

# **IRISH RED CROSS SOCIETY**

## **Annual Report and Consolidated Financial Statements for the year ended 31 December 2012**



Hearts Lane House  
Merion Street Lower  
Dublin 2  
Ireland

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2012**

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# IRISH RED CROSS SOCIETY

## LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 December 2012

STATUS	The Irish Red Cross Society is registered in Ireland as a charity.
GOVERNING DOCUMENT	The Irish Red Cross Society was established in Ireland in 1939 and is governed under the terms of the Red Cross Act 1938, (SI) 203/139
CHARITY NUMBER	CHY3950

### BOARD OF DIRECTORS

#### Current Members

Chairman:	David J. O'Callaghan
Vice Chairman:	Tom Horwell
Treasurer:	Sean Kennedy, Denis Reeves elected May 2012, Resigned February 2013
Secretary:	Barry O'Donovan
Cathal Duffy	
Máirtín O'Fáinín	
Julianne Maher	
Greg Lyons	
Ann McDermott	
Ivor Gleeson	
Mary Flaherty	
Kieran Meehan	
Bernadette Rutherford	

#### Executive Committee Members who served from May 2011 to May 2012

Chairman:	David J. O'Callaghan
Vice Chairman:	Anthony Lawlor
Honorary Treasurer:	Ted Noonan
Honorary Secretary:	Ann Murphy
David Lawlor	
Tom Horwell	
Joe Millar	
Julianne Maher	
Monica Middleton	
Cliona Lehane	
Andrew Kelly	
Sheila Callan	

NATIONAL OFFICE 16 Merrion Square, Dublin 2.

## IRISH RED CROSS SOCIETY

### LEGAL AND ADMINISTRATIVE INFORMATION (CONT'D)

For the year ended 31 December 2012

#### SOLICITORS

Maxwell Solicitors  
19 Herbert Place,  
Dublin 2

Byrne Wallace  
87 – 88 Harcourt Street  
Dublin 2

#### AUDITORS

BDO  
Registered Auditors  
Beaux Lane House  
Mercer Street Lower  
Dublin 2

#### PRINCIPAL BANKERS

Bank of Ireland  
2 College Green  
Dublin 2

Allied Irish Bank  
40/41 Westmoreland Street  
Dublin 2

## **DIRECTORS REPORT**

**For the year ended 31 December 2012**

The Board of Directors presents its annual report and the audited consolidated financial statements for the year ended 31 December 2012.

Legal and administrative information is set out on pages 1 and 2. The financial statements comply with the current requirements, in accordance with the Charities Act 1961 and 1973 and also with international best practice, of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) (revised 2005) as recommended by the Charity Commission of England and Wales.

### **Aims of the Charity**

Our mission is to provide care to the most vulnerable at home and abroad in peace, crisis and disaster. We do this by implementing the Red Cross Charter: preventing and alleviating human suffering, protecting life and health, ensuring respect for human beings and continually delivering a high quality humanitarian service to society at home and abroad. As Ireland's leading emergency response charity, 68 staff and 5,500 volunteers pursue these goals here in Ireland and overseas. Our work includes emergency response, health and social care, and building resilience at community level.

We operate in our own right, but also as part of the wider International Federation of Red Cross and Red Crescent Societies, the world's largest humanitarian network with 13 million volunteers across 187 countries.

Our corporate strategy is currently undergoing an exciting period of review and development. When finished in 2013, it will set the framework for our activities for the period 2013-2018.

### **Legal Status**

The Irish Red Cross Society was formally established in 1939 under the terms of the Red Cross Act 1938, Statutory Instrument 206/138. The Irish Red Cross Society's constitution was initially based on this statutory instrument and includes amendments for the Geneva Conventions of 1949, their additional Protocols of 1977 and 2005 (the Geneva Conventions) to which Ireland is a party, Acts of the Oireachtas and relevant provisions of the International Federation of Red Cross and Red Crescent Societies. The Society's constitution was further amended in 2012 by internally ratified changes.

The legal objectives of the Society are to furnish volunteer aid to the sick, wounded and shipwrecked at sea of armed forces in time of war; to furnish relief to prisoners of war and to such civilians as are protected persons; in time of peace or war to carry on and assist in work for the improvement of health, the prevention of disease and the mitigation of suffering throughout the world; to act in case of armed conflict, and in peacetime to prepare to act, in all the fields covered by the 1949 Geneva Conventions and their additional protocols of 1977 and 2005 and on behalf of all war victims, both civilian and military.

