engages on flood mapping in Bangladesh; Kerry Group which supports food security programming and Nethope which promotes the use of technology in development programmes.

As a founding member of Alliance2015, a partnership of seven European organisations with a presence in 89 countries, we continue to work in collaboration with our fellow members at a programme and policy level.

In 2018 we provided €9.2 million to 87 partners.

€9.2 Million

In 2018 we provided €9.2 million to 87 partners.

87 Partners

PARTNERSHIPS BY PROGRAMME



43%
Emergencies



29%
Livelihoods



17%
Integrated



9%
Health



2%
Education

How we measure success and learn from our programmes

Concern takes a ‘results-based management’ approach to development work. We are working for change so we need to be able to measure it. It is not only about doing activities with and for programme participants, it is also about ensuring that these activities are making a difference and providing us with key learnings.

This requires that we monitor all programmes to ensure the required changes are happening which will eventually lead to a lasting impact on the lives of the people with whom we work.

In order to ensure that this happens, every programme is designed with a strong monitoring and evaluation framework, starting with a clear pathway 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 what the necessary intermediate changes along the way are. We conduct interim reviews and at the end of every programme, a final evaluation is undertaken to assess the relevance, effectiveness, efficiency, sustainability and impact of the programme, which are the criteria set out by the OECD’s Development Assistance Committee for measuring success and are seen as the sector’s best practice.

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



Liem Tai, a participant of Irish artist Brian Maguire’s workshop, holds up her resulting painting. A lot of these paintings revealed what had happened to the children during the conflict that led them to the Protection of Civilians site in Bentiu, South Sudan.

Photo: Steve De Neef / Concern Worldwide.

Safeguarding

Maintaining the safety and protection of the communities with whom we work and of our staff is of primary importance to Concern.

We are a signatory to the Statement of Commitment on Eliminating Sexual Exploitation and Abuse by UN and Non-UN Personnel and to the Red Cross Code of Conduct.

Concern places particular emphasis on standards of behaviour that we expect from our staff, visitors to our programmes and those of our local partner staff. To this end we have the Concern Code of Conduct (CCoC) and Associated Policies i.e. Programme Participant Protection Policy (P4), Anti-Trafficking in Persons Policy and Child Safeguarding Policy. These policies were reviewed in 2018 and a comprehensive roll out of the updated policies was delivered to all our staff who were asked to recommit to upholding them. These policies are reflected in all aspects of our daily work and set out the standards of behaviour expected from all employees in relation to each other, our programme participants and other relevant parties.

We have a Complaints Response Mechanism and are committed to investigating allegations of behaviour in breach of the above policies. All complaints are investigated, following established investigation guidelines, and where substantiated, disciplinary action is taken, up to and including dismissal.

In 2018 we further strengthened our commitment to safeguarding through the establishment of a dedicated Safeguarding Office led by our Head of Safeguarding, an experienced social worker. This office oversees the implementation of our safeguarding policies and procedures with the aim of ensuring that programme participants, including children, staff, and all who come into contact with Concern's work are protected from any form of exploitation and abuse.

We employ a Protection Adviser at our head office and in a number of our programme countries. These advisers have supported and strengthened the integration of humanitarian protection into programming through the development of good humanitarian protection practice and the dissemination and application of the Code of Conduct and Associated Policies throughout the organisation.

At a governance level, safeguarding trustees have been appointed and regular reports on safeguarding are presented at our Board meetings. Our CEO has engaged directly with all staff in home and overseas offices to raise further awareness of our safeguarding policies and mechanisms and to encourage greater reporting of incidents.

Concern is a certified member of the Core Humanitarian Alliance. This means that our policies and procedures are designed to ensure that we are accountable to the people with whom we work, have been externally audited and found to be operating effectively.

While we believe that our systems are working, we are committed to their on-going development. To this end, members of our senior management teams sit on a number of sector safeguarding working groups both in the UK and Ireland to ensure that we are contributing to the further development of policies and systems at the sector level.

The goal for fundraising is to ensure we raise sufficient funds to allow Concern to deliver its work and achieve its mission.

Our main objectives in 2018 were to:

- Continue to adhere to high standards in how we engage with our supporters
- Raise €34 million from the public
- Raise €120 million from governments and other co-funders
- Maintain a diversified income that is not overly reliant on any one income source

Achievements and performance during 2018:

Adhering to standards

In accordance with the Guidelines for Charitable Organisations on Fundraising from the Public, issued by the Charities Regulator, Concern has a Supporter Charter outlining how we operate under the principles of Respect; Honesty & Integrity; and Transparency & Accountability.

Respect

All public engagement by Concern respects the rights and dignity of the people with whom we work, our supporters, and the general public.

The people we work with and their situations are presented in an honest and respectful way and, where possible and appropriate, they have an input into Concern's public engagement strategies.

We offer many ways in which the public can support our work, for example to volunteer their time, to advocate or to donate.

Our fundraising is not unreasonably persistent, intrusive or placing undue pressure on people to donate. Should someone not wish to donate, or wish to cease making a donation to Concern, that decision is respected.

Honesty & Integrity

Our public engagement is conducted in an honest and truthful manner.

Concern staff act with integrity and our public engagement activities honestly represent Concern and our genuine need for support.

Questions about our activities and costs will be answered honestly and in a timely manner.

Information about Concern's charitable purpose and activities is made freely available.

Charitable donations and gifts are used for the purposes for which they are donated.

Transparency & Accountability

Concern takes responsibility for its actions and is capable of explaining, clarifying and justifying those actions.

Concern's Board of Directors and management explain and account to supporters and the public for Concern's actions.

We operate in an open, frank and honest way and ensure that transactions, operations, information and communications are easily understood by supporters and the public alike.

We clearly identify to our supporters and the public the cause for which fundraising is occurring and how donations will and are being used.

We provide ways whereby those interested can easily contact us.

We have a procedure in place to address complaints.

Raising funds from the public

In 2018, €34.9 million was raised from the public in Ireland, the United Kingdom and South Korea. We continue to be humbled by the generosity of our supporters in enabling our work.

The funds were raised in a variety of ways:

Individual Giving

Regular giving continues to be the single most important source of fundraising income for Concern as it allows us to plan our on-going activities from a secure base. We appreciate the support of over 130,000 people who donate to us in this way in Ireland, the UK and South Korea. We engage with supporters face to face, through direct mail, advertising and online. We are particularly pleased at the growth we have seen in South Korea, following the 2015 launch of our fundraising operations in that country.

We are very grateful to all those who responded to our appeals to support our work, especially in times of emergencies.

The General Data Protection Regulations (GDPR) came into force in May 2018. Concern invested significant resources in ensuring compliance. GDPR harmonised data privacy laws across Europe with a particular focus on ensuring organisations had appropriate permission to communicate with members of the public. Following a campaign which ran throughout 2017 and 2018, we were pleased with the level of consent to communicate achieved from our supporters and feel it is a strong indication of the strength of public support for our work.

Tax efficient giving, where supporters' donations are augmented by a government refund of the related income tax, also continues to be an important source of income for Concern's work.

Corporates, major donors and trusts

The inaugural Women of Concern luncheon was held in Dublin in October and sponsored by EY. Almost 300 people from the Irish business community attended the event, contributing in excess of €90,000, which saw Microsoft Ireland CEO, Cathriona Hallahan, honoured for her achievements in leadership and tireless work towards gender equality. The Dublin luncheon will become an annual event joining similar events organised in Chicago and New York in support of Concern's work.

Concern's work continues to be supported by more than 300 trusts, businesses and groups of employees including members of both the Bank of Ireland and ElectricAid staff funds, supporters of the Limerick County Council Staff Humanitarian & Benevolent Fund, and employees from organisations as diverse as CJ Fallon, Coral Seafoods and Janssen Pharmaceuticals.

2018 saw the extension of our partnership with Kerry Group who support our Realigning Agriculture to Improve Nutrition (RAIN) programme. This global food business has committed €1 million over four years to making lasting improvements to food security, nutrition and livelihoods in the Tahoua region of Niger. We also commenced a five year, €3 million project funded by Zurich Insurance Foundation, focused on flood resilience programming and learning and received support from the Swedish Postcode Foundation (nutrition programme in Kenya), the Big Heart Foundation (support to refugees in Lebanon), the Turing Foundation (education in Niger) and others.

Community fundraising

Concern's work was initially made possible because of passionate, community-based support and we are constantly aware of those roots. 2018 saw 4,000 people take part in the Summer Raffle; 11,000 Christmas gifts were purchased; hundreds of people abstained from food for 24 (and in some cases 48!) hours. We are grateful to all the marathon runners, mountain climbers and those who give their time and energy to enable Concern's work. And in a year in which Ireland saw weather extremes, we particularly appreciate the tireless work of the 1,200 volunteer collectors who gave up their time to fundraise in all seasons to help families in desperate need around the globe.

Raising funds from governments and co-funders

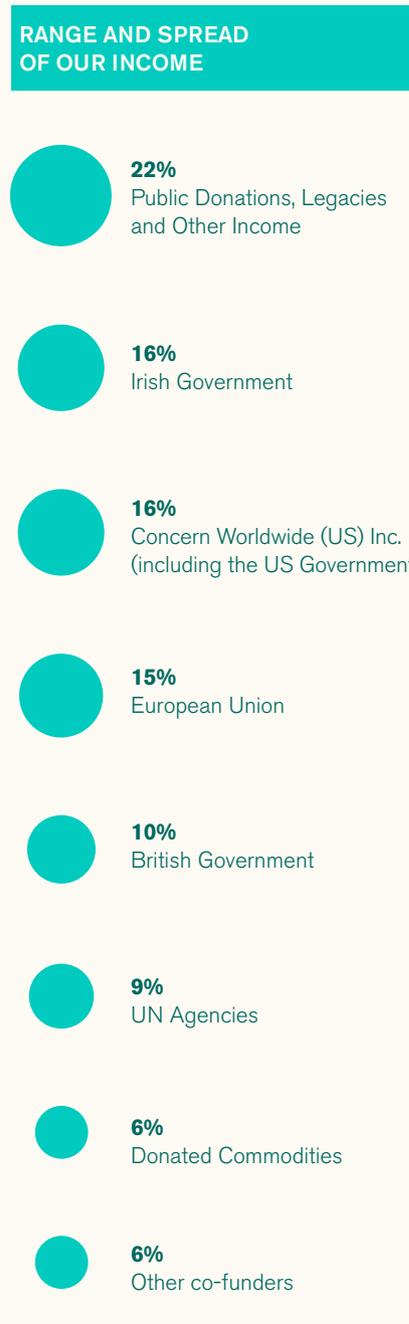
A strong partnership with a number of key donors is central to our work and in 2018 we received a total of €127 million from co-funders (including €10.5 million of donated commodities).

Significant donors included the Irish Government (€26.6 million through Irish Aid), the British Government (€16.4 million), Concern Worldwide (US) Inc. (including the US Government) (€25.9 million) and the European Union (€24.3 million). All of this funding is awarded through competitive processes whereby we have to compete with peer

organisations and frequently the private sector. The income level reached in 2018 is testament to the high levels of trust that Concern has earned over the years and the importance it places on delivering results while maintaining high standards of accountability and transparency.

Maintaining a diversified income base

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 2018. The below chart indicates the range and spread of our income:



Clotilde Ndayisenga (25) with her daughter Arlene (2). Clotilde is among more than 55,000 families to benefit from health and nutrition advice and support from Community Health Workers and Care Group Volunteers' in Cibitoke, Burundi.

Photo: Abbie Traylor-Smith / Concern Worldwide.



THANK YOU

Without the support of many individuals, governments and co-funders, a small number of whom are recognised here, our work would not be possible. Together, we have helped over 24 million people in 25 of the world's poorest countries.

