



# EDMUND RICE DEVELOPMENT ANNUAL REPORT 2021

Edmund Rice Development (A Company Limited by Guarantee)  
Directors' Report and Financial Statements for the year ending 31 December 2021

Edmund Rice  
DEVELOPMENT

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Caption (cover):  
Left: Beneficiary of the Ruben Centre, Kenya  
Centre: Beneficiaries of the Defensoria Edmundo Rice project, Bolivia  
Right: Beneficiaries attending a workshop from the CEBU, Philippines

## SECTION 1: LEGAL AND ADMINISTRATIVE DETAILS

### Directors:

John Casey (Chairperson) (appointed 20 Oct 2021)  
John Cooley (Chairperson) (resigned 17 Oct 2021)  
Karin Bacon  
Br. Alfred Banda (resigned 30 April 2021)  
Aine De Baroid  
Br. Christopher Glavey (resigned 5 May 2021)  
Br. Dean McGlaughlin  
Br. Mukuka (Clement) Sindazi  
Joseph Tynan

### Head office:

Edmund Rice House, North Richmond Street, Dublin 1

### Registered Office:

Cantor Fitzgerald House  
23 Saint Stephen's Green  
Dublin 2

### Company Secretary:

L&P Trustee Services Limited

### Chief Executive:

Fiona Dowling

### Independent Auditor:

Nexia Smith & Williamson (Ireland) Limited  
Chartered Accountants and Statutory Audit Firm  
Paramount Court  
Corrig Road  
Sandyford Business Park  
Dublin 18

### Bankers:

Bank of Ireland  
Ballygall Road  
Finglas  
Dublin 11

### Financial Advisors:

L & P Trustee Services Limited  
23 Saint Stephen's Green  
Dublin 2

### Company registered number:

463400

### Charity registration number:

20071004

### Charity tax exemption number:

CHY18492

## SECTION 2: CHAIRPERSON'S REPORT

### Chairperson's Statement

As Edmund Rice Development presents our Annual Report for 2021, we look back with a certain satisfaction at all that has happened during the past year.

It has been a year of change and adapting for all of us. To add to the complexities of living with COVID and working from home, ERD has had several significant changes. The appointment of Fiona Dowling as Chief Executive at the beginning of the year, the putting in place of an Interim Strategy and addressing the standards being set by the new Irish Charities Regulator have kept everyone busy. All of this on top of the Team's normal workload of supporting Edmund Rice development projects through fundraising, project support and capacity building.

This year Mr. John Cooley stepped down as Chair of the Board after many years of service, having been one of the founding Directors of ERD back in 2008. Over the years John was a hugely committed Director and we are very grateful for his participation in the life of the Company.

Currently we are strengthening our Board with the appointment of new Directors. We are about to launch our Strategic Planning process which, we hope, will allow us to engage with a wide range of stakeholders, so that together we can focus our resources on providing the most effective help we can to help improve the lives of some very marginalised people.

A Charity like ours is totally reliant on the goodwill and generosity of our funders, both to keep our operations going and to allow us to support a range of projects around the world. Thanks again to those who have contributed during 2021.

Br. John Casey, ERD Board Chair

### Treasurer's Statement

At the end of 2021, as the financial statements attest, ERD is in a financially healthy position enabling it to carry out its primary purpose of providing resources and funding for the many Edmund Rice development projects throughout the world.

During 2021 ERD assumed governance and management of the Edmund Rice Mission Capacity Development Project from the Christian Brothers Congregation Leadership Team. This necessitated the restructuring of our accounts and financial systems to accommodate the financial oversight of this Project and to be able to report appropriately to Institutional donors who made substantial grants for this specific work. ERD acknowledges with gratitude all donors to this important work of increasing the capacity of project leaders, managers and local governors to apply best practice processes in order to increase the impact of their projects and to be fully transparent and accountable in the use of resources.

Additionally, we refined ERD systems around the dispersal and accountability for funds received from Misesan Cara who remain the major supporter of ERD-funded development projects. ERD thanks the Edmund Rice Bicentennial Trust for its annual grant to support the administration and operations of ERD. This grant enables all but a small percentage of donor funds to be distributed to projects. At present, ERD does not actively fundraise in the private sector but is grateful for the unsolicited regular donations from individuals and schools, who wish to support Edmund Rice Mission.

Br. Dean McGlaughlin, Chair, Finance and Audit ERD Board Subcommittee

## SECTION 3: DIRECTORS' REPORT

The Directors of Edmund Rice Development (ERD) present their report, along with audited financial statements, for the year ended 31 December 2021. These financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including FRS102 and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland. Although not obliged to comply with the Charities SORP, the Company has implemented its recommendations where relevant in these accounts.

### ERD's Purpose & Strategic Priorities

ERD is a development organisation dedicated to the liberation of people and communities from poverty and injustice. ERD collaborates with partners to support Edmund Rice development projects globally. We source funding, build capacity and work with our partners in mission to maximise impact in local communities.

ERD is fully committed to transparency and accountability, and to an efficient, effective operation that impacts positively on the lives of people made poor.

### MISSION STATEMENT

ERD focuses on the liberation of people and communities. Edmund Rice responded to the marginalised of his time. Today, through compassionate presence and seeking mutual transformation, Edmund Rice Development promotes human rights and fullness of life for all, especially those made poor.

### THE NATURE OF THE WORK OF ERD

ERD currently provides funding and development support to Edmund Rice development projects in countries across Africa, Latin America, India and the Philippines.