Such legal frameworks underline the importance of the Irish Red Cross Society as an auxiliary to the public authorities in the humanitarian field, be it in situations of armed conflict or natural or man-made disasters.

The Irish Red Cross Society is a member of the International Federation of Red Cross and Red Crescent Societies.



## **DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

### **Organisational Structure**

The General Assembly (formerly Central Council) is the highest deliberative authority of the Irish Red Cross Society.

Under our new Constitution enacted in April 2012, more than 75% of the members of the General Assembly are elected as representatives of regional areas by the local membership of the Society, with the remaining members made up of the Chairperson, a member elected by Irish Red Cross Youth, the National Director of Units, representatives from Government, non-members chosen for their specific competencies and two nominees of the Chairperson. The Board of Directors is formed by the election of twelve Board members from among the General Assembly members, to include the Chairperson and three Honorary officers – Vice Chairperson, Honorary Secretary and Honorary Treasurer. An additional two Board members are added through nominations from the Chairperson, with the intention of adding to the Boards depth and diversity. Directors can serve up to two terms of three years, after which they are obliged to stand down for a minimum three year term.

### **Management and Decision Making**

The Board of Directors is vested with all the necessary powers for carrying out the aims of the Society. The focus of the Board is more particularly on matters of policy and oversight. It works closely with the Secretary General, senior secretarial staff and the Chairpersons of our various Working and Advisory Groups who together are tasked with the implementation of Policy.

Strong emphasis is now placed on the induction, training and development of our Board members, and various presentations, updates and training opportunities are provided to ensure that they are appropriately prepared for their roles.

The Board of Directors recognises that it has responsibility to ensure that the Society has effective Risk management and Control processes in place.

### **Commitment to Standards in Fundraising Practice**

The Irish Red Cross Society is fully committed to achieving the standards contained within the *"Statement of Guiding Principles for Fundraising (the Statement)"*. We have considered the *Statement* and believe we meet the standards it sets out. We also welcome feedback on our performance.

Write to: The Secretary General, Irish Red Cross Society, 16 Merrion Square, Dublin 2.

### **Voluntary Members**

The Board of Directors recognises and appreciates the commitment of the Society's 5,500 members throughout the country. It is not possible to place a monetary value on this voluntary effort but it is essential in enabling the Society to achieve its core objective of preventing and alleviating human suffering, protecting life and health, ensuring respect for human beings and continually delivering a high quality humanitarian service to society at home and abroad.

**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

**Chairman and Secretary General's Statement**

Through the course of 2012, the Irish Red Cross Society continued to make a significant contribution to the lives of people in need, here at home and in many areas of strife and deprivation around the world. In doing so we are very conscious that we rely completely on the humanity and kindness of our many thousands of volunteers, the generosity of our donors and supporters, the contribution we receive from our national Government and the commitment we enjoy from our small but dedicated team of staff – to all we express our heartfelt gratitude and appreciation.

At home our volunteers did wonderful work in responding to flooding in Cork City and county and subsequently raised much-needed monies that were distributed to the worst affected homes and families. We launched appeals that contributed significantly to the relief of Hurricane Sandy in the US and the support of the International Red Cross effort in Syria. Our Food Security and Livelihoods Programme in Niger is the centrepiece of IRC's international programme and it continues to do great work in one of the poorest countries in the world.

Irish Red Cross successfully hosted International Red Cross teams in Dundalk for European First Aid competitions and also hosted a meeting of FAEEN (First Aid European Educators Network) in Dublin in October. As part of this programme, FAEEN delegates visited the Wheatfield Prison complex to see our unique CBHFA prison programme. This made a very positive impression-with some delegates describing it as an inspirational experience for them.

At an administrative level, 2012 was an historic year for the Irish Red Cross Society, with the adoption of our new Constitution and the election of a new Board of Directors under the revised governance model. The combination of new governance processes and a more diverse representation at Board level has been very well received and supports the Society's commitment to consistently adopt best practice in every facet of organisational management.