We particularly want to thank community groups and volunteers for their hard work and everyone who supports us regularly giving us the confidence to plan ahead. We are also very grateful to our supporters who have thoughtfully left us a legacy.

We greatly appreciate the on-going support from governments and co-funders including:

The British Government

The Canadian Government

The European Union

The German Government

The Government of South Korea

The Irish Government

The Swedish Government

The Swiss Government

**The US Government
(via Concern Worldwide (US) Inc.)**

UN Agencies

Thanks also to the following organisations:

Accenture

**Alan & Nesta Ferguson
Charitable Trust**

Comic Relief

Bank of Ireland Staff Fund

The Big Heart Foundation

**Deutsche Bank International
Corporate Services**

Disasters Emergency Committee

Electric Aid

Fórsa Trade Union

GAA

Innocent Foundation

Kerry Group Plc

Kulczyk Foundation

McClay Foundation

Milton Damerel Trust

Penny Appeal

Stanley Thomas Johnson Foundation

Start Fund

**States of Guernsey Overseas
Aid & Development Commission**

Swedish Postcode Foundation

The Turing Foundation

Whole Planet Foundation

Z Zurich Foundation

Our sincere thanks to the companies and individuals who supported the events to mark our 50th Anniversary including:

EY

Iris O'Brien Foundation

Microsoft

Pixel Print

Red Dog Design

The Irish Times

Web Summit



2018 HIGHLIGHTS

32,000

In Tahoua, **Niger**, our integrated programme reached over 32,000 people directly focusing on projects including conservation agriculture, livestock care, kitchen gardens, rehabilitation of water points giving access to clean, safe water, promotion of good health and nutrition practices and education.

47

In **Chad**, we have been developing an Early Warning System in collaboration with Radio Sila to alert communities to potential oncoming hazards, giving them more time to take action. During the year, results showed that 47 per cent of Community Action Committees (who receive and then disseminate these messages in the community) had benefited from an early warning around the drought that affected the district.

481

In Tanganyika Province, **Democratic Republic of Congo**, we are working with extremely poor and marginalised households to enable them to work their way out of poverty through our Graduation programme. In 2018, over 481 households were reached through the approach. An important element of the programme is to ensure that women play a full part in the decision making process and the results for the annual survey show that two thirds of both men and women say that women are consulted in decision making.

Village chief Tilo Saidi and Diaba Idrissa, a member of Agaye's water management committee, who are in charge of maintaining the well.

Photo: Darren Vaughan / Concern Worldwide.

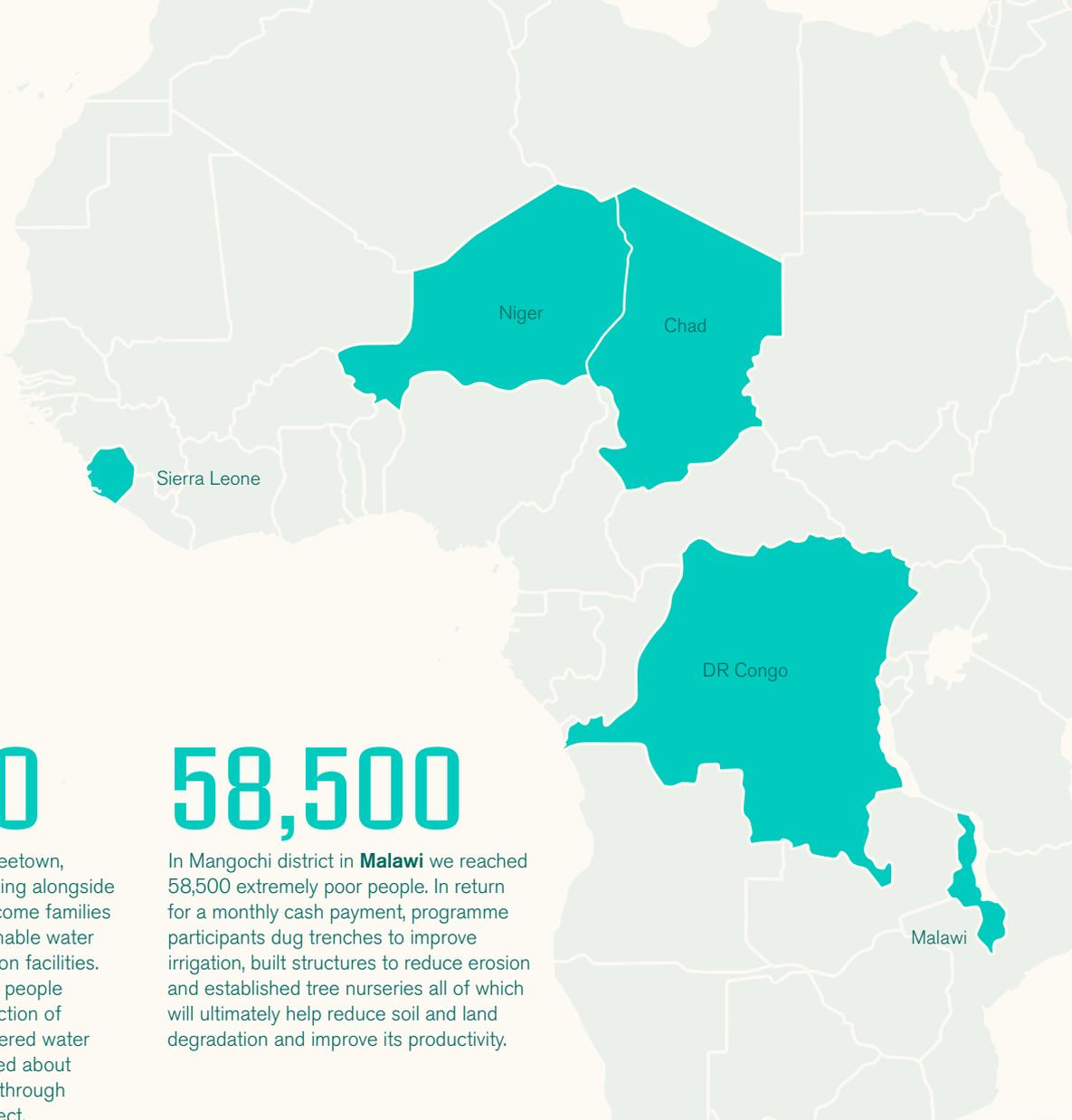


CHAD

Over 188,000 people reached

DEMOCRATIC REPUBLIC OF CONGO

Over 1.2 million people reached



Chad
DR Congo
Malawi
Niger
Sierra Leone

10,000

In the crowded slums of Freetown, **Sierra Leone**, we are working alongside key partners to give low income families access to clean and sustainable water supplies and better sanitation facilities. In 2018 more than 10,000 people benefited from the construction of seven innovative solar-powered water systems, and 23,000 learned about sanitation/ latrine services through a sanitation promotion project.

58,500

In Mangochi district in **Malawi** we reached 58,500 extremely poor people. In return for a monthly cash payment, programme participants dug trenches to improve irrigation, built structures to reduce erosion and established tree nurseries all of which will ultimately help reduce soil and land degradation and improve its productivity.

Ache (19) is a breastfeeding mother in the nutrition programme in Fararo, Chad. She has two children under the age of five and a young baby.

Photo: Lucy Bloxham / Concern Worldwide



MALAWI

Over one million people reached

NIGER

Over 620,000 people reached

SIERRA LEONE

Over 236,000 people reached



Mother of four, Rebecca collecting water at her local water source in Nakai Town, Liberia. Midway through the dry season the only water source for the town is visibly depleted and dirty.

Photo: Gavin Douglas/
Concern Worldwide.

REVIEW OF FINANCIAL OUTCOME 2018

The financial outcome for 2018 is set out in the 'Consolidated Statement of Financial Activities' on page 68.

During 2018 Concern's income and expenditure fell compared to 2017. This was mainly due to the cessation of our operations in three countries, Mozambique, Uganda, Zambia and a decrease in emergency programme activities related to the Syrian Refugee crisis.

A detailed commentary on the financial results for 2018 is set out below. The key risks facing the organisation are dealt with in the next section.

Income

The organisation's total income in 2018 amounted to €163.5 million. This represents a decrease of 15 per cent from the income level achieved in 2017. The main reasons for the reduction, which is part of normal cyclical movements, are explained under the different income streams below. We continue, however, to have a diversified income base that provides stability for the organisation in a challenging economic environment.

The main movements in Concern's income streams, during 2018, 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 2018 we received €34.9 million from this income stream – see note 2(a) to the financial statements.

We continued to fundraise in three markets (Ireland, the UK and South Korea), but income fell by 12 per cent when compared to 2017. The reduction occurred in the Irish and UK markets and was due to three main factors;

- the fact that there were no major new emergencies in 2018,
- cyclical factors in relation to grants from corporates major donors and trusts i.e. old grants ended and replacements did not come fully on stream,
- the unpredictable nature of income from legacies. Income from this line was unusually high in 2017 but returned to more normal levels in the year under review.

By contrast income from the South Korea market increased by €0.8m. This is a result of the ongoing investment in the recruitment of regular givers which continues to be by far the largest component of South Korean income from donations and legacies.

Significant thanks are due to all of the donors who have continued to support the work of Concern during 2018.

Grants from governments and other co-funders

Concern received a total of €117 million in grants from governments and other co-funders in 2018 – see note 2(b) to the financial statements for an analysis by donor. This represents a 14 per cent decrease from our 2017 levels.

The Irish Government was the single largest donor in 2018 providing €26.6 million or 22.8 per cent of the total co-funding income. Concern Worldwide (US) Inc. (including US Government) was the next largest donor in 2018 providing €25.9 million or 22.2 per cent of the total co-funding income and the European Union was the next largest donor after that providing €24.3 million or 20.9 per cent of total co-funding income. Other significant donors included the British Government who contributed €16.4 million and UN Agencies with €14.4 million. These levels of funding reflect the strong relationships built with

the donors over an extended period and we hope to further develop these relationships through the current year.

Our 2018 income from co-funders was 14 per cent down on 2017 (when we recorded our highest ever co-funding). This reduction was due to a decrease in the level of emergency activity in the year, the cessation of operations in three countries (which was approved by the Board in 2016 as part of a restructuring of operations) and the completion of large programmes in Pakistan, Lebanon and Somalia.

Donated commodities

Commodities donated to the organisation and distributed as part of its emergency response programmes were valued at €10.5 million in 2018, a decrease of 32 per cent from 2017 – see note 2(c) to the financial statements for details. The bulk of the donations in kind relate to emergency food distributions in South Sudan and Ethiopia with smaller but significant amounts in Somalia, Republic of Sudan, Bangladesh and Niger.

Expenditure

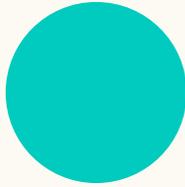
Our total expenditure for the year was €160 million, made up as follows

	€'m	%
Charitable activities	€145.9	91%
Raising funds	€13.9	9%
Total	€159.8	100%

Total expenditure, at €160 million, represents a 12.7 per cent decrease from the 2017 level of €183 million. This decrease is primarily due to factors outlined above in relation to income i.e. the cessation of activities in three countries and reductions in emergency programmes.

EXPENDITURE (€'m)

Emergency
€89.1m



Integrated Programming
€19.3m



Health and Nutrition
€16.3m



Livelihoods
€12.8m



Development Education and Advocacy
€3.9m



Education
€3.6m



Governance
€0.9m



Charitable activities

Expenditure on charitable activities in 2018 totalled €145.9 million. Expenditure was spread over a range of activities.

As can be seen from the graph, most of the expenditure was devoted to emergency response activities, and this is detailed in note 3(a).

Our overseas expenditure continued to be concentrated in sub-Saharan Africa (68 per cent), though we continue to maintain a strong presence in Asia (13 per cent) and to also operate in an emergency capacity in the Middle East (18 per cent). Haiti remains our only country of operation in the Americas.