The projects we support work in the areas of:

- Community Engagement - Working together with local communities to identify priority needs and develop long-term solutions.
- Education - Increasing the opportunities for sustainable livelihoods through skills-training and capacity-building.
- Advocacy and Human Rights - Challenging the causes of systemic poverty marginalisation and injustice from the local through to the global level

At ERD we work hard to make sure that the funds raised achieve maximum positive impact for the projects or people we support. At least 90% of donations to ERD go directly to partners and projects in the field. ERD receives a specific grant for of its operational expenses allowing us to maximise the impact of donations to the projects.

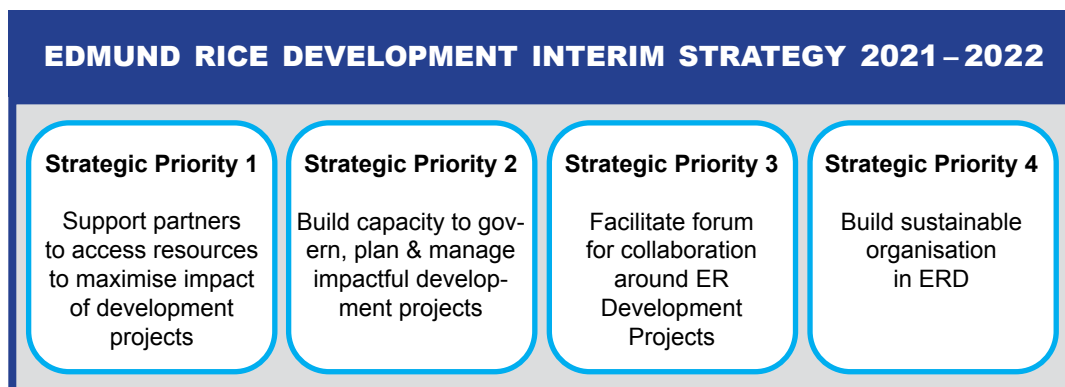
ERD is committed to ensuring that the projects we support are respectful of all project participants. ERD recognises that children and other vulnerable individuals must be actively protected. ERD's Safeguarding Policy sets out to ensure that we safeguard children and vulnerable adults from physical, sexual, and emotional abuse, neglect, exploitation, or any form of abuse in the process of ERD's work.

### PUBLIC BENEFIT

The Directors of ERD consider that the activities and achievements of the Company illustrate that the aims of the Company are carried out for the public benefit. The Directors confirm that they have taken into account the best practice guidance on public benefit when deciding what activities the Company undertakes.

## ERD's Achievements and Performance in 2021

2021 has been an exciting year for Edmund Rice Development. With the transfer of the governance of the global Capacity Development Project to ERD and the appointment of a Chief Executive, developing an interim strategic plan for 2021-22 was the first priority of the year. The ERD staff and Board met in early 2021 to develop our interim plan incorporating the new capacity development project and core functions of ERD into one cohesive framework. We outline below some key achievements under each Strategic Priority:



### Strategic Priority 1: Support partners to access resources to maximise impact of development projects

Under this priority area, ERD secured funding to support 17 ER Development Projects in 10 countries across the globe. This included €630,613 approved funding from Misesan Cara, and nearly €88,000 received from trusts and private donors.

#### Project Spotlight: Education for Life



Education for Life (EFL) is a project located in Eldoret, Kenya that seeks to empower and provide opportunities for people living with HIV and AIDS emanating from five informal settlements. This is done through education, psychosocial counselling, economic empowerment and advocacy to empower the beneficiaries to make life-fulfilling choices towards the realisation of their full potential in a society that is free of discrimination and marginalisation.

*'I am very grateful for the training I received concerning psychosocial counselling. Before the training, I had not informed my kin about my HIV status, but since then I have been able to freely talk to my sister about it. I also have plans to inform my children about my status, of course with the help of my sister with whom I have become great friends. My husband died three years ago and currently I have been taking my HIV medication. I am very grateful to the EFL group.'*  
– Rebecca, EFL beneficiary

Caption: Meeting of the Savings and Internal Lending Communities (SILC), an economic empowerment initiative at EFL, Kenya.



Caption: Distribution of food parcels in response to the COVID-19 pandemic delivered by the Centro Hermano Manolo in Cochabamba, Bolivia.

In many ways 2021 was a challenging year for our partners. ER development projects demonstrated resilience and creativity in response to the global COVID-19 pandemic again this year.

Additionally, our partners met increased compliance requirements and tight timelines. During our annual call for concept notes in July, our partners showed improved capacity to design and plan projects and high quality proposals were submitted to ERD. While ERD staff were unable to visit projects in-country due to the travel restrictions in 2021, ongoing support and monitoring of project implementation took place remotely throughout the year.

Misean Cara maintained a strong partnership with ERD and our development projects throughout 2021. This included distance monitoring visits to Defensoría Edmundo Rice in Peru, the Sama-Badjao Community project in the Philippines and a Safeguarding monitoring visit to the Western Cluster in Zambia. Additionally, Misean Cara conducted an external audit of the Western Cluster project in Zambia, and selected the Western Cluster to be included in their Women in Agriculture evaluation. Due to travel restrictions, Misean Cara conducted these visits through virtual methods.



Caption: Beneficiaries picking produce in the Western Cluster, Zambia.