In keeping with that commitment, our 2011 financial accounts were completed for the first time on a fully consolidated basis-the culmination of a four year project – ensuring that we can now present the most comprehensive and transparent picture of the Society's finances. This is another milestone for the Society and further evidence that we are making progress with our ambition to be a 'best in class' institution in the area of governance and financial management.

Irish Red Cross has been putting a strong focus on development and rejuvenation. Work started on a new Strategic Plan and extensive consultation and preparatory works were completed. From a financial perspective, significant investment is now underway in the development of the Society's fundraising capability and in building the resources for future growth and expansion.



**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

That theme of growth and expansion has been sustained into 2013. Our aim is to develop our Society in a way that enables it to reach out to an ever greater number of people in need and to make a real difference to their lives. We are confident that we will be able to report further progress towards that objective by the end of 2013.

**Activity Report for 2012**

**Emergency Response and Recovery**

In **Syria**, millions of people continue to be affected by severe violence leading to the loss of life, injuries and displacement. Over the last year, Irish Red Cross supported the International Committee of the Red Cross and Syrian Arab Red Crescent who have played a vital role in providing humanitarian assistance to more than one million people with food parcels, essential supplies and emergency health care.

After Typhoon Washi swept across the **Philippines** in December 2011, the Red Cross ran a life saving emergency operation and distributed over 35,000 food parcels to some 20,000 affected families.

After the Earthquake in Japan and Tsunami in March 2011, the Irish Red Cross continues to support the Japanese Red Cross in helping thousands of survivors in many ways, including caring for the psychosocial needs of the elderly and rebuilding five major hospitals and medical centres.

In Ireland, we continue to develop our network of volunteer psychosocial peer-supporters in association with the Irish Critical Incident Stress Management Network, The European Network of Psychosocial Support, Irish Hospice Foundation and NUI, Maynooth.

As cuts in public spending bite deeper, the Irish Red Cross local emergency service is playing an increasingly important role in communities around **Ireland**. Teams of volunteers attend community and sporting events and assisted over 1,300 people across the country, administering first aid to over 1000 people and transporting almost 300 people to hospital.

During the summer flooding of **Cork city and county**, volunteers using 4x4 vehicles helped people from their homes and took others to hospital. The Cork Floods Appeal raised €40,000 and gave small cash grants to the families in need, many of whom had been uninsured and had lost their belongings.



DIRECTORS REPORT (Continued)

For the year ended 31 December 2012

In other news:

- In Ireland, 3 Search and Rescue teams assisted people injured or stranded in the Wicklow, Sligo and Leitrim mountains and on Loch Corrib and Lough Mask.
- The Irish Red Cross fleet of 141 vehicles was upgraded when six branches received new replacement emergency vehicles in 2012
- The Irish Red Cross contributed to humanitarian assistance in the Ivory Coast after post-election violence.

**Health and social care**

Patients waiting for treatment, recovering from a stroke or illness, people with stiff joints or stress-tension gain great relief from **therapeutic hand care**. Volunteers provided therapeutic hand care at events around the country including the Neurological Alliance of Ireland Day, Bri Acquired Brain Injury Open Day, Syringomyelia Self Help Day and Raynauds Ireland Open Day.

People suffering from vitiligo, rosacea, lupus, birthmarks, thread veins, burn scars and other disfiguring conditions are transformed through the use of our **camouflage service**. This year, 86 clients availed of the service, which involves the application of special cover creams to improve the appearance of skin conditions. These clients were seen by 15 trained practitioners around the country, including patients in Crumlin Hospital and St. Vincent's hospital, as well as in Irish Red Cross managed clinics in Limerick, Donegal, Tipperary, Louth, Wexford, Dublin and Cork.

The 2011 census indicated that a total of 187,112 people are unpaid carers in Ireland – 4.1% of the total population. Alarming, it also showed that 2.3 per cent of all carers are children under 15 years old. According to the Central Statistics Office, 327 million hours of unpaid care were provided in 2011. Approximately 38% of those carers provided care for 43 hours a week. There is a great need for the new edition of the IRC Carers Handbook, which provides access to constructive and realistic advice for all those people in Ireland who are providing or are in need of care.