Raising funds

The cost of raising funds totalled €13.9 million in 2018 which is 12 per cent higher than 2017. The increase in expenditure is primarily due to the following:

- the increased spend on donor recruitment in the Republic of Korea (South Korea) where we believe there is considerable, growth potential,
- the increased cost of staff due to the gradual unwinding of pay cuts made during the recession,
- the cost of fundraising investments approved by the Board with the aim of protecting and developing our revenue streams in the medium to long term.

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 and compliance, human resources and information technology. These services play a crucial role in providing support to the delivery of our programmes globally.

Our total support costs for the year (including exchange gain) amounted to €10.3 million (see note 3(d) to the financial statements), compared to €10.5 million in 2017, a two per cent decrease. The main reason for this decrease is a gain on foreign exchange transactions during the year versus a loss in 2017. Excluding the foreign exchange gain, the support costs increased during the year. The increase is mainly due to extra resources needed to meet the growing requirements of safeguarding, GDPR and compliance.

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	2018	2017
Return on fundraising spend	2.5	3.2
Government & institutional income as a percentage of total overseas programme expenditure	83%	83%
Support costs as a percentage of total costs	6.4%	5.7%
Percentage of total income derived from:		
■ our largest donor	16%	16%
■ our top three donors (combined)	47%	44%
Expenditure cover held in unrestricted reserves	148 days	114 days

- **Return on fundraising spend** essentially measures how much we get back for each euro spent on fundraising. This figure has decreased in 2018 primarily as a result of reduced income received from emergencies and increased expenditure due to fundraising investment activity. It is expected that the return on 2018 investments will increase the ratio in future years.
- **Government and institutional income as a percentage of total overseas programme expenditure** indicates the proportion of our work which we can get funded without reliance on public appeals. The 83 per cent recorded in 2018 is the same as the level achieved in 2017, demonstrating the organisation's continued 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 rate of 6.4 per cent achieved in 2018 is higher than in 2017 (as a result of the fall in charitable expenditure and the increase in support costs explained above), but this level of support activity is believed to be necessary and appropriate.
- **Percentage of total income derived from our largest donor/our top three donors (combined)** illustrates the extent of our reliance on particular donors. As we continue to secure less than 50 per cent of funding from our top three donors, we believe that we have considerable diversity in our donor base and that we are not over-reliant on any particular source.
- **Expenditure cover held in unrestricted reserves** indicates the number of day's expenditure that we can cover from our available unrestricted resources. The 2018 figure of 148 days provides adequate assurance of continuity of operations and is regarded as satisfactory.

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

Financial Results of Subsidiary Companies

In addition to the parent company, during 2018 there were three active subsidiary companies within the group:

- **Concern Worldwide (UK)** engages in fundraising, development education and advocacy work in the United Kingdom. While the level of funds raised reduced in 2018, we expect the drop to be temporary and that they will continue to secure significant 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 in 2015 and its main activities are to fundraise for, and otherwise support, the programmes of Concern Worldwide. The foundation commenced trading in September 2015 and has continued to grow its supporter base.

As explained in note 20 (a) 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 material 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 when the scheme benefits were restructured and a funding plan was put in place to address the deficit. 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. The funding plan ran from 2009 to 2018 and at the end of that period the actuarial valuation indicated that the scheme had a surplus of €3.1 million (see note 15 to the financial statements). As a result, the company expects to cease contributing to the scheme from 2019 onwards.

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 is very close to being fully funded (deficit at year end was just €0.01 million - see note 15 to the financial statements). The company does not anticipate that further contributions will be required to fund these benefits.

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 €2.8 million (see note 15 to the financial statements).

Reserves Position

A key distinction is made between restricted income, which must be used only for the purpose specified by the donor, and unrestricted income, which is used by Concern for its general purposes to fulfil its charitable objectives. 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. Any income not fully utilised is retained in reserves as outlined below.

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 €67.8 million at December 31, 2018 are detailed in note 16 to the financial statements and fall into two categories:

- Restricted funds (€3 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 (€64.8 million) these are of two types:
 - › Designated funds (€63.6 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 2018 funds

had been designated for five specific purposes as follows:

- To cover the planned 2019 budget deficit.
 - To recognise that a portion of reserves is 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 (€1.2 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 2019 budget. At that time it was agreed that the restricted reserves should be utilised as soon as reasonably possible, and that the 2019 expenditure plans would include investments in fundraising activities and systems that would reduce unrestricted reserves from the 2018 levels.

The Board plans to review the Group's reserves policy in 2019.

Going concern

Set out above is a review of Concern's financial performance and the general reserves position as at December 31, 2018. Based on the results for the year, the year-end financial position and the approved 2019 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.





The Char remains a priority area for Concern in Bangladesh as the region is marked by high levels of social deprivation and ecological vulnerability to flooding and river erosion. Arman* is a participant in our cash-for-work programme. *Name changed to protect the identity of the individual

Photo: Jennifer Nolan / Concern Worldwide.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Constitution of Concern Worldwide is the organisation'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
Concern Worldwide (UK)	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.
Concern Korea Foundation	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.	Concern Korea supports 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.
Concern Charity Trading	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 entity 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 other organisations 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 or consortia – 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 or 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 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); the requirements of The Governance Code for the Community, Voluntary and Charitable Sector in Ireland, and the Charities Governance Code issued by the Charities Regulator of 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.

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.

In addition to the Board of Directors, 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; Programme, Monitoring and Evaluation, which monitors the quality of Concern's programme work; and Remuneration, which oversees pay and reward policies and proposals across the organisation. The membership of these sub-committees includes at least two Directors as well as 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 five times during 2018 and attendance of current members was as follows:

Board Member	Meetings Attended
Zamila Bunglawala	5
Ciunas Bunworth	5
Catherine Corcoran ¹	1
Donal D'Arcy	5
Jacinta Flanagan	2
Joanna Geraghty	0
Colin Gordon	5
Paul Jeffcutt	4
Michael Kenny	5
Cyril Maybury	5
Teresa McColgan	5
Jim McShane ¹	1
Cormac Murphy	3
Barbara O'Reilly	3
Nora Owen	5
Gary Rice	4
David Ritchie	2
Rachel Rodgers	4
Rosalyn Tamming	5
John Treacy	5
Donald Workman	4

¹appointed 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 eight times; the Monitoring and Evaluation Committee met five times; the Remuneration Committee met once.

During 2018, the Board reviewed the efficiency and effectiveness of its own operations. A broader governance review also took place which focussed on three areas – relations between the different national entities, engagement with the membership in Ireland and the governance structures that might be required in overseas operations.

The reviews concluded that governance procedures were good and that they were generally effective. A number of recommendations for improvement were made, which are in the course of being implemented.

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 2018 we uncovered a total of 20 frauds, the majority involved minor amounts. While the number of cases was up from 2017 (7), the total amount involved fell substantially. 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. The purpose of the risk review is to ensure that the organisation is not on an ongoing basis exposed to an unacceptable level of preventable risk.

The major risks identified by the 2018 review are listed below in order of significance:

2018 Ranking*	Risk	
1 (1)	Funding & Economic Instability	While the Irish, UK and Eurozone economies continue to perform reasonably well, there is considerable uncertainty associated with Brexit and more generally with policies and attitudes towards overseas aid. As a result, funding and 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.
2 (2)	Staff Safety, Well-being & 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, including the provision of training in areas such as security management, hostile environment and crisis management.
3 (3)	Staff Recruitment & Retention	Concern achieves its results through its staff. If the organisation is to succeed in 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.
4 (4)	Compliance	This risk is broken down into the different areas of compliance relevant to the organisation including donor, internal policies, procedures and regulatory compliance. The organisation receives a significant amount of funding from institutional donors and the general regulatory landscape is more onerous than ever before. The management of both donor and regulatory requirements, which are increasingly complex and prescriptive in nature, is challenging at both head office and field level. The organisation addresses this issue through the design and implementation of appropriate control systems and procedures plus staff training, publication of relevant guidelines and frequent reviews of activities.
5 (-)	Abusive, exploitative or offensive behaviour involving breaches of the Code of Conduct and associated policies	This risk encompasses all types of inappropriate behaviour that negatively impact the people with whom we work. We manage this risk, by the development and enforcement of strong policies, by good recruitment practice and by the provision of ongoing training and guidance. This was an area of focus in 2018 and we established a specific safeguarding taskforce, led by senior staff, to identify any further measures or actions that may need to be taken. We are implementing measures identified by the task force and will seek to ensure we represent best practice in this area.
6 (5)	Fraud, Corruption, and other Criminal behaviour	Significant fraud or incidents 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.
7 (6)	Achievement and Demonstration of Programme Results	It is important that the organisation is able to measure the effects of its programming activities in order for it to demonstrate impact. Appropriate systems have been put in place and continue to be developed.

*The 2017 rankings are shown in brackets

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.

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



Boli* and Mohamud* at a refugee camp for Rohingya refugees in Cox's Bazar, Bangladesh. *Names changed to protect the identity of the individuals.

Photo: Kieran McConville / Concern Worldwide.

STAFF AND VOLUNTEERS

Staff

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.

We achieve our success through our staff, over 90 per cent of whom are based in our 25 programme countries responding directly to the needs of the communities we serve. Other staff come from a range of professions including logistics experts who ensure supplies reach people, finance officers to ensure we get the best value for money and technical experts who monitor our programme quality.

Concern strives to ensure that we maintain gender equality within our workforce and management staff. This is a particular challenge in programme countries where 32 per cent of staff were female in 2018. We are committed to the empowerment of female staff and have policies in place to ensure women engage in our Pathway, Ignite and Aspire management training programmes to further their development.

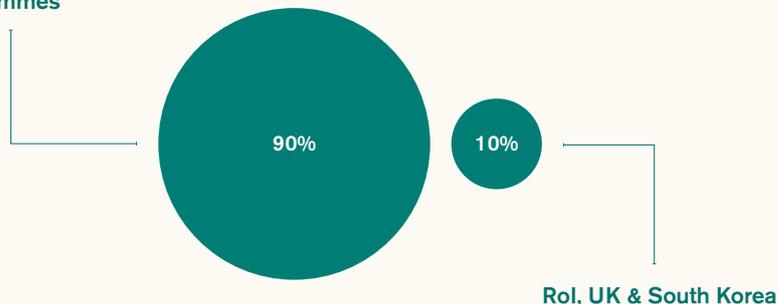
Volunteers

Volunteers also lent their expertise to a host of activities in 2018. We benefited greatly from the commitment and dedication of over 1,700 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 and lent their voice to campaigns.

The organisation acknowledges with gratitude the work of its staff and volunteers both at home and overseas in 2018. The achievements during the year are due to the dedication and belief of all these people.

CONCERN STAFF 2018

Programmes



Rol, UK & South Korea



Programmes



Total Staff



● Female % ● Male %

CONCERN MANAGERS 2018

Rol, UK & South Korea



Programmes



Total Staff



● Female % ● Male %

OTHER MATTERS

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 2018, 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 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 2018 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

Concern Worldwide is not obliged under the provisions of the Companies Act 2014 to prepare a Directors' Compliance Statement. However the Directors have agreed to voluntarily adopt these measures because they believe that they represent best practice in corporate governance.

The directors acknowledge that they are responsible for securing the company's compliance with its relevant obligations and 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.

A MILESTONE

Over the last 12 months we have held over 20 events, big and small, across our field offices and in Ireland, the UK, the US and South Korea.

YEAR



Women of Concern

Cathriona Hallahan (pictured on the left), was the recipient of the inaugural Women of Concern Award, Presenting the award, Concern CEO Dominic MacSorley, said, 'Cathriona has been a shining light for women in leadership positions in Ireland and has clearly championed gender equality and led diversity and inclusion at Microsoft for many years! Photo: Leon Farrell / Photocall Ireland.