*'I have been empowered through this project with the agricultural input, training and equipment such as treadle pump and a bicycle. These have helped me increase the quantity of tomatoes that I produce. Before I used to carry tomatoes on my head to go sell at the market but now, I have been provided with a bicycle which I use to carry tomatoes to the market. From the proceeds made from the sale of tomatoes we decided with my husband to buy one calf and the remaining money to pay school fees for our children. I'm happy because I can make enough money.'* - Western Cluster project beneficiary



Caption: Beneficiaries of the Sama-Badjao project celebrating Sama Badjao Day 2021

‘The [Sama-Badjao project’s] progress and dedication to behaviour changes among the Sama-Badjaos is impressive within such a short timeframe. Behaviour changes encompassing improved hygiene and WASH practices and diversification of livelihood opportunities beyond begging have resulted in a more confident, proud and empowered Association, which is already reaping the benefits of improved health, well-being and social inclusion.’

– Seamus Collins, Learning and Development Manager, Misean Cara

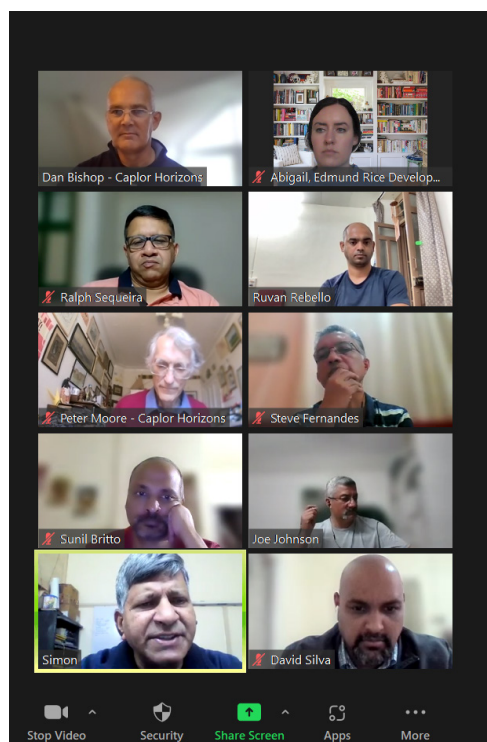
## Strategic Priority 2: Build capacity to govern, plan and manage impactful projects

The ER Capacity Development Project builds capacity of development projects around the world to enable transformation of the lives of those made poor. During 2021, the Project built on progress made in the first three-year cycle and continued working with project managers and mission coordinators of ER development projects. In addition, during 2021, the project *expanded its impact* and began working closely with governors and leadership teams to build their capacity. The project focusses on three main outcomes and progress under each outcome is outlined below.

- **OUTCOME 1:** Increased Effectiveness of ERM Development offices & Development projects

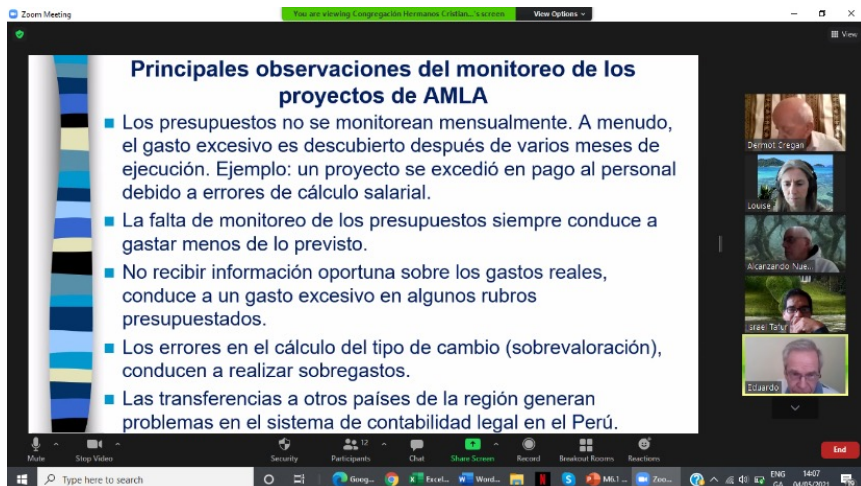
32 participants from ER development projects increased their capacity for Results Based Management (RBM) through three online training courses and one in-country course. ERD has observed increased quality in Results Frameworks received from development projects in the 2021 funding rounds.

Increasing capacity in governance of ER development projects was established as a focus for 2021. The first planning meeting with Governors and Mission Offices took place in March. A governance steering group was formed and mandated to progress training plans. This initiative was the first time province leaders from across Edmund Rice Mission met to discuss development projects. The steering group met 7 times in 2021 and have agreed to continue through 2022. With input from the steering group, the core Governance Training programme took place in the Africa Province, the India Province and the Latin America Mission Area facilitated by Caplor Horizons. The governance training has utilised the Irish Charities Regulator’s Six Principle of Good Governance as the framework for training. Knowledge on the principles of good governance and the difference between management and governance increased among participants as indicated in the post-training surveys.



*‘[The Governance Training] is an excellent initiative by ERD. Governance effectiveness is a function of multiple factors including: integrity, capacity, board culture, structure and systems. These capacity building efforts should continue.’* – Africa Province Training participants

- **OUTCOME 2:** Human and financial resources available and effectively managed



The Edmund Rice Mission Finance Manual (MFM) 2021 was developed in partnership with Edmund Rice Foundation Australia, and distributed to our development projects. This manual is designed to support good practice in financial management and a mechanism to ensure compliance is being drafted. The Capacity Development Project offered training to support development projects to implement the MFM. An increase in financial management capacity in the Latin America Mission Area is evidence following finance training in May 2021.

The Latin America development projects identified the specific modules they wanted training in, which enabled the training to be engaging, interactive and productive. The improvement in capacity has been evidenced in high quality financial reports received by ERD from the Latin America area. Our financial consultant continued her year long mentorship of the LAMA Mission Coordinator in 2021 and also started mentoring the West Africa Area Mission Coordinator in the last quarter. Training in other regions will be a priority in 2022.