Ireland is the first country in the world to recruit and train special status **Red Cross volunteer inmates in prisons**. It is a unique approach to raising community health and hygiene awareness and first aid in prison communities through peer-to-peer-education. It has also proven to build confidence and personal capacities amongst the prisoners involved in the project. Over 3000 prisoners as well as their families and prison staff appreciate the significant improvement in healthcare awareness and prisoners' personal well-being. This partnership programme with the Irish Prison Service and Vocational Education Committees is such a success that the programme will now be rolled out to four additional prisons during 2013 and to all prisons in the state in 2014.

DIRECTORS REPORT (Continued)

For the year ended 31 December 2012

In May 2012 the programme won the Bionmis Irish Healthcare Innovation Award for Best Health Promotion Project and in November 2012 won an Irish Medical Times Commendation Award for Best Public Health Initiative at the Irish Healthcare Awards.

HIV is more of a problem in Ireland than most people realize. In 2012, 341 people were newly diagnosed with HIV – a 7% increase on 2011<sup>1</sup>. 17 Irish Red Cross Youth Leaders from all four regions took part in the award-winning HIV Awareness Training for Trainers Programme and are now qualified to deliver the course at branch and area level.

In Haiti, violence and HIV are continuing problems for many ordinary people. The Irish Red Cross featured on two national radio stations talking about cholera prevention, first aid, violence prevention, disaster preparedness, HIV and sexual health. 42 Community 'mobilisers' and 168 residents were trained on violence and community led protection. 523,000 people heard how to reduce violence against women and 400,000 learned about HIV through media campaigns, education and peer support.

Building 150 permanent houses, supporting livelihoods and training in community based first aid continues in Northern Sri Lanka where 1,300 families also have better access to clean water and sanitation facilities and hygiene promotion.

In Haiti, the Irish Red Cross joined the international response to combat the on-going outbreaks of cholera with over 7,000 reported deaths. 897 volunteers were trained in epidemic control and helped treat over 38,000 patients.

Contact between families separated by armed conflict, political upheaval, natural disaster or migration is a very human need. In 2012, The Irish Red Cross set about tracing 154 family members whose whereabouts are unknown. 123 people were traced, but 31 are still to be found. 24 Red Cross Messages – used to replace normal communications during crises – were sent to and received from relatives abroad and eight people were helped to return home using Red Cross travel documents: a special travel document used to assist refugees and displaced or stateless people who do not have the appropriate documentation to permit travel to a country that has formally expressed a willingness to receive them.

<sup>1</sup> <http://www.hpsc.ie/hpsc/A-Z/HVSIIs/HIVandAIDS/SurveillanceReports/File14127.en.pdf>



DIRECTORS REPORT (Continued)

For the year ended 31 December 2012

**Building resilient communities**

In response to food crises brought on by droughts, floods and failed harvests in **Niger**, the Irish Red Cross gave €700,000 to help improve long-term food security for 15,000 people. Strengthening the capacity of the Niger Red Cross Society, instigating rain storages, seed planting, irrigation and cash-for-work programmes will help people in 56 towns and village to be more productive, to build up reserves and be better able to cope with food crises in the future.

A three year violence prevention programme, funded by Irish Red Cross, promoted healthier relationships and safer communities for over 30,000 adults and children living in **The Maldives** by helping the local society to prevent violence and abuse in their communities.

Six coastal states in **Myanmar** and six disaster prone communities in South Kalimantan, **Indonesia**, now have disaster risk reduction programmes to better respond to, and cope with, the effects of future disasters.

The Irish Red Cross helped launch the **Asia Pacific beneficiary communications and accountability programme** that gives local National Red Cross Societies training, skills and technology to in turn help their local communities ask for and receive the appropriate help after a disaster.

The Irish Red Cross joined with international partners to help improve access to clean water for the people of war-torn Sudan.

Almost two thirds of cardiac arrest victims in Ireland now receive **CPR** from members of the public. However out-of-hospital cardiac arrests in Ireland kill around 5000 people annually<sup>2</sup>. A study by IRC and NUI Maynooth revealed 95% of the Irish population are reluctant to take action in an emergency situation, which is why encouraging more people to learn first aid at work and in their spare time remains a priority for the Irish Red Cross. An overhaul of workplace training is planned for 2013, while in 2012 an additional 486 people trained as First Aid instructors, Emergency Responders and Emergency Medical Technicians.