Resurgence Conference

The Resurgence of Humanity Conference in September was a great success with over 300 world leaders, policymakers, and experts on conflict and the humanitarian system coming together in Dublin Castle to discuss how the cycle of conflict, hunger and human suffering might be broken. Over 100,000 people watched our videos across social media and the livestream, showing that there was a phenomenal level of interest in the conference.



Above: Pictured at the the Resurgence of Humanity conference, (L to R) two of the original crew members from the Columille ship, Peter Shorthall and Karl Vekins, Concern CEO Dominic MacSorley, keynote speaker at the conference United Nations Deputy Secretary-General Amina Mohammed, President Michael D. Higgins, Sabina Higgins, Philips Uzoma and the founder of Concern, John O'Loughlin Kennedy. Photo: Photocall Ireland / Concern Worldwide.



Above: President Michael D Higgins and Irish artist Brian Maguire pictured at the opening of 'HUMANITY Site Unseen', an exhibition of the paintings and drawings from his visit to a Protection of Civilian Camp in Bentiu, South Sudan. Photo: Photocall Ireland / Concern Worldwide.



Above: Dublin GAA player, Michael Darragh Macauley visiting M.M Chandaria School, Nairobi, Kenya. Pictured here with student Michael Juba (11). Michael Juba lost his mum when he was five and is currently living with his older brother in a Nairobi slum. Photo: Jennifer Nolan /Concern Worldwide.



Seeds of Hope

The annual Seeds of Hope Dinner in New York was an extra special event this year with singer and activist Bono in attendance. That night he spoke about his passion for the work that Concern does and how spending time with Concern in Ethiopia in the 1980s changed his life forever. Photo: Concern Worldwide.

One of the best aspects of this 50th year was the opportunity to come together as teams across the countries where we work.

Afsana Shehri joined Concern over 40 years ago, she shared her story at the 50th anniversary event in Dhaka, Bangladesh.

She was a new mother, looking for a job and she heard that Concern was opening an office in the town nearby, but it was quite a distance away. She applied for the job anyway, but she never thought she would get it. There was nobody to look after her new baby and the distance to get to work was also a factor.

When she met the people who were interviewing her, they said 'don't worry about the distance, we can provide transport until you settle into the job and find somebody to support the baby'. 'This was unexpected, they didn't know me, but they created the conditions that enabled me to take the job. I realised that I was joining an organisation that had respect and values in how they treat their staff. And that has been the way ever since.'



1: Kenya and Somalia Teams.
2: Chad Team.
3: Ciara O'Neill, Tara Duane and the longest serving staff member in the Dublin office, Mary Coonan.
4: Bangladesh Team.
5: Ethiopia Team.
6: Members of Concern's support group from Clogher, Co. Tyrone. (L-R) Sally McCaughey, Susan Hagan and Margaret McCaughey at an event in Stormont, Belfast.

7: Niger Team.
8: The longest serving staff members in Haiti, Maceleau Saint Louis and Armante Noel received certificates from Dominic MacSorley at the anniversary event in Haiti.
9: Concern South Korea Team.
10: South Sudan Team.



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 centred on our core values and builds on the solid foundations of our current mission and work.

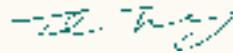
It sets the following broad ambitions for the organisation:

- Benefit 25 million people annually by 2020.
- Continue to develop high quality programmes which influence policy and wider practice.
- Pursue sustainable and well managed initiatives to grow the organisation's budget.

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 2018 achievements are detailed on page 14. 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.

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



John Treacy
Director



Teresa McColgan
Director

April 23 2019

Sala (7) and his family benefit from a new water pump constructed by Concern in Toe Town, Liberia.

**Photo: Gavin Douglas/
Concern Worldwide.**



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE BOARD AND THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for preparing the Report of the Board and the consolidated 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of Companies Act 2014 and with the Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (issued in November 2014) (the "Charities SORP").

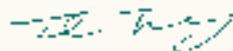
Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year. In preparing the Group and Company 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 consolidated financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

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 which enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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



John Treacy
Director



Teresa McColgan
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCERN WORLDWIDE

1 Report on the audit of the consolidated financial statements

Opinion

We have audited the Group and Company consolidated financial statements of Concern Worldwide ("the Group" or the "Company") for the year ended 31 December 2018 set out on pages 68 to 98, which comprise the Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 (issued in November 2014) (the "Charities SORP").

In our opinion, the Group and Company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2018 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 as applied with regard to the Charities SORP; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the

Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the consolidated financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the consolidated financial statements. The other information comprises the information included in the Report of the Board, the Message from the Chair and the Message from the Chief Executive Officer. Our opinion on the consolidated financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is

materially misstated or inconsistent with the consolidated financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that;

- we have not identified material misstatements in the Report of the Board, the Message from the Chair and the Message from the Chief Executive Officer;
- in our opinion, the information given in the Report of the Board, the Message from the Chair and the Message from the Chief Executive Officer is consistent with the consolidated financial statements;
- in our opinion, the Report of the Board, the Message from the Chair and the Message from the Chief Executive Officer has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

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

In our opinion the accounting records of the Group were sufficient to permit the consolidated financial statements to be readily and properly audited and the consolidated financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

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. We have nothing to report in this regard.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the consolidated financial statements

As explained more fully in the Statement Directors' Responsibilities set out on page 63, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with the 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.

24 April 2019



Caroline Flynn

for and on behalf of

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

FINANCIAL STATEMENTS

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Chawda Zakariaou nurses her only surviving twin child, eight-month-old Ousseina, at the Health Centre for Mother and Children in Tahoua, Niger, which is supported by Concern. Little Ousseina has been in the clinic for seven days and is about to be discharged. She was admitted with severe acute malnutrition and was dehydrated, anaemic and ill with malaria. She has received medication and fortified food.

“When I came to the hospital with Ousseina, she was so sick. But now you can see that she is getting better. She is breastfeeding again. It makes me smile. I couldn’t do that before, because she was very ill. I’m very happy to see her recovering.”

Photo: Darren Vaughan/ Concern Worldwide.



Consolidated Statement of Financial Activities for the year ended December 31, 2018

	Notes	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
		€'000	€'000	€'000	€'000
Income from:					
Donations and legacies	2(a)	26,046	8,835	34,881	39,802
Charitable activities:					
- grants from governments and other co-funders	2(b)	-	116,743	116,743	135,958
- donated commodities	2(c)	-	10,521	10,521	15,478
Other trading activities	2(d)	305	-	305	125
Investments and other income	2(e)	1,003	56	1,059	251
Total income		27,354	136,155	163,509	191,614
Expenditure on:					
Charitable activities	3(a)	7,160	138,789	145,949	170,724
Raising funds	3(c)	13,105	757	13,862	12,343
Total expenditure		20,265	139,546	159,811	183,067
Net income for the year		7,089	(3,391)	3,698	8,547
Other recognised gains and losses:					
Exchange loss on consolidation of subsidiaries	16(a)	(64)	17	(47)	(169)
Actuarial gain on staff retirement arrangements	15(2)	816	-	816	644
Net movement in funds	16(a)	7,841	(3,374)	4,467	9,022
Reconciliation of funds:					
Total funds brought forward	16(a)	56,997	6,342	63,339	54,317
Total funds carried forward		64,838	2,968	67,806	63,339

On behalf of the Board



John Treacy
Board Member



Teresa McColgan
Board Member

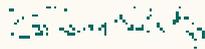
Consolidated Balance Sheet as at December 31, 2018

	Notes	2018		2017	
		€'000	€'000	€'000	€'000
Fixed assets					
Tangible assets	7		15,320		15,612
Surplus on defined benefit pension scheme	15(2)		3,109		2,000
Total fixed assets			18,429		17,612
Current assets					
Stock	9		141		136
Debtors and prepayments	10		23,691		21,208
Cash at bank and in hand	11		66,173		54,781
Total current assets			90,005		76,125
Creditors: amounts falling due within one year	12		(36,208)		(24,546)
Net current assets			53,797		51,579
Total assets less current liabilities			72,226		69,191
Creditors: amounts falling due after more than one year	13		(1,570)		(2,152)
Net assets excluding staff retirement liabilities			70,656		67,039
Staff retirement liabilities	15(2)		(2,850)		(3,700)
Net assets			67,806		63,339
The funds of the charity:					
Unrestricted funds	16(a)		64,838		56,997
Restricted funds	16(a)		2,968		6,342
Charity funds			67,806		63,339

On behalf of the Board



John Treacy
Board Member

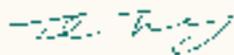


Teresa McColgan
Board Member

Company Balance Sheet as at December 31, 2018

	Notes	2018		2017	
		€'000	€'000	€'000	€'000
Fixed assets					
Tangible assets	7		14,965		15,220
Investments	8		391		391
Surplus on defined benefit pension scheme	15(2)		3,109		2,000
Total fixed assets			18,465		17,611
Current assets					
Stock	9		141		136
Debtors and prepayments	10		29,436		18,866
Cash at bank and in hand	11		55,723		50,427
Total current assets			85,300		69,429
Creditors: amounts falling due within one year	12		(35,231)		(21,994)
Net current assets			50,069		47,435
Total assets less current liabilities			68,534		65,046
Creditors: amounts falling due after more than one year	13		(1,570)		(2,152)
Net assets excluding staff retirement liabilities			66,964		62,894
Staff retirement liabilities	15(2)		(2,850)		(3,700)
Net assets			64,114		59,194
The funds of the charity:					
Unrestricted funds	16(b)		61,974		54,599
Restricted funds	16(b)		2,140		4,595
Charity funds			64,114		59,194

On behalf of the Board



John Treacy
Board Member



Teresa McColgan
Board Member

Consolidated Cash Flow Statement for the year ended December 31, 2018

	Notes	2018 €'000	2017 €'000
Net cash provided by operating activities	17	12,235	4,579
Cash flows from investing activities			
Deposit interest received		177	107
Payments to acquire tangible fixed assets		(180)	(364)
Net cash used in investing activities		(3)	(257)
Cash flows from financing activities			
Repayments on bank loan		(663)	(642)
Net cash used in financing activities		(663)	(642)
Change in cash and cash equivalents in the year		11,569	3,680
Cash and cash equivalents at the beginning of the year		54,778	51,180
Exchange rate movements	18	(174)	(82)
Cash and cash equivalents at the end of the year	18	66,173	54,778

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 accrued and deferred income balances (see Note 1(C)).
- (ii) The basis for the classification of expenditure in the *Consolidated Statement of Financial Activities* (see Note 1(D)).
- (iii) The accuracy of the assumptions applied to the valuation of staff retirement assets and liabilities (see Note 1(K)).

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 50).

The Group and Company financial statements have applied "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" ("Charities SORP").

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 meets the definition of a Public Benefit Entity under FRS102. As a registered charity, the Company is exempt from the reporting and disclosure requirements to prepare a directors' report under section 325(1) (c), Companies Act 2014 but does so in compliance with the Charities SORP. There is nothing to disclose in respect of directors' interests in shares or debentures of the Company under section 329, Companies Act 2014.

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 Group in the developing world is carried out through branches located in the countries of operation. The branches are the local representatives of the Group. They do not have a separate corporate personality and have been set up specifically to carry out the work of the Group.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Consortia arrangements

Income received and expenditure incurred by the Group and Company, as a member of a consortium arrangement, are recognised in the *Consolidated Statement of Financial Activities* only to the extent that the organisation is responsible for the day-to-day management and utilisation of the funds.

Affiliates

Concern Worldwide (US) Inc. is a related, though independently governed, company based in New York, USA, 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. 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 received from Concern Worldwide (US) Inc. to fund overseas projects are recognised as grants from governments and other co-funders. Grants paid to Concern Worldwide (US) Inc. are categorised according to their purpose.