- **OUTCOME 3:** Improved learning and sharing across ERM globally



Caption: The December 2021 meeting of the ER Mission Offices

Sharing learning across Edmund Rice Mission continued in 2021. Safeguarding training was rolled-out to partners along with the revised ERD Safeguarding policy. Progress reports on the Capacity Development Project were featured in both ERD Newsletters (distributed in-print and electronically in Q2 and Q4). Two meetings of the ER Mission Offices took place to facilitate each area in sharing updates and challenges in 2021 and to plan for 2022. The mission offices were very engaged and requested more opportunities to meet to share learnings in 2022.

### Strategic Priority 3: Facilitate forum for collaboration around ER Development Projects

In 2021, ERD was invited by the Congregation Leadership Team to explore pathways for collaboration across ER development mission. Fiona Dowling as Chief Executive joined a small working group, which looked at a variety of topics including identity, sustainability, structures and collaboration across ER Mission. This working group facilitated forums throughout the ER network, and the learnings from those sessions will feed into the new Edmund Rice Strategic Development Framework that is planned for development in 2022.

In 2021, preparation for the ERD Strategic Plan was underway, and stakeholder mapping was carried out to prepare for the full Strategic Planning process in 2022. This year of transition for ERD allowed for relationship-building across Edmund Rice mission, including with current funding partners Misesan Cara and Edmund Rice Foundation Australia.

### Strategic Priority 4: Build sustainable organisation

The development of ERD's interim strategy for 2021 – 2022 was an important task, especially with the transfer of governance of the Capacity development Project to the ERD Board. To deliver this strategy, ERD consolidated its core team of three (Chief Executive, Programme Manager and Capacity Development and Communications Manager) supported by financial services from L&P. ERD team members developed their capacity by receiving training in Results-Based Management, Financial Audits, Governance and Charity Law.

The ERD team and Board undertook an extensive review and development of policies in 2021, including:

- Updated ERD Safeguarding policies, which now include Vulnerable Adults;
- A new Funding and Reporting Policy for development projects;
- Prevention of Sexual Exploitation, Abuse and Harassment (PSEAH) policy;
- Complaints policy;
- Employee Handbook.

ERD produced and distributed two ERD newsletters in 2021 to over 450 recipients, sharing news from ERD, updates from the Capacity Development projects and stories of impact from our partner projects.

ERD continues to commit to good practice and accountability and continuous improvement. In 2021, we submitted our first compliance report to the Charities Regulatory Authority. At that time ERD was substantially compliant and have since been working on any outstanding items in order to reach full compliance as soon as possible. Additionally, ERD successfully applied to become a member of Dóchas, the Irish Association of international NGOs (Non-Governmental Organisations). As members, we engage in best practice in international development and learn from other members in the Irish NGO landscape. ERD maintains its membership of Charities Institute Ireland, the Bond Network and the Wheel.



## Financial Review

The Statement of Financial Activities is set out on page 19.

During the year, total incoming resources amounted to €1,319,048. This included funding of €190,000 and €20,966 to support administration and costs of raising funds from Edmund Rice Bicentennial Trust Limited and Richmond Newstreet respectively. The restricted income included funds for the Mission Capacity Development project, which received a total income of €303,181.

Total outgoing resources amounted to €1,001,459 during 2021. Charitable funding of €559,647 was distributed during 2021. The Mission Capacity Development project expended €211,059 during the year.

At 31 December 2021, the organisation had a surplus of €827,986, which includes restricted funds of €645,038.

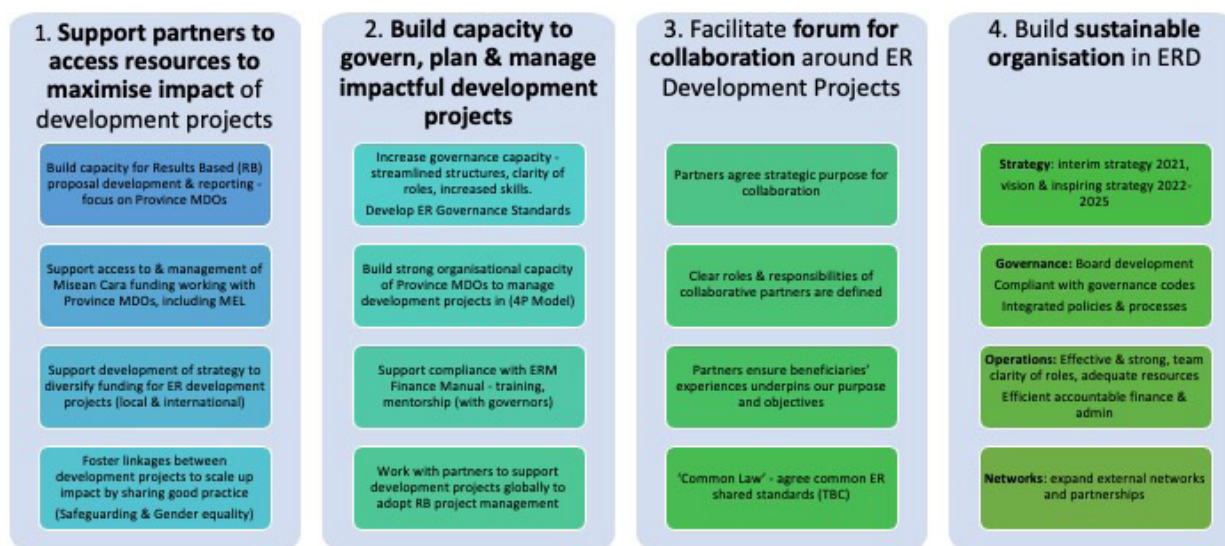
## Future Plans

The development of our new Strategic Plan will be a key focus for ERD in 2022. This strategy will map the future direction of the organisation. We began work on our new strategy during 2021 and the process for 2022 has been mapped out. We are committed to an inclusive process which will be informed by the voice of our most important partners – ER development projects and the communities and individuals with whom they work.