The research also confirmed that the Irish Red Cross is the main provider of **first aid training** in Ireland. In 2012 the Irish Red Cross received accreditation to deliver seven different emergency response courses by the Pre Hospital Emergency Care Council.

<sup>2</sup> <http://www.ncbi.nlm.nih.gov/pubmed/22707474>

**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

**New First Aid ideas coming soon or in development**

- Universal I Phone and Android applications for first aid are in development
- First Aid training programme for vulnerable and older people. There are over half a million Irish people over 65
- A new CPR blended learning study course

To build resilience in Ireland, the Irish Red Cross provided training for over 11,000 people in a number of skills:

Emergency Response & IRC Ambulance Service	1,110
Cardiac Response	2,668
Health & Social Care	335
Practical First Aid	4,533
Occupational First Aid	1,884
Instructors (First Aid, Cardiac, Health & Social Care)	470

During 2012, the Irish Red Cross hosted two major International events promoting first aid and first aid education:

- 73 delegates from 37 countries attended a FAEEN (First Aid Education European Network) meeting in Dublin.
- 400 Irish Red Cross volunteers and staff hosted the 2012 First Aid Convention Europe in Dundalk, Co Louth with over 350 international participants from 23 countries.

Developing the **humanitarian ethos and leadership skills** among young people is key to building resilient communities. The Laois National Youth Challenge in April 2012 encouraged 400 **future leaders** to work in teams and solve problems. 100 Youth Members have registered in the revamped OPTIONS Programme: each member must complete six of the eight challenges, ranging from Outdoor Pursuits to Disasters and First Aid training.

- 130 Youth Members received their OPTIONS Bronze or Silver Certificates in 2012.
- 200 Youth Members also received awards for three, five and ten years of service.
- 73 delegates from 37 countries attended the First Aid Education European Network and over 400 Irish Red Cross volunteers and staff hosted the 2012 First Aid Convention Europe in Dundalk.



**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

Two Irish Red Cross Youth Members were invited by Dublin AIDS Alliance to launch the **'Just Carry One' campaign for safer sex**. Another 30 Youth members and leaders made history by taking part in the 2012 Dublin PRIDE Parade.

The **Positive Images campaign** continues to reach young people to promote positive attitudes towards vulnerable migrant groups and dispel stereotypes. A total of 38 members from 17 branches throughout the country, take the Positive Image message into schools, colleges, workshops and events. Three high calibre competition entries in the form of reports on community projects were received and the winners announced at the regional youth awards in November 2012.

**International Humanitarian Law (IHL)** exists to minimise suffering caused by armed conflict, save lives and promote human dignity. The Irish Red Cross actively promotes IHL as part of its national and International obligations to Humanitarian Law principles by liaising with international practitioners, military and university students, hosting discussions, a conference for journalists and running workshops and training days with the Irish Defence Forces.

**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

**REVIEW OF FINANCES**

As 2012 progressed it became increasingly clear that the Irish Red Cross would continue to be impacted by the difficult global and domestic economic environment. While support for our work remained strong, this recessionary climate affected the level of commercial and fundraising income received and earned in 2012.

A detailed commentary on the financial performance reflected in the 2012 Annual report is set out below:

**Income**

The total income for 2012 amounts to €6.1 million. This represents a decrease of 25% from income levels of 2011 and arises from:

**Voluntary Income -31%:** We did not witness the same scale of international emergencies in 2012 compared to previous years and this has led to a reduction in our appeal income. Unrestricted voluntary income also fell by 23% which includes fundraising and statutory income.

**Trading Income -48.7%:** Our commercial income, the sale of training courses and services was most impacted by the downturn in the economy. Our training revenues weakened considerably and we lost one significant service contract early in the year.

**Income from Charitable Activities: +18%** The income increase in resilience is a result of the hosting of FACE 2012 in Ireland.

**Other Income: -39%:** This is driven by a reduction in bank interest earned during the year as a result of reduced cash reserves.

**Expenditure**

Our total expenditure for the year was €7.8 million made up as follows:

Charitable Activities	€5.1 million	65.9%
Fundraising Costs	€1.2 million	16.3% (includes additional fundraising investment)
Trading Costs	€0.73 million	9.4%
Governance Costs	€0.69 million	8.8%

Total expenditure at €7.8 million represents a 16.9% decrease from 2011 levels. There was a smaller number of international emergencies in 2012 compared to previous years and in addition our Tsunami and Haiti programmes were wound down.