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

Income derived from donations and legacies is recognised when the Group becomes entitled to the resource, when receipt of funds is probable and when the amount can be measured with sufficient reliability.

Monetary donations (including donations from the public) are recognised when the donations are received.

Income arising from legacies is recognised when it becomes probable that funds will be received (i.e. where there is a grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached are within the control of the Group).

Income arising from tax refunds is recognised upon filing necessary returns, when the relevant legislative requirements have been met and when receipt of funds is probable.

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

Notes to the Financial Statements (continued)

1) ACCOUNTING POLICIES (continued)

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 one of the following types of 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 and services

Donated commodities and services provided for use by the Group as part of programmes that it designs, implements and manages, are valued and included in Income only when the Group is legally entitled to the commodities and the amounts involved can be measured with sufficient reliability.

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 and services are recognised as income from charitable activities and are expensed as charitable expenditure in the year of receipt.

Other trading activities

Income from other trading activities includes retail income from the sale of donated goods through shops.

Donated commodities for resale (in the Group's charity shops), are recognised within other trading activities when they are sold.

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

Donated commodities and services for use by the Group as part of programmes it designs, implements and manages, 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 expenditure incurred on 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 Group.

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 funds 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.

Notes to the Financial Statements (continued)

1) ACCOUNTING POLICIES (continued)

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 the construction process has been completed and the assets are ready for use.

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 had been recognised.

Expenditure incurred by branches in the developing world on tangible assets is included in expenditure in the year of acquisition and is not reflected in the Company or Consolidated balance sheets because they do not satisfy the criteria for recognition as an asset from which the Group derives economic benefit.

G) 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 subsidiaries is translated at the rates ruling at the balance sheet date. The income and expenditure of overseas subsidiaries are translated at the average exchange rates for the year. Exchange differences resulting from the retranslation of the opening balance sheets of the overseas subsidiaries, 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*.

H) 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*.

I) 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 given to the Group's charity shops) are not included in closing stock since their cost is nil and their value is uncertain until sold.

J) Basic Financial Instruments

Investments

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

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Debtors 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.

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.

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

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.

K) Pensions and Other Retirement Provisions

(i) Defined contribution pension scheme

Defined contribution pension schemes are a post-employment benefit scheme under which the Company and its subsidiaries pay fixed contributions into separate entities and have 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.

Notes to the Financial Statements (continued)

1) ACCOUNTING POLICIES (continued)

(ii) Defined benefit pension scheme

The Company's net obligation in respect of the defined benefit pension scheme, is calculated 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.

(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 overseas 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.

L) 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

	2018	2017
	€'000	€'000
Individual giving	27,172	28,426
Legacies	2,904	4,204
Corporates, major donors and trusts	3,028	4,427
Community fundraising	881	1,129
Disaster Emergency Committee (DEC) (Note 23)	896	1,616
Total	34,881	39,802

Concern Worldwide (UK) is a member of the Disaster 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. See Note 23 Related Party Disclosures.

In 2018 €9 million (2017: €12 million) of incoming resources from donations and legacies was restricted.

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

	2018	2017
	€'000	€'000
Irish Government	26,579	26,880
Concern Worldwide (US) Inc. (including US Government) (Note 23)	25,899	24,478
European Union		
- EU	6,771	5,074
- ECHO	17,576	25,463
British Government	16,354	27,560
UN Agencies	14,400	14,587
Canadian Government	2,556	3,161
World Bank	1,454	1,166
German Government	940	2,544
Swedish Government	906	153
Swiss Government	457	686
Government of South Korea	105	82
Other Governments	805	850
Jersey Overseas Aid	-	115
Other co-funders	1,941	3,159
Total	116,743	135,958

In 2018 €117 million (2017: €136 million) of incoming resources from governments and other co-funders was restricted.

Notes to the Financial Statements (continued)

2 INCOME (continued)

(c) Charitable activities: donated commodities

Donor	Commodity received	2018	2017
		€'000	€'000
United Nations World Food Programme	Foodstuffs	7,775	8,012
United Nations Children's Fund	Foodstuffs	1,474	2,520
United Nations International Organisation for Migration	Cooking utensils and accommodation materials	748	2,249
Save the Children International (USA)	Seeds and mobile phones	203	-
U.S. Government	Foodstuffs	121	-
Irish Government	Tents, blankets, cooking utensils and hygiene kits	77	356
United Nations High Commissioner for Refugees	Shelter kits, foodstuffs and fuel	75	488
Action Contre la Faim International (France)	Accommodation materials	35	10
European Union	Flights	7	22
United Nations Food and Agriculture Organisation	Seeds, tools and cash vouchers	3	823
British Government	Foodstuffs and medical supplies	-	995
Other donors	Various	3	3
Total		10,521	15,478

In 2018 and 2017 all donated commodities received were restricted.

(d) Other trading activities

	2018	2017
	€'000	€'000
Trading income	195	78
Income from letting premises	110	47
Total	305	125

All trading activity income was unrestricted in the current and prior year.

(e) Investments and other income

	2018	2017
	€'000	€'000
Deposit interest	201	107
Other income ¹	858	144
Total	1,059	251

¹ In 2018 the Group realised income of €0.6 million from disposal of assets on the closure of operations in Uganda and Zambia.

In 2018 €0.05 million (2017: €0.02million) of deposit interest was restricted. All other income was unrestricted in the current and prior year.

Notes to the Financial Statements (continued)

3 EXPENDITURE

(a) Charitable activities

Expenditure on charitable activities can be analysed by programme type as shown below. Integrated programming reflects activities that achieve results in more than one programme type.

Programme	Own work	Grants to partners	Distribution of donated commodities	Total direct	Support (Note 3(d))	Total 2018	Total 2017
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Health and nutrition	14,477	771	-	15,248	1,090	16,338	20,163
Education	3,169	204	-	3,373	256	3,629	3,721
Livelihoods	9,390	2,615	-	12,005	832	12,837	15,498
Integrated programming	16,623	1,546	-	18,169	1,161	19,330	21,423
Emergency	70,320	3,897	10,521	84,738	4,327	89,065	105,284
Total overseas programmes	113,979	9,033	10,521	133,533	7,666	141,199	166,089
Development education and advocacy	3,272	139	-	3,411	481	3,892	3,694
Governance costs (Note 3 (b))	255	-	-	255	603	858	941
Total	117,506	9,172	10,521	137,199	8,750	145,949	170,724
Total 2017	131,352	14,584	15,478	161,414	9,310		170,724

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

(b) Governance costs

	Direct	Support (Note 3(d))	Total 2018	Total 2017
	€'000	€'000	€'000	€'000
Staff costs	148	358	506	450
Legal and professional fees	85	84	169	182
Office and other costs	22	161	183	309
Total	255	603	858	941
Total 2017	263	678		941

(c) Raising funds

	Campaigns	Staff	Occupancy & other direct	Total direct	Support (Note 3(d))	Total 2018	Total 2017
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Individual giving	4,206	4,241	2,343	10,790	1,337	12,127	10,631
Legacies	127	-	48	175	15	190	87
Corporates, major donors and trusts	59	587	221	867	102	969	929
Community fundraising	88	206	81	375	45	420	597
Retail	9	75	68	152	4	156	99
Total	4,489	5,109	2,761	12,359	1,503	13,862	12,343
Total 2017	3,830	4,766	2,589	11,185	1,158		12,343

Notes to the Financial Statements (continued)

3 EXPENDITURE (continued)

(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 €'000	Total 2018 €'000	Total 2017 €'000
	Overseas programmes €'000	Development education and advocacy €'000	Governance €'000			
Overseas programme management	2,962	-	-	-	2,962	2,599
Overseas programme technical support	1,326	158	12	-	1,496	1,185
Finance	972	99	241	340	1,652	1,378
Information & communication technology and other services	968	7	224	279	1,478	1,424
Human resources	1,431	-	13	324	1,768	1,243
Other support costs	474	217	160	637	1,488	729
Subtotal	8,133	481	650	1,580	10,844	8,558
Net exchange (gain)/loss	(466)	-	(47)	(77)	(590)	1,910
Total support costs	7,667	481	603	1,503	10,254	10,468
Total 2017	8,204	428	678	1,158		10,468

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

4 OTHER INFORMATION

	2018 €'000	2017 €'000
The net income for the year is stated after charging/(crediting) the following items:		
(a) Group		
Depreciation of tangible assets	468	483
Auditors' remuneration, including expenses - Group:		
Audit of the Group and subsidiary financial statements	83	83
Other assurance and advisory services	21	21
Income from letting premises	(110)	(47)
Reimbursement of expenses claimed by members of the Board	14	8
Payments under operating leases for premises used by group companies	184	175
Payments under operating leases for premises used by branches located in countries of operation	2,361	2,361
Interest payable on bank loan	25	46
(b) Company		
Depreciation of tangible assets	421	441
Auditors' remuneration - Company:		
Audit of Company only financial statements	65	65
Other assurance and advisory services	21	21
Payments under operating leases for premises used by branches located in countries of operation	2,361	2,361
Interest payable on bank loan	25	46

Notes to the Financial Statements (continued)

5 TAXATION

There is no charge to taxation in respect of the parent company and its subsidiaries. Other than Concern Charity Trading CLG, companies within the Group 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, 2018 (2017: €Nil).

6 STAFF COSTS

(a) Costs and numbers

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

	2018	2017
	€'000	€'000
Management and support staff (Ireland, Republic of Korea and UK)		
Wages and salaries	14,109	12,518
Social protection costs	1,339	1,257
Pension costs (i)	1,100	1,086
Subtotal	16,548	14,861
Project staff in countries of operation		
Wages and salaries	27,948	28,554
Social protection costs	2,039	2,110
Local staff cessation benefits	1,110	835
Subtotal	31,097	31,499
Total	47,645	46,360

(i) Pension costs include employer contributions to the defined contribution pension scheme amounting to €0.8 million (2017: €0.6 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 (2017: €0.4 million).

The average number of employees is as follows:

	2018	2017
	No. employees	No. employees
Management and support staff (Ireland, Republic of Korea and UK)	352	341
Project staff in countries of operation	3,348	3,019
Total	3,700	3,360

(b) Salary range

A total of 43 employees (2017: 34) earned remuneration in excess of €60,000 in 2018 as follows:

	2018	2017
	No. employees	No. employees
€60,001 to €70,000	16	14
€70,001 to €80,000	13	11
€80,001 to €90,000	5	6
€90,001 to €100,000	8	3
€100,001 to €110,000	1	-

Notes to the Financial Statements (continued)

6 STAFF COSTS (continued)

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 2018 (2017: €Nil).

Contributions of between 7.5% and 12% of salary were made by the Company to the defined contribution pension scheme for 43 (2017: 34) 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 6) in 2018, amounted to €917,539 (2017: €856,917).

The Group's CEO, Dominic MacSorley, was paid a salary of €104,989 (2017: €99,990) 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, amounted to €14,036 (2017: €7,996) for 20 members (2017: 9) and were paid by either reimbursing the members or by direct payments to third parties.

The Group has a programme in place whereby Board members periodically visit a country of operation 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 2018 amounted to €3,556 (2017: €16,865) for 7 members (2017: 9).

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
Cost					
At beginning of year	19,261	1,265	1,647	50	22,223
Additions in year	-	61	39	80	180
Disposals and retirements in year	-	-	-	(6)	(6)
Exchange difference	(5)	(7)	(4)	-	(16)
At end of year	19,256	1,319	1,682	124	22,381
Depreciation					
At beginning of year	4,104	960	1,520	27	6,611
Depreciation charge for year	308	48	88	24	468
Eliminated on disposals and retirements	-	-	-	(6)	(6)
Exchange difference	(2)	(5)	(5)	-	(12)
At end of year	4,410	1,003	1,603	45	7,061
Net book value					
At December 31, 2018	14,846	316	79	79	15,320
At December 31, 2017	15,157	305	127	23	15,612

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 is satisfied that the service potential of all tangible assets held by the Group at December 31, 2018 has not diminished below their carrying value.