In March of 2022, more than 30 key stakeholders from across Edmund Rice Mission, including governors and managers of development projects, funding partners and the Congregation Leadership Team, will gather to engage in conversation and discussion about priority areas. This will be followed by a two-day workshop in Dublin, Ireland in May, which will have the full participation of the ERD Board and team.

Our interim strategic plan for 2021-2022 is in place and will continue to guide the direction of the organisation until the new Strategy is finalised.

## Strategic Priorities 2022



The ERD Board and team continue to monitor the challenges presented by the global pandemic; it is anticipated that ERD personnel will be in a position to travel to visit our development project partners in Africa and Latin America in 2022, if public health guidance permits.

## Structure, Governance & Management

### Governing Document

ERD is a Company Limited by Guarantee without a Share Capital and is governed by its Memorandum and Articles of Association drafted when it was incorporated on the 17th of October 2008 and amended on the 28th of April 2020.

It is registered as a charity with the Charity Regulatory Authority, 20071004. The Company has been granted tax exemption by the Revenue Commissioners in Ireland and has a tax exemption charity number CHY18492.

### Organisational structure

#### THE ERD BOARD

The primary role of the ERD Board of Directors is to set the organisation's strategic aims, ensure that the necessary financial and human resources and policies are in place for the organisation to meet its objectives and conduct oversight of management performance, whilst upholding the organisation's values. It does so within a framework of prudent and effective controls which enables risk to be assessed, mitigated, and managed.

The Directors, as a Board, are collectively responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and complies with all its obligations. Directors are chosen for their character, judgement, integrity, and overall ability. Every Director uses their best endeavours to promote the objects and interests of the Company and observes the Company's regulations affecting them. The Directors are well informed about the mission, governing document and history of the organisation and meet regularly during the year to review developments with regards to the Organisation and its activities. When necessary, they seek advice from the Company's professional advisors.

There are three subcommittees of the board – Finance and Audit, Governance and Development. These committees have been active throughout 2021 and advise the Board on these respective matters. The ERD Board were very active in 2021, there were seven board meetings as well as a four board development sessions. The subcommittees each met at least four times. Attendance rates at all meetings was consistently high throughout the year.

#### THE ERD TEAM

The ERD board delegates responsibility for management and operations to the ERD team, led by the Chief Executive. The ERD team comprises:

- Chief Executive (Fiona Dowling)
- Capacity Development and Communications Manager (Abigail Carney)
- Programme Manager (Naidi McDonnell)

The team are supported by financial management from L&P Trustee Services.

## **Risk Management**

The Directors have considered the risks that are material to the organisation and have ensured that there are suitable procedures in place to mitigate these. A full Risk Analysis is incorporated into ERD's Strategy and is reviewed and updated by the board annually. The board members fulfilled their responsibility by attending the required board and subcommittee meetings.

The principal risks affecting the organisation are:

Governance and management: considers the efficiency of the trustee body. Risks considered include a lack of planning, a Trustee body which lacked sufficient skills or appropriate decision-making procedures. Such risks could include a lack of training / induction or poor stewardship of resources – human, financial and property. As noted above, the Directors address these risks by holding regular board meetings which include the monitoring of actual performance, having meaningful induction / handover for incoming Directors, attending Trustee training days, seeking third party advice as required, etc.

Financial: considers the financial capacity of the organisation and ensuring it has the available financial resources to continue to carry out its activities. This incorporates the management of the operating (day- to-day) position. These risks are mitigated in a variety of ways, including budgeting and cash flow planning.

Capacity: Capacity shortfalls at project level that can cause reputational damage leading to difficulty retaining and building the donor base. This risk is mitigated by working with our partners to improve the development capacity of project managers, and those in mission coordination and governance roles, to manage and deliver projects in line with standards of good practice in international development and human resource management.

## **COVID-19 (Coronavirus)**

We continue to deal with the ongoing impact of the COVID-19 pandemic. Throughout 2021, ERD complied with the Irish Government and Health Service guidance, which included the general advice to Work from Home. Therefore, the ERD Offices were largely closed during 2021. ERD Board and team meetings took place by video call in 2021. In order to comply with ongoing travel restrictions caused by the pandemic, ERD staff did not travel to development projects for monitoring visits in 2021. Instead, distance monitoring took place, with plans for the return to in-person project visits in 2022.

While this is a constantly changing situation, the Directors continue to follow the advice from the Irish Government. The Directors have considered the potential financial impact and believe that there would be minimal to no effect on the Company's ability to continue as a going concern. The Directors and our professional advisors continue to monitor the situation.

## **Related Party**

Edmund Rice Bicentennial Trust Limited is a separately established company limited by guarantee and not having a share capital. It is a registered charity with the UK Charity Commissioner under charitable number 1098358. Edmund Rice Bicentennial Trust Limited provides financial support to ERD.

## **Accounting records**

To ensure that proper accounting records are kept, the Directors' have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are maintained at the Directors' registered office at 23 Saint Stephen's Green, Dublin.

## **Political donations**

The organisation made no political donations during the year, as defined by the Electoral Act 1997.