Within the costs of charitable activities, there is also a notable 12.2% decrease in support costs. Our total support costs for the year amounted to €798,000 (see note 7 to the financial statements) compared to €909,000 in 2011. We continue our efforts to ensure that we are achieving value for money, improving efficiency and effectiveness in our activities while controlling costs.

Our support comes in many forms and we are privileged to work with thousands of volunteers around Ireland who are committed, willing and able to donate time, resources, money and energy to the Irish Red Cross and we are very grateful for this.

**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

**REVIEW OF FINANCES (Continued)**

The resources expended on generating funds totalled €1.98 million in 2012 which represents an 8% increase on 2011 levels. However within this number there is a significant decrease in trading activity costs to €.736 million, as a direct consequence of the reduction in sales revenue.

The cost of generating Voluntary Income of €1.2 million represents a 49.5% increase.

The Board made a decision during the year to make an additional investment in our Committed Giving fundraising programme. Committed Giving is an important source of income for the organisation and it represents a significant portion of our total fundraising revenue. Committed Givers who donate on a regular basis strengthen our ability to plan into the future. This investment is performing in line with expectations; Committed Giver revenue grew by 80% in 2012.

**Overall Result**

Net (outgoing)/ Incoming resources (€1.659 million)

Net outgoing resources of €.888 million on unrestricted funds.

Net outgoing resources of €0.771 million on restricted funds. The net outgoing resources of €.771 million relates to restricted income and reserves that were utilised in 2012 for National and International programmes.

Securing and retaining reliable sources of funding remains a key challenge for the Irish Red Cross over the next number of years. Competition for donations and commercial revenue is very strong. However we remain optimistic and continue to develop our relationships with donors, beneficiaries and customers. Throughout all our activities we aim to meet best practice standards and deliver high quality services ensuring that our charitable activities meet the needs of those in greatest need of our programs nationally and internationally.

The Irish Red Cross Society acknowledges and appreciates the support from the government, institutional donors and the general public particularly during a period of ongoing recession.



**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

**REVIEW OF FINANCES (Continued)**

**Reserves**

It is the policy of the Irish Red Cross Society to retain sufficient reserves to cover future commitments in relation to its ongoing function and mandate. These provisions are intended to finance:

- Working capital requirements
- Potential setbacks in income
- Fixed assets required for ongoing operations
- Unexpected/emergency expenditure.

The total reserves of €9 million are detailed in note 19 to the financial statements and fall into three categories.

- **Restricted Funds**

Restricted funds €1.1 million: these are funds restricted for a specific use as defined by the donor. The majority of these funds relate to income earmarked for international projects such as Niger livelihoods programme, Tsunami and other international response and national programs.

- **Designated Funds**

Designated funds €435,000: these funds are unrestricted funds which have been allocated by the Board of Directors to assist in the financing of future capital expenditure projects, and which, as a result are not available for general use.

- **Unrestricted funds**

Unrestricted funds €7.5 million: which consist of cash and tangible fixed assets (Ambulance fleet, First Aid Equipment and Premises) which are available for the day to day operations of the Society.

**Financial Governance**

This is our second year to produce Consolidated Financial statements for the Society. We have complied with the recommendations of the Statement of Recommended Practice, Accounting and Reporting by Charities (revised 2005) (SORP 2005) as recommended by the Charity Commission of England and Wales. The Board is committed to maintaining the highest standards of financial governance and aims to ensure that our financial statements continue to comply with all legal, accounting standards and the Statement of Recommended Practice 2005.



**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

**REVIEW OF FINANCES (Continued)**

**Financial Risk Management**

For the past two years, our primary emphasis from a risk management viewpoint has been on all matters financial. A suite of financial policies has been developed to create a proper framework for financial management and this has been complemented with a series of controls and oversight processes that have substantially mitigated the financial risk profile of the Society. Management undertakes ongoing monitoring of the level of risk and reports to the Board.