TANGIBLE ASSETS - COMPANY	Land & freehold premises	Office furniture & equipment	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At beginning of year	18,906	784	1,273	50	21,013
Additions in year	-	55	30	81	166
Disposals and retirements in year	-	-	-	(6)	(6)
At end of year	18,906	839	1,303	125	21,173
Depreciation					
At beginning of year	3,939	674	1,153	27	5,793
Depreciation charge for year	296	20	80	25	421
Eliminated on disposals and retirements	-	-	-	(6)	(6)
At end of year	4,235	694	1,233	46	6,208
Net book value					
At December 31, 2018	14,671	145	70	79	14,965
At December 31, 2017	14,967	110	120	23	15,220

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 is satisfied that the service potential of all tangible assets held by the Company at December 31, 2018 has not diminished below their carrying value.

Notes to the Financial Statements (continued)

8 INVESTMENTS

	Group		Company	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Investment in subsidiary	-	-	391	391
Total	-	-	391	391

Refer to Note 20 (c) for details of subsidiary investment.

9 STOCK

	Group		Company	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Stock	141	136	141	136
Total	141	136	141	136

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	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Amounts due from governments and other co-funders	19,329	16,961	16,780	12,993
Debtors and prepayments in countries of operation	2,862	3,121	2,862	3,121
Other debtors and prepayments	1,466	1,116	624	224
Amounts due from subsidiaries (i)	-	-	9,136	2,518
Deposit interest receivable	34	10	34	10
Total	23,691	21,208	29,436	18,866

(i) The amounts due from the subsidiaries is comprised of operational expenses paid on behalf of the subsidiaries by the parent company plus grants from donors yet to be remitted to parent for use in overseas programmes.

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

Notes to the Financial Statements (continued)

11 CASH AT BANK AND IN HAND

	Group		Company	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Funds held in parent and subsidiary companies (excluding branches)	21,596	17,641	11,146	13,287
Funds held in branches in countries of operation	8,070	5,282	8,070	5,282
Short term deposits of parent company	36,507	31,858	36,507	31,858
Total	66,173	54,781	55,723	50,427

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, 2018 the deposits were held in the following currencies: Euro €27.9 million (2017: €20.5 million); US Dollar \$9.9million (2017: \$9.5 million) and Sterling £1.2 million (2017: £3 million). The average interest rates applicable to these deposits at December 31, 2018 were in Euro deposits 0.05% (2017: 0.07%); in US Dollar deposits 2.28% (2017: 1.03%) and in Sterling deposits 1% (2017: 0.48%).

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 cash is reduced by limits on amounts held with individual banks or institutions at any one time.

Restricted funds of €2.9 million (2017: €6.3 million) (see Note 16(a)) are included in the deposits set out above. Restricted funds of the Company of €2.1 million (2017: €4.6 million) (see Note 16(b)) are included in the deposits set out above. Included in the funds held in parent and subsidiary companies is €0.5 million (2017: €0.1 million) in respect of joint arrangements - (see Note 21) and €24.4 million (2017: €12.9 million) advanced from governments and other co-funders (see Note 12).

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Amounts advanced from governments and other co-funders	24,357	12,853	23,938	10,879
Trade creditors and accruals in countries of operation	8,740	8,304	8,740	8,304
Other trade creditors and accruals	2,526	2,723	1,970	2,148
Bank overdraft (i)	2	3	-	-
Bank loan (see Note 13)	583	663	583	663
Total	36,208	24,546	35,231	21,994

(i) The bank overdraft is repayable on demand.

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Bank loan	1,570	2,152	1,570	2,152
Total	1,570	2,152	1,570	2,152

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 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 2018 was 1.02% (2017: 1.45%). 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*.

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
	2018	2018	2018	2018	2018	2018
	€'000	€'000	€'000	€'000	€'000	€'000
Amounts due from governments and other co-funders	16,961	2,368	19,329	12,993	3,787	16,780
Amounts advanced from governments and other co-funders	(12,853)	(11,504)	(24,357)	(10,879)	(13,059)	(23,938)
Total	4,108	(9,136)	(5,028)	2,114	(9,272)	(7,158)

	Group	Company
	2018	2018
	€'000	€'000
Analysis of movement		
Cash received during the year (i)	(128,582)	(109,957)
Income earned during the year (ii)	119,480	100,685
Exchange rate movement	(34)	-
Total	(9,136)	(9,272)

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).

- (i) Cash received during the year includes €22.3 million (2017: €10.7million) which did not meet the criteria for recognition as income, has been deferred to future years and is included in Amounts advanced from governments and other co-funders in the balance sheet at year end.
- (ii) Income earned during the year includes €10.8 million (2017: €18.5million) which was deferred in previous years and met the criteria for recognition as income in the current year.

Notes to the Financial Statements (continued)

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

(a) Ireland and the UK

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

The defined contribution pension scheme charge for 2018 was €0.8 million (2017: €0.6 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.

At December 31, 2018 an accrual of € 0.1 million (2017: €0.1 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.

(b) Overseas countries of operation

The Company operates Provident Funds for qualifying members of current staff in a number of the countries overseas in which it operates, which are similar in nature to defined contribution pension schemes. The contributions are paid into separate funds, the assets of which are invested by independent trustees.

The charge for 2018 was €0.7 million (2017: €0.4 million) all of which related to employees in branches overseas and is included in expenditure on charitable activities.

At December 31, 2018 there were no accruals (2017: €Nil), in respect of contributions to these schemes.

(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:

Assets	Group & Company	
	2018	2017
	€'000	€'000
Surplus on defined benefit pension scheme (see (a) below)	3,109	2,000
Total	3,109	2,000
Liabilities	Group & Company	
	2018	2017
	€'000	€'000
Funded		
Liability for incapacitated staff benefits (see (b) below)	(9)	(111)
Unfunded		
Liability for overseas local staff service provision (see (c) below)	(2,841)	(3,589)
Total	(2,850)	(3,700)

Notes to the Financial Statements (continued)

15 STAFF RETIREMENT ARRANGEMENTS (continued)

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

	Defined benefit pension scheme	Scheme for incapacitated staff	Overseas local staff service provision	Total 2018	Total 2017
	€'000	€'000	€'000	€'000	€'000
Balance at beginning of year	2,000	(111)	(3,589)	(1,700)	(4,570)
Current service costs	-	-	(1,110)	(1,110)	(835)
Net interest income/(cost)	37	(2)	-	35	17
Net actuarial gain	735	81	-	816	644
Contributions paid during the year	337	23	1,858	2,218	3,044
Balance at end of year	3,109	(9)	(2,841)	259	(1,700)

Amounts included as expenditure on staff retirement arrangements in the *Consolidated Statement of Financial Activities* for the year were €1.1 million, all of which was categorised as *Expenditure on Charitable Activities* (given the composition of the scheme's membership). This represented a credit of €0.04 million for the defined benefit pension, a charge of €0.002 million for the liability for incapacitated staff and a charge of €1.1 million in relation to the overseas local staff service provision.

An actuarial gain of €0.82 million was credited to *Other recognised gains and losses*. This represented a gain of €0.74 million for the defined benefit pension scheme and a gain of €0.08 million for the liability for incapacitated staff.

(a) Defined benefit pension scheme

The Company operates a defined benefit pension scheme, providing benefits based on 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 additional 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, who is currently preparing a similar valuation to January 1, 2019.

The present value of the defined benefit obligation at the reporting date is less than the fair value of scheme assets at that date and therefore the scheme has a surplus. The Board is satisfied that this surplus is recoverable by the Group through refunds from the scheme or through reduced contributions in the future.

(i) Financial assumptions

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

	2018	2017
Valuation method	Projected unit method	Projected unit method
Discount rate for scheme liabilities	1.95%	1.70%
Inflation rate	1.50%	1.75%
Rate of increase to pensions in payment	1.50%	1.75%

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 23.4 years (2017: 23.3 years) and female 24.6 years (2017: 24.5 years).

Assumptions relating to future salary increases are not applicable in 2018 as, with effect from March 31, 2009, there are no future benefits accruing.

If the life expectancy of members was increased by one year, the value of the reported surplus at December 31, 2018 would have decreased by €0.4 million (2017: €0.5 million).

Notes to the Financial Statements (continued)

15 STAFF RETIREMENT ARRANGEMENTS (continued)

The impact of a movement 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	1.95%	+0.25%	11,502	(461)	-3.9%
		-0.25%	12,450	487	4.1%
Price inflation	1.50%	+0.25%	12,420	457	3.8%
		-0.25%	11,527	(436)	-3.6%
Mortality	88/89 Years	Member assumed to live one extra year	12,386	423	3.5%

(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, 2018 was as follows:

	2018	2017
	€'000	€'000
Bonds	12,645	12,781
Cash	2,229	2,081
Property	198	178
Total fair value of pension scheme assets	15,072	15,040
Present value of pension scheme liabilities	(11,963)	(13,040)
Net surplus in defined benefit pension scheme	3,109	2,000

(iii) Movement in fair value of scheme assets

	2018	2017
	€'000	€'000
Opening fair value of scheme assets	15,040	14,958
Interest income	257	259
Actuarial (loss)/gain on assets	(328)	168
Employer contributions	337	342
Net benefits paid	(234)	(687)
Closing fair value of scheme assets	15,072	15,040
Actual return on pension scheme assets	(71)	427

Notes to the Financial Statements (continued)

15 STAFF RETIREMENT ARRANGEMENTS (continued)

(iv) Movement in present value of scheme liabilities

	2018	2017
	€'000	€'000
Opening present value of scheme liabilities	(13,040)	(13,937)
Interest expense	(220)	(238)
Net benefits paid	234	687
Actuarial gain on liabilities	1,063	448
Closing present value of scheme liabilities	(11,963)	(13,040)

(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 the related liability.