### **Statement on relevant audit information**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Post balance sheet events**

Other than disclosed in the financial statements the directors confirm that there have been no events since the end of the financial year which would require adjustment to or disclosure in the financial statements.

### **Auditors**

The auditors, Nexia Smith & Williamson, (Statutory Auditors) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

### **Signed on behalf of the Board**

Director:

Director:

Date:

## SECTION 4: STATEMENT OF DIRECTOR'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and Generally Accepted Accounting Practice in Ireland including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the Republic of Ireland". FRS 102 is applied in accordance with the provisions of Companies Act 2014 and with the Statement of Recommended Practice: Accounting and Reporting by Charities, the "Charities SORP". This SORP, second edition issued October 2019, is the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

The directors must not approve the financial statements unless they are satisfied that they give a true and fair value of the state of affairs of the company and of the surplus or deficit of the company for that year.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2014 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board of Directors on and signed on its behalf by:

Director:

Director:

Date:

## **SECTION 5: INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDMUND RICE DEVELOPMENT**

### **Opinion**

We have audited the financial statements of Edmund Rice Development for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the Republic of Ireland', and the Accounting and Reporting by Charities Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (issued October 2019) (the 'Charities SORP').

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the 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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this Report.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Director Report and Financial Statements, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Director's Report has been prepared in accordance with applicable legal requirements.

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

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

### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of members' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

## **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Directors 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 financial statements, the Directors are responsible for assessing the company'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 management either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at:

<http://www.iaasa.ie/Publications/Auditing-standards/Standards-Guidance-for-Auditors-in-Ireland/Description-of-the-auditor-s-responsibilities-for>.

This description forms part of our Auditors' Report.

## **Use of our report**

This report is made solely to the charity's members, as a body, in accordance with Section 395 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Damien Kealy**

**Statutory auditor**

for and on behalf of

**Nexia Smith and Williamson (Ireland) Limited**

Chartered Accountants and Statutory Audit Firm

Paramount Court

Corrig Road

Sandyford Business Park

Dublin 18

Date:

## SECTION 6: STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €	Total funds 2020 Restated €
<b>Income from:</b>					
Donations received	5	314,216	1,004,832	1,319,048	1,010,908
<b>Total income</b>		<b>314,216</b>	<b>1,004,832</b>	<b>1,319,048</b>	<b>1,010,908</b>
<b>Expenditure on:</b>					
Expenditure on charitable activities	6	12,180	547,467	559,647	794,913
Administration and governance expenses	7	230,753	211,059	441,812	289,174
<b>Total expenditure</b>		<b>242,933</b>	<b>758,526</b>	<b>1,001,459</b>	<b>1,084,087</b>
<b>Net movement in funds</b>		<b>71,283</b>	<b>246,306</b>	<b>317,589</b>	<b>(73,179)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		111,665	398,732	510,397	583,576
Net movement in funds		71,283	246,306	317,589	(73,179)
<b>Total funds carried forward</b>		<b>182,948</b>	<b>645,038</b>	<b>827,986</b>	<b>510,397</b>

The Statement of Financial Activities includes all gains and losses recognised in the year and relate to continuing operations.

The notes on pages 17 to 29 form part of these financial statements.

## SECTION 7: STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 €	2020 €
<b>Current assets</b>			
Debtors	11	461,178	294,630
Cash at bank and in hand		454,844	288,558
		<u>916,022</u>	<u>583,188</u>
Creditors: amounts falling due within one year	12	(88,036)	(72,791)
<b>Net current assets</b>		<u>827,986</u>	<u>510,397</u>
<b>Total assets less current liabilities</b>		<u>827,986</u>	<u>510,397</u>
<b>Net assets excluding pension asset</b>		<u>827,986</u>	<u>510,397</u>
<b>Total net assets</b>		<u><u>827,986</u></u>	<u><u>510,397</u></u>
<b>Charity funds</b>			
Restricted funds	13	645,038	398,732
Unrestricted funds	13	182,948	111,665
<b>Total funds</b>		<u><u>827,986</u></u>	<u><u>510,397</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Directors and signed on their behalf by:

Director:

Director:

Date:

The notes on pages 17 to 29 form part of these financial statements.

## **SECTION 8: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **1. General information**

Edmund Rice Development is a company limited by guarantee incorporated in the Republic of Ireland. The registered office is Cantor Fitzgerald House, 23 St. Stephens Green, Dublin.

The company is limited by guarantee not having a share capital. The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of it's being wound up while they are members or within one year thereafter for the payment of the debts and liabilities of the company contracted before they ceased to be members and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required, not exceeding €2.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Financial Reporting Standards 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) and the updated requirements of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities. The following accounting policies have been applied consistently in dealing with items which are considered material to the charity's financial statements.

#### **2.2 Income recognition**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies are applied to particular categories of income:

- Institutional Donations - are recognised when a funding agreement is signed and associated conditions have been met.
- Private Donations - are recognised when acknowledged as received by the company.

#### **2.3 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

## **2. Accounting policies (continued)**

### **2.3 Expenditure (continued)**

All expenditure is inclusive of irrecoverable VAT.

In accordance with the Charity SORP (FRS 102), volunteer time is not recognised.

### **2.4 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **2.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **2.6 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Statement of Financial Position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

### **2.7 Restricted funds**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **2.8 Unrestricted funds**

Unrestricted Funds are donations and other incoming resources receivable or generated for the objects of the charity without further purpose and are available as general funds.

### **2.9 Prior Period Restatement**

Following a review the Financial Statements have been restated to incorporate an overstatement of income. The impact on opening reserves and deferred income is €14,855.