The Company made investments to fund 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, 2018 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:

	2018	2017
Rate of increase in benefits in payment	1.50%	1.75%
Inflation rate	1.50%	1.75%
Discount rate for liabilities - Euro €	1.85%	1.60%
Discount rate for liabilities - Stg £	2.90%	2.50%

In addition it has been assumed that the beneficiaries will enjoy a normal lifespan of 89 years. They are currently aged 65 and 54 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, 2018 was as follows:

	2018	2017
	€'000	€'000
Property	497	477
Other	104	105
Total market value of incapacitated staff trust assets	601	582
Present value of liabilities	(610)	(693)
Net deficit in incapacitated staff trust	(9)	(111)

Notes to the Financial Statements (continued)

15 STAFF RETIREMENT ARRANGEMENTS (continued)

(iii) Movement in fair value of trust assets

	2018	2017
	€'000	€'000
Opening fair value of trust assets	582	540
Interest income	14	14
Actuarial gains on assets	5	28
Employer contributions	23	23
Benefits paid	(23)	(23)
Closing fair value of trust assets	601	582
Actual return on trust assets	19	42

(iv) Movement in the present value of trust liabilities

	2018	2017
	€'000	€'000
Opening present value of trust liabilities	(693)	(698)
Interest expense	(16)	(18)
Net benefits paid for the year	23	23
Actuarial gain on liabilities	76	-
Closing present value of trust liabilities	(610)	(693)

(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

	2018	2017
	€'000	€'000
Liability at beginning of year	(3,589)	(5,433)
Current service costs	(1,110)	(835)
Benefits paid during the year	1,858	2,679
Unfunded liability at end of year	(2,841)	(3,589)

Notes to the Financial Statements (continued)

16 FUNDS

(a) Reconciliation of funds - Group

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	€'000	€'000	€'000	€'000
Total funds of the charity at beginning of year	56,997	6,342	63,339	54,317
Movement in funds				
Net income for the year	7,089	(3,391)	3,698	8,547
Exchange (loss)/gain on consolidation of foreign subsidiaries	(64)	17	(47)	(169)
Actuarial gain on staff retirement arrangements	816	-	816	644
Net movement in funds for the year	7,841	(3,374)	4,467	9,022
Charity funds at end of year	64,838	2,968	67,806	63,339

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

	Subsidiaries	Company	Total 2018	Total 2017
	€'000	€'000	€'000	€'000
Unrestricted funds	2,864	61,974	64,838	56,997
Restricted funds	828	2,140	2,968	6,342
Total	3,692	64,114	67,806	63,339

(b) Reconciliation of funds - Company

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	€'000	€'000	€'000	€'000
Total funds of the charity at beginning of year	54,599	4,595	59,194	48,650
Movement in funds				
Net income for the year	6,559	(2,455)	4,104	9,900
Actuarial gain on staff retirement arrangements	816	-	816	644
Net movement in funds for the year	7,375	(2,455)	4,920	10,544
Charity funds at end of year	61,974	2,140	64,114	59,194

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, 2018	Income	Expenditure	Other recognised gains and losses	Exchange gains/ (losses)	Transfers	Balance at December 31, 2018
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Restricted funds							
Afghanistan	25	3,086	(3,111)	-	-	-	-
Bangladesh	807	5,942	(6,396)	-	(1)	-	352
Burundi & Rwanda	160	3,221	(3,360)	-	-	-	21
Central African Republic	1	3,316	(3,276)	-	-	-	41
Chad	112	2,127	(2,226)	-	1	-	14
Democratic People's Republic of Korea	-	1,451	(1,440)	-	-	-	11
Democratic Republic of Congo	418	6,812	(7,005)	-	-	-	225
Ethiopia	273	11,444	(11,645)	-	1	-	73
Haiti	-	1,288	(1,269)	-	-	-	19
Kenya	430	4,785	(5,188)	-	1	-	28
Lebanon	100	6,327	(6,425)	-	-	-	2
Liberia	373	1,700	(1,832)	-	1	-	242
Malawi	386	3,812	(3,991)	-	1	-	208
Mozambique	1	15	(15)	-	-	-	1
Nepal	852	(12)	(834)	-	1	-	7
Niger	-	3,802	(3,802)	-	-	-	-
Pakistan	1	4,852	(4,707)	-	-	-	146
Philippines	15	-	(2)	-	-	-	13
Republic of Sudan	492	5,033	(4,934)	-	-	-	591
Sierra Leone	104	3,223	(3,296)	-	2	-	33
Somalia	631	16,057	(16,587)	-	1	-	102
South Sudan	467	19,567	(19,786)	-	11	-	259
Syria/Iraq	91	13,575	(13,421)	-	(1)	-	244
Turkey	240	3,787	(3,954)	-	-	-	73
Uganda	-	(7)	7	-	-	-	-
Yemen	156	513	(539)	-	(1)	-	129
Zambia	2	804	(806)	-	-	-	-
Other projects & funded HQ support costs	205	9,635	(9,706)	-	-	-	134
Total restricted funds	(i) 6,342	136,155	(139,546)	-	17	-	2,968
Unrestricted funds							
General funds	(ii) 229	27,354	(20,265)	816	(64)	(6,851)	1,219
Designated funds:	(iii)						
Planned budget deficit	550	-	-	-	-	(23)	527
Tangible assets	15,910	-	-	-	-	(88)	15,822
Programme continuity fund	34,897	-	-	-	-	7,892	42,789
Potential loss of assets fund	500	-	-	-	-	-	500
Fundraising investment fund	4,911	-	-	-	-	(930)	3,981
Total unrestricted funds	56,997	27,354	(20,265)	816	(64)	-	64,838
Total funds	(iv) 63,339	163,509	(159,811)	816	(47)	-	67,806

Notes to the Financial Statements (continued)

16 FUNDS (continued)

The funds carried forward at December 31, 2018 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 funds of the Group. At the end of 2018 funds had been designated for specific purposes as follows:
- Funds set aside to cover the expected deficit on unrestricted funds in 2019.
 - 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.
 - Funds set aside to cover the potential loss of assets in our overseas programmes.
 - Amounts 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 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 2019 budget. At that time it was agreed that the restricted reserves should be utilised as soon as reasonably possible, and the 2019 expenditure plans were not expected to move the Group's unrestricted reserves from the 2018 levels, which were felt to be adequate.

- (iv) Analysis of Group net assets between funds

	Restricted Funds	Unrestricted Funds	Total Funds
	€'000	€'000	€'000
Fund balances at December 31, 2018 are represented by:			
Tangible assets	-	15,320	15,320
Surplus on defined benefit pension scheme	-	3,109	3,109
Current assets	27,903	62,102	90,005
Current liabilities	(24,935)	(11,273)	(36,208)
Creditors: amounts falling due after more than one year	-	(1,570)	(1,570)
Staff retirement liabilities	-	(2,850)	(2,850)
Total	2,968	64,838	67,806

Analysis of Company net assets between funds

	Restricted Funds	Unrestricted Funds	Total Funds
	€'000	€'000	€'000
Fund balances at December 31, 2018 are represented by:			
Tangible assets	-	14,965	14,965
Investments	-	391	391
Surplus on defined benefit pension scheme	-	3,109	3,109
Current assets	26,078	59,222	85,300
Current liabilities	(23,938)	(11,293)	(35,231)
Creditors: amounts falling due after more than one year	-	(1,570)	(1,570)
Staff retirement liabilities	-	(2,850)	(2,850)
Total	2,140	61,974	64,114

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

	2018	2017
	€'000	€'000
Net income for the year	3,698	8,547
Depreciation	468	483
Deposit interest earned	(201)	(107)
Difference between pension charge and cash contributions	(1,143)	(2,226)
(Increase)/decrease in stocks	(5)	42
(Increase)/decrease in debtors and prepayments	(2,459)	7,761
Increase/(decrease) in creditors	11,743	(9,844)
Exchange movements	134	(77)
Net cash provided by operating activities	12,235	4,579

18 ANALYSIS OF CASH AND CASH EQUIVALENTS

	Opening balance	Net cash flow	Exchange rate movements	Closing balance
	2018	2018	2018	2018
	€'000	€'000	€'000	€'000
Cash at bank and in hand	54,781	11,566	(174)	66,173
Bank overdraft	(3)	1	-	(2)
Total cash and cash equivalents	54,778	11,567	(174)	66,171

Notes to the Financial Statements (continued)

19 FINANCIAL RISK MANAGEMENT

The Group's operations expose it to different financial risks that include credit 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.

(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:

	2018	2017
	€'000	€'000
Carrying amount of financial assets of the Group:		
Amounts due from governments and other co-funders (i)	19,329	16,961
Cash at bank, in hand and bank overdraft (ii)	66,171	54,778
Sundry debtors and deposit interest receivable (iii)	3,931	4,100
Total	89,431	75,839

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 and as a result overseas holdings are minimised.
- (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:

1. Most of the Group's income is received in Euro, Sterling and US Dollars while its costs, particularly its overseas costs, are denominated in a range of 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.
2. 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.

The Group's main exposures to foreign exchange risk at the balance sheet date relate to its US Dollar denominated net assets of \$26.7 million and its Sterling denominated net assets of £11.1 million. Based on these net positions at December 31, 2018 a weakening of 10% of the US Dollar and Sterling against the Euro would have decreased the surplus of the Group for the financial year by €3.3 million. A strengthening of these currencies against the Euro would have increased the surplus of the Group for the financial year by €4 million.

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

Notes to the Financial Statements (continued)

19 FINANCIAL RISK MANAGEMENT (continued)

(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:

	Carrying Amount	Contractual Cash flows	< 6 Months	6 - 12 Months	1 - 2 Years	2 - 5 Years
	€'000	€'000	€'000	€'000	€'000	€'000
Trade creditors	8,885	8,885	8,885	-	-	-
Bank loan	2,153	2,230	344	239	233	1,514
Total 2018	11,038	11,115	9,229	239	233	1,514
Total 2017	12,463	12,662	9,992	344	583	1,743

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.

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 and its main activities are to fundraise for and otherwise support the Group's 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, 2018 were €3.6million (2017: €4.1 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, 2018 were nil (2017: €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. Concern Korea was incorporated on July 22, 2015 and commenced operations on September 1, 2015. 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 in the countries in which the Group operates. Concern Korea 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, 2018 were €0.5 million (2017: €0.4 million).

21 COMMITMENTS, CONTINGENCIES AND GUARANTEES

- (i) The 2019 Annual Plan, which was approved by the Board on December 4, 2018 allows for overseas expenditure in 2019 of €138 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 €4.7 million over the next 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)

21 COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

- (ii) Total future lease payments under operating lease agreements (including branches in the developing world) at December 31, 2018 in respect of premises used by the Group and Company are as follows:

	Group		Company	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Payable on leases in which the commitment expires within:				
One year	529	531	373	373
Two to five years	603	612	-	-
More than five years	407	413	-	-
Total	1,539	1,556	373	373

During the year €0.2 million (2017: €0.2 million) was recognised as an expense in the *Consolidated Statement of Financial Activities* in respect of operating leases (excluding leases held by branches in countries of operation).

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

	Group		Company	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Authorised but not contracted	3,479	1,084	3,458	1,034
Total	3,479	1,084	3,458	1,034

- (iv) 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, 2018 is €2.1 million (2017: €2.8 million).
- (v) During 2018 the Group was the lead agency in 19 consortia arrangements of non-governmental organisations (2017: 15), that were awarded grants and contracts from institutional co-funders to fund programme activities. The total value of these grants and contracts is €143.8 million (2017: €91.6 million). Of this amount, €62.7 million is expected to be spent by the Group (2017: €41.6 million) and the balance will be utilised by the other consortia members.

In 2018, expenditure on these grants and contracts totalled €38.1 million (2017: €20.7 million). Of this amount €10.6 million (2017: €12.7 million) was utilised by the Group and the remainder was utilised by the other consortia members.

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

	Opening balance	Funds received during the year	Funds transferred to partners	Closing balance
	2018	2018	2018	2018
	€'000	€'000	€'000	€'000
Funds relating to consortia members	145	20,190	(19,758)	577

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.

- (vi) At the year end, the Group had contingent liabilities concerning employment related issues in a number of the countries of operation. 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.

Notes to the Financial Statements (continued)

22 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, 2018, there were 643 active members (2017: 646), whose guarantee is limited to €6.35 each. There were an additional 255 members as at December 31, 2018 (2017:253) who could not be contacted at the address provided to the Company and the Company continues to seek the re-engagement of these members. This member 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 €4.9 million (2017: €10.5 million).

23 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.

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 2018 was €25.9 million (2017: €24.4 million). These grants are accounted for in the same way as grants from governments and other co-funders. There was an outstanding balance of €5.1 million (2017: €4.1 million) due from Concern Worldwide (US) Inc. at the balance sheet date. In addition, during 2018, a grant of €0.5 million (2017:€Nil) was paid to Concern Worldwide (US) Inc. in relation to the fundraising investment approved by the Board.

The Group is a member of the Disaster Emergency Committee (DEC) and during the year paid a subscription to it of €0.03 million (2017: €0.03 million). Concern Worldwide (UK)'s Executive Director is a trustee of the DEC. The Group's income for the year included €0.9 million (2017: €1.6 million) receivable from DEC appeals. There was an outstanding balance of €0.1 million (2017: €0.1 million) due from DEC at the balance sheet date.

The Group is also a member of Alliance2015 and in the year paid a subscription of €0.07 million (2017: €0.07 million). The Group's Chief Executive Officer was the President of Alliance2015 until May 2018. There was no amount included in the Group's income for the current year (2017: €0.014 million) from Alliance2015. The Group's expenditure included a contribution to the Alliance2015 emergency fund of €0.033 million (2017: €Nil). The balance due from Alliance2015 at the balance sheet date was €Nil (2017: €Nil).

24 POST BALANCE SHEET EVENTS

There have been no events subsequent to the year end that require any adjustment to, or additional disclosure in, the 2018 financial statements.

25 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board on April 23, 2019.

FIVE YEAR SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	FRS102/Charities SORP FRS102				Previous Irish GAAP
	2018 €'000	2017 €'000	2016 €'000	2015 €'000	2014 €'000
Income					
Donations and legacies	34,881	39,802	36,216	41,263	40,481
Irish Government	26,579	26,880	24,204	24,598	22,716
Concern Worldwide (US) Inc.(including US Government)	25,899	24,478	29,167	27,061	17,679
European Union	24,347	30,538	28,639	23,563	21,838
British Government	16,354	27,560	22,587	28,441	16,740
Other international co-funding	23,564	26,502	24,526	24,486	16,078
Donated commodities	10,521	15,478	17,821	12,613	8,156
Trading, investment and other income	1,364	376	372	186	188
Total Income	163,509	191,614	183,532	182,211	143,876
Expenditure					
Afghanistan	3,579	4,424	4,188	4,439	4,691
Bangladesh	6,544	4,374	4,407	5,052	5,343
Burundi & Rwanda	3,311	2,644	3,551	4,296	4,095
Central African Republic	3,555	4,444	2,808	3,225	451
Chad	2,384	3,306	2,912	2,765	2,347
Democratic People's Republic of Korea	1,466	1,172	1,577	1,954	2,078
Democratic Republic of Congo	7,319	6,411	6,066	6,466	6,061
Ethiopia	11,584	10,513	17,991	7,913	5,203
Haiti	1,670	2,970	4,481	6,511	6,511
Kenya	5,108	3,746	5,540	6,692	4,584
Lebanon	6,433	9,880	7,699	5,938	4,912
Liberia	1,995	2,222	3,373	7,659	3,343
Malawi	4,336	4,036	3,284	4,232	2,922
Mozambique	115	3,943	4,049	3,244	2,328
Nepal	856	1,446	1,067	3,028	-
Niger	4,321	3,580	4,739	6,692	5,367
Pakistan	4,613	9,110	11,891	11,568	8,593
Philippines	2	-	39	950	2,338
Republic of Sudan	5,409	5,516	6,213	5,935	4,834
Sierra Leone	3,461	3,963	5,379	12,482	6,171
Somalia	16,539	23,148	10,513	11,020	9,544
South Sudan	19,903	22,342	20,584	19,733	11,873
Syria/Iraq	13,244	5,251	-	-	-
Turkey	3,958	12,800	13,891	5,101	3,051
Tanzania	-	-	329	2,005	3,525
Uganda	106	3,037	4,322	3,688	3,219
Yemen	534	269	13	14	-
Zambia	967	2,527	3,481	3,059	2,280
Other countries & projects	221	811	1,225	388	354
Overseas support costs	7,666	8,204	7,042	4,832	6,026
Governance costs	858	941	902	684	638
Development education & advocacy	3,892	3,694	3,782	3,689	3,602
Total cost of charitable activities	145,949	170,724	167,338	165,254	126,284
Raising funds	13,862	12,343	12,075	11,959	11,611
Total expenditure	159,811	183,067	179,413	177,213	137,895
Fair value of investments	-	-	-	-	766
Net income for the year	3,698	8,547	4,119	4,998	6,747

Appendix 2 (not forming part of the Financial Statements)

IRISH AID PROGRAMME FUNDING: PROGRAMME GRANT II, HUMANITARIAN PROGRAMME PLAN AND EMERGENCY RESPONSE FUND SCHEME GRANTS

A. Grants Received from Irish Aid, Department of Foreign Affairs and Trade were utilised as follows:

	Programme Grant II	Humanitarian Programme Plan	Emergency Response Fund Scheme	Total
	2018	2018	2018	2018
	€'000	€'000	€'000	€'000
Direct programme activities	18,715	4,078	599	23,392
Programme quality	1,232	47	-	1,279
Programme support and administration	1,271	244	28	1,543
Disposal of assets*	41	-	-	41
Total	21,259	4,369	627	26,255

Details of the direct programme activities are as follows:

Programme Outcomes	2018
	€'000
Assets and return on assets	8,530
Inequality	4,091
Risk and vulnerability	5,544
Active citizenship	350
Public engagement	200
Total direct programme expenditure	18,715

Expenditure by Country

	2018	2018	2018	2018
	€'000	€'000	€'000	€'000
Afghanistan	1,150	322	-	1,472
Bangladesh	1,100	-	95	1,195
Burundi & Rwanda	1,600	-	-	1,600
Chad	1,260	-	-	1,260
Central African Republic	1,085	603	-	1,688
Democratic People's Republic of Korea	350	-	94	444
Democratic Republic of Congo	1,090	442	188	1,720
Ethiopia	1,300	501	95	1,896
Haiti	1,093	-	-	1,093
Lebanon	-	829	-	829
Liberia	1,035	-	-	1,035
Malawi	1,500	-	-	1,500
Niger	1,087	-	-	1,087
Republic of Sudan	960	-	-	960
Sierra Leone	1,475	-	-	1,475
Somalia	1,000	484	-	1,484
Syria/Iraq	-	388	127	515
South Sudan	1,080	509	-	1,589
Active Citizenship	350	-	-	350
Public Engagement	200	-	-	200
Total direct programme expenditure	18,715	4,078	599	23,392

* Proceeds from the disposal of fixed assets in Zambia amounting to €40,757 originally purchased for the Irish Aid Programme Grant were used to support another development programme in Zambia.

Appendix 2 (not forming part of the Financial Statements) (continued)

IRISH AID PROGRAMME FUNDING: PROGRAMME GRANT II, HUMANITARIAN PROGRAMME PLAN AND EMERGENCY RESPONSE FUND SCHEME GRANTS (continued)

B. Analysis of Movement in Irish Aid Accrued and Deferred Income related to the above grants for the year ended December 31, 2018

	Opening balance	Cash Received	Income Earned	Closing balance
	2018	2018	2018	2018
	€'000	€'000	€'000	€'000
Programme Grant II	653	20,606	(21,259)	-
HPP	316	4,061	(4,369)	8
ERFS	38	600	(627)	11
Other	3	304	(324)	(17)
Total	1,010	25,571	(26,579)	2

Concern Worldwide was compliant with Irish Government Circulars relevant to the above noted grants during the year to the best of our knowledge, including Circular 44/2006 "Tax Clearance Procedures Grants, Subsidies and Similar Type Payments".

The Irish Aid Programme Grant II and Humanitarian Programme Plan grants were utilised during the period January 1, 2018 to December 31, 2018. The Emergency Response Fund Scheme grants were utilised during the following periods: Bangladesh July 1, 2018 to December 31, 2018; DPRK October 2, 2018 to December 31, 2018; DRC March 1, 2018 to May 30, 2018 and September 1, 2018 to November 30, 2018; Ethiopia May 14, 2018 to August 13, 2018; Syria/Iraq December 1, 2018 to December 31, 2018.

Funds received from Irish Aid Programme Grant II, Humanitarian Programme Plan and Emergency Response Fund Scheme were restricted for use in line with the terms agreed with Irish Aid, Department of Foreign Affairs and Trade.

Appendix 3 (not forming part of the Financial Statements)

GRANTS TO PARTNER AGENCIES FOR CHARITABLE ACTIVITIES

The top 50 grant recipients in 2018 are listed below:

	Name of partner agency	Country	No. of grants	2018 €'000
1	RDRS Bangladesh	Bangladesh	2	870
2	Help Foundation	Pakistan	1	697
3	Shabelle Community Development Organization	Somalia	8	656
4	Lifeline Gedo	Somalia	8	624
5	Sajida Foundation	Bangladesh	3	520
6	Youth Link	Somalia	7	447
7	Young Power in Social Action	Bangladesh	3	395
8	Uttara Development Program Society (UDPS)	Bangladesh	1	335
9	Nile Hope	South Sudan	2	269
10	Social & Economic Enhancement Program	Bangladesh	1	197
11	CARE International Pakistan	Pakistan	1	192
12	Gargaar Relief and Development Organization	Somalia	5	192
13	PAK Community Development Program	Pakistan	1	187
14	Malatya	Turkey	2	180
15	Global Aid Hand	Republic of Sudan	5	179
16	Jagrata Juba Shangha	Bangladesh	3	170
17	Al-Falah Development Foundation	Pakistan	1	169
18	Education, Health, Social Awareness & Rehabilitation Foundation	Pakistan	1	158
19	Basmeh & Zeitooneh	Lebanon	2	157
20	Theatre for a Change	Malawi	1	155
21	Adiyaman Gokkusagi Dernegi	Turkey	2	150
22	Participatory Rural Development Society (PRDS)	Pakistan	1	135
23	Frontier Organization for Reforms & Transformation (FORT)	Pakistan	1	132
24	Nari Maitree	Bangladesh	1	132
25	Support Agency for Rural & Human Association's Development (SARHAD)	Pakistan	1	107
26	University of Nairobi (UON)	Kenya	1	94
27	Friends In Village Development Bangladesh (FIVDB)	Bangladesh	2	89
28	Kenyatta National Hospital (KHN)	Kenya	1	86
29	Churches Action in Relief and Development	Malawi	1	69
30	SoS Sahel Sudan	Republic of Sudan	4	68
31	Kamer Kadın Merkezi Eğitim Topluluğu Derneği	Turkey	1	65
32	Great Lakes Inkingi Development	Burundi	2	60
33	Voice of Elder People and Family	Syria/Iraq	1	60
34	PRIME Foundation	Pakistan	1	58
35	Shifa Foundation	Pakistan	1	58
36	Entegrasyon Ve Kalkınma Topluluğu Derneği (AID)	Turkey	1	58
37	Fast Rural Development Programme	Pakistan	1	54
38	Participatory Village Development Programme	Pakistan	1	53
39	Shushilan	Bangladesh	2	49
40	Women's Legal Resources Centre	Malawi	1	49
41	Sami Foundation	Pakistan	1	48
42	Community Development Association (CDA)	Republic of Sudan	2	48
43	CHADET	Ethiopia	1	47
44	SAWA Sudan For Development and Humanitarian Aid (SSDHA)	Republic of Sudan	1	46
45	Health Education And Development Society (HEADS)	Pakistan	1	38
46	Savaş Çocukları Derneği (SOW)	Turkey	1	38
47	Sevgi Yardımlaşma Derneği (ELAF)	Turkey	1	30
48	Minister of Health (MOH) - Chad	Chad	1	28
49	Civil Society Agriculture Network	Malawi	1	26
50	Community Integrated Development Association (CIDA)	Sierra Leone	1	25
	Subtotal			8,749
51	Other partners			423
	TOTAL			9,172

Appendix 4 (not forming part of the Financial Statements)

INCOME EARNED IN 2018 ON GRANTS FUNDED BY EUROPEAN UNION*

Country	EU Programme	Project Name	Income Earned 2018
			€'000
Afghanistan	Development Cooperation Instrument	Improving Food Security of Vulnerable Conflict Affected HHs WD	3
Bangladesh	Development Cooperation Instrument	Improving health and nutrition status of urban extreme poor in Bangladesh through sustainable health service provision	279
Bangladesh	Development Cooperation Instrument	Promoting Sustainable Health and Nutrition Opportunities for Marginalized Urban Extreme Poor Population in Bangladesh	168
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* Excluding grants funded by the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO)

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