### **3. Going Concern**

The directors have carefully considered the impact of Covid-19, noting the widespread disruption to normal activities and the uncertainty over the duration of this disruption and are satisfied that the impact of Covid 19 on the funding and activities of the company will be manageable.

The company has cash and cash equivalents of €454,844 at the 31 December 2021. The directors have considered available resources and have also considered the availability of future funding and the support of its funders. The Directors are in a position to manage the activities of the organisation such that existing funds available to the company, together with committed funding will be sufficient to meet the company's obligations and to continue as a going concern for a period of at least 12 months from the date of signing these financial statements.

On that basis, the directors do not consider that a material uncertainty exists in relation to going concern and have deemed it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

### **4. Taxation**

The company is not liable to Corporation Tax as it has been granted exemption from taxation by the Revenue Commissioners.

## 5. Income

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €	Total funds 2020 Restated €
<b>Donations</b>				
Misean Cara and other agencies	-	632,638	<b>632,638</b>	654,975
Donations	-	30,098	<b>30,098</b>	2,677
Edmund Rice Foundation Australia	-	39,336	<b>39,336</b>	-
Edmund Rice Bicentennial Trust	190,000	94,673	<b>284,673</b>	200,000
Private Donor M&E	7,511	-	<b>7,511</b>	1,408
Porticus	-	109,335	<b>109,335</b>	-
CBERT & Congregation	-	4,646	<b>4,646</b>	-
Income refunded	376	-	<b>376</b>	676
MCDP Refunds	-	-	-	98,307
Institutional funding, monitoring and administration fees	25,558	-	<b>25,558</b>	22,788
Donations received - unrestricted	16,979	-	<b>16,979</b>	30,077
Notional income	13,000	-	<b>13,000</b>	-
Strategic Planning Contributions	10,000	-	<b>10,000</b>	-
Loan Repayment - Africa Province	29,826	-	<b>29,826</b>	-
Irish Schools Immersion	-	46,600	<b>46,600</b>	-
Donation from Richmond Newstreet	20,966	47,506	<b>68,472</b>	-
<b>Total 2021</b>	<b>314,216</b>	<b>1,004,832</b>	<b>1,319,048</b>	<b>1,010,908</b>
<i>Total 2020</i>	<i>353,256</i>	<i>657,652</i>	<i>1,010,908</i>	

## 6. Expenditure

### Charitable expenditure

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €	Total funds 2020 €
Donations	12,180	547,467	559,647	794,913
<i>Total 2020</i>	4,790	790,123	794,913	

## 7. Other expenditure

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €	Total funds 2020 €
Administration and governance expenses	230,753	211,059	441,812	289,174
<b>Total 2021</b>	230,753	211,059	441,812	289,174
<i>Total 2020</i>	289,174	-	289,174	

## 8. Detailed Expenditure

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €	Total funds 2020 €
Restricted donations	-	547,467	547,467	790,123
MCDP programme costs	-	84,696	84,696	-
Wages and salaries	57,579	89,985	147,564	175,565
PRSI	10,128	9,942	20,070	20,997
Staff Pension	12,600	-	12,600	16,206
Staff Training	1,353	-	1,353	65
Project consultancy staff	1,816	-	1,816	-
Recruitment and restructuring costs	2,209	-	2,209	-
Board Expenses	698	-	698	1,476
Rent payable	14,500	-	14,500	14,500
Printing, postage and stationary	3,588	-	3,588	3,593
Telephone	2,575	-	2,575	2,596
Computer Costs	4,851	-	4,851	1,740
Travelling and entertainment	969	-	969	249
Financial management	22,755	8,513	31,268	22,570
Provisions	183	-	183	90
Company secretarial	10,455	-	10,455	10,370
Audit fee	5,535	-	5,535	5,832
Bank charges	865	-	865	1,087
Donations	12,180	-	12,180	4,790
Depreciation charge	-	-	-	632
Monitoring and evaluation	23,320	-	23,320	8,593
General expenditure	5,822	13,637	19,459	3,013
Loan to Africa Province	29,827	-	29,827	-
Equipment	1,625	-	1,625	-
Strategic planning	17,500	2,500	20,000	-
Administration and overheads	-	1,786	1,786	-
<b>Total 2021</b>	<b>242,933</b>	<b>758,526</b>	<b>1,001,459</b>	<b>1,084,087</b>
<i>Total 2020</i>	<i>293,964</i>	<i>790,123</i>	<i>1,084,087</i>	

## 9. Employees and remuneration

	2021 €	2020 €
Wages and salaries	147,564	175,565
Social welfare costs	20,070	20,997
Pension costs	12,600	16,206
	<u>180,234</u>	<u>212,768</u>

The average number of persons employed by ERD during the year was as follows:

	2021 No.	2020 No.
Employees	<u>3</u>	<u>4</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded €60,000 was:

	2021 No.	2020 No.
In the band €70,001 - €80,000	<u>1</u>	<u>1</u>

## 10. Director's remuneration

During the year, no Directors received any remuneration or other benefits (2020 - €NIL).

## 11. Debtors

	2021 €	2020 €
<b>Due within one year</b>		
Prepayments and accrued income	461,178	294,630
	<u>461,178</u>	<u>294,630</u>

**12. Creditors: Amounts falling due within one year**

	<b>2021</b> €	<i>2020</i> <i>Restated</i> €
Accruals and deferred income	<b>88,036</b>	72,791

**13. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 January 2021 restated €</b>	<b>Income €</b>	<b>Expenditure €</b>	<b>Balance at 31 December 2021 €</b>
<b>Unrestricted funds</b>				
General Funds - all funds	<b>111,665</b>	<b>314,216</b>	<b>(242,933)</b>	<b>182,948</b>
<b>Restricted funds</b>				
Restricted Funds - all funds	<b>398,732</b>	<b>1,004,832</b>	<b>(758,526)</b>	<b>645,038</b>
<b>Total of funds</b>	<b>510,397</b>	<b>1,319,048</b>	<b>(1,001,459)</b>	<b>827,986</b>

**14. Related party transactions**

	<b>2021</b> €	<i>2020</i> €
Edmund Rice Bicentennial Trust	<b>190,000</b>	200,000
	<b>190,000</b>	200,000

Edmund Rice Development received a total of €190,000 (2020: €200,000) from Edmund Rice Bicentennial Trust, a UK registered charitable organisation whose purpose is to provide financial support for the work of the Christian Brothers. This was an unrestricted donation to the company to be used for the purpose of its mission.

Br Alfred Banda, was as a Director of Edmund Rice Development up to 30 April 2021 and is on the Leadership Team of the Christian Brothers South Central Region (Africa). In 2021, Edmund Rice Development made donations of €76,654 (2020:€98,040) to the South Central Region. There were funds received of €36,614 in the current year (2020: €Nil).

Chris Glavey, resigned as a Director of Edmund Rice Development. He is also a Trustee of the Congregation of Christian Brothers, European Province - Republic of Ireland. The Congregation of Christian Brothers, European Province - Republic of Ireland have agreed to waive the rent payable for 2020 and 2021. This represents a donation to ERD of €14,500 per year.

## 15. Misean Cara

Edmund Rice Development receives funding and provides financial support in respect of projects for and on behalf of Misean Cara. The amounts received and expended in the financial year were as follows:

	2021 €	2020 €
Opening balance b/f	340,371	437,319
Over accrual in funds carried forward	-	(500)
Total Misean Cara funds received and receivable	630,614	654,975
Total Misean Cara disbursed - Prior year	(386,320)	(630,488)
Total Misean Cara disbursed - Current year	(60,050)	(120,935)
	<u>524,615</u>	<u>340,371</u>

## 16. Mission Capacity Development Project

	2021 €	2020 €
Total Receipts during the year	303,180	-
Total Payments during the year	(211,059)	-
<b>Surplus for the year</b>	<b>92,121</b>	-
<b>Receipts during the year</b>		
Misean Cara 16.1	2,025	-
Edmund Rice Foundation Australia 16.2	39,336	-
Edmund Rice Bicentennial Trust 16.3	94,673	-
Richmond Newstreet 16.4	47,506	-
Christian Brothers Edmund Rice Trust 16.5	4,646	-
Edmund Rice Development 16.6	5,660	-
Porticus 16.7	109,335	-
<b>Total Receipts during the year</b>	<b>303,181</b>	-
<b>Payments during the year</b>		
Outcome 1	(90,849)	-
Outcome 2	(8,650)	-
Outcome 3	(21,295)	-
Administration and Overheads	(9,394)	-
Personel	(60,000)	-
Financial Administration	(8,513)	-
Indirect Costs	(12,358)	-
<b>Total Payments during the year</b>	<b>(211,059)</b>	-

### 16.1 Miseen Cara (CO4/MCD/0320/06)

	2021 €	2020 €
Receipts	2,025	-
Expenditure	(16,705)	-
<b>Balance</b>	<b>(14,680)</b>	<b>-</b>

The €29,400 Miseen Cara grant for the MCD Project (CO4/MCD/0320/06) is included in the receipts in Note 15. The €600 fees on the €30,000 Miseen Cara grant is included in the Deferred Income.

### 16.2 Edmund Rice Foundation Australia

	2021 €	2020 €
Receipts	39,336	-
Expenditure	(33,252)	-
<b>Balance</b>	<b>6,084</b>	<b>-</b>

These receipts include income received of €7,603 from the Congregational Leadership Team which was residual funds from the ERFA 2020 project grant.

### 16.3 Edmund Rice Bicentennial Trust

	2021 €	2020 €
Receipts	94,673	-
Expenditure	(93,898)	-
<b>Balance</b>	<b>775</b>	<b>-</b>

These receipts include income received of €24,673 from the Congregational Leadership Team which was residual funds from the ERBT 2020 project grant.

#### 16.4 Richmond Newstreet

	2021 €	2020 €
Receipts	47,506	-
Expenditure	(22,699)	-
<b>Balance</b>	<b>24,807</b>	<b>-</b>

These receipts include income received of €12,506 from the Congregational Leadership Team which was residual funds from the RNS 2020 project grant.

#### 16.5 Christian Brothers Edmund Rice Trust

	2021 €	2020 €
Receipts	4,646	-
Expenditure	(2,000)	-
<b>Balance</b>	<b>2,646</b>	<b>-</b>

These receipts include income received of €4,646 from the Congregational Leadership Team which was residual funds from CBERT 2020 project grant.

#### 16.6 Edmund Rice Development

	2021 €	2020 €
Receipts	5,660	-
Expenditure	(1,845)	-
<b>Balance</b>	<b>3,815</b>	<b>-</b>

These receipts include income received of €5,660 from the Congregational Leadership Team which was residual funds from the ERD 2020 project grant.

## 16.7. Porticus

	2021 €	2020 €
Receipts	109,335	-
Expenditure	(40,661)	-
<b>Balance</b>	<b>68,674</b>	<b>-</b>

These receipts include income received of €34,335 from the Congregational Leadership Team which was residual funds from the Porticus project grant.

## 17. Approval of financial statements

The financial statements were approved by the Board of Directors on