**General Risk Management**

The activities of the Society lead to other categories of risk and work is now underway to address these in an equally comprehensive manner. Management undertakes ongoing monitoring and are tasked with the responsibility to identify, categorise and evaluate all risks, to create a comprehensive Risk Register, and to bring recommendations to the Board that will manage and mitigate risk where possible. Great progress has been made in addressing specific areas of risk, such as Health and Safety, the protection of children and vulnerable adults, and the maintenance of high clinical standards in all facets of emergency response. Where risks cannot be eliminated or satisfactorily managed, the Board is asked to confirm that they are within acceptable risk parameters.

**Internal Audit Committee**

The Society established an Internal Audit Committee in 2011, which is tasked with the oversight of financial practices and standards and review of the Risk management framework. It reports independently to the Chairman and the Board and makes recommendations for ongoing improvements in internal controls and risk management practices.

**DIRECTORS REPORT (Continued)**

**For the year ended 31 December 2012**

**Statement of Directors Responsibilities**

The Board of Directors of the Irish Red Cross Society operates through the delegated authority of the Society's General Assembly (formerly Central Council). Its role is to direct and supervise the affairs of the Society on a day to day basis, to ensure that it delivers on its goals and objectives, and to uphold the values and principles of the Red Cross Movement in every aspect of its activities.

The Board of Directors is responsible for the preparation of the financial statements for each financial year, which give a true and fair view of the state of affairs of the Society and the incoming resources and application of funds, including the net income or expenditure of the Society for the year. In preparing these financial statements the Board of Directors is required to:

- o select suitable accounting policies and then apply them consistently;
- o make judgments and estimates that are reasonable and prudent;
- o state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- o prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in operation.

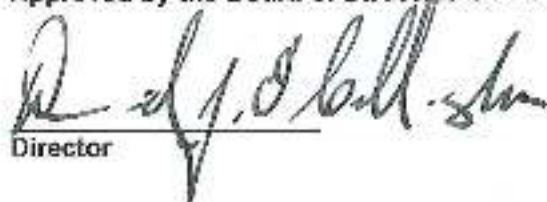
The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Society and which enable it to ensure that the financial statements comply with relevant legislation. The Board of Directors is responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

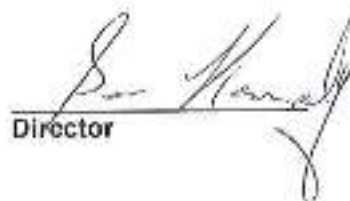
The Board of Directors conduct regular reviews of the Society's system of Internal Controls, Performance reporting, Policies and Procedures. This ensures that expenditures are appropriate and reasonable, funds are spent or managed in accordance with approved procedures, investments are carefully managed, and a full and accurate account is maintained of all financial transactions. An Internal Audit Committee has been established to support the Board in meeting this obligation.

**Auditors**

BDO, Registered Auditors, have expressed their willingness to continue as Auditors of the Society.

Approved by the Board of Directors on Behalf of General Assembly on 11 December 2013

  
Director

  
Director



## Independent Auditor's Report to the General Assembly of the Irish Red Cross Society

We have audited the consolidated financial statements of the Irish Red Cross Society for the year ended 31 December 2012, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the General Assembly of the Irish Red Cross Society as a body. Our audit work has been undertaken so that we might state to the General Assembly those matters we state to them in an independent 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 General Assembly of the Irish Red Cross Society as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the General Assembly and Auditors

The Board of Directors of the Irish Red Cross Society are responsible for preparing the financial statements, as set out in the Statement of Directors Responsibilities of the Society, in accordance with applicable law and Accounting Standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland.

### Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our audit work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Board of Directors of the Irish Red Cross Society in the preparation of the financial statements and of whether the accounting policies are appropriate to the Irish Red Cross Society's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

(continued over)

Other Offices:  New Bedford Street Limerick	Catherine Byrne Maurice Carr Michael Conboy Kevin Doyle John Elmer Davis	Jim Fennell Gerard Fennell Pauline Handley John Harman Gerard Hynes	Ben O'Meara Teresa O'Meara Paul Power John O'Sullivan Don O'Sullivan	Gerry Gray (Managing Partner) Peter Carroll Eddie Doyle Michael Evans John Fennell Alan Flynn Brian Gorman David Glavin Derek Haffey	David McEneaney Brian McEnery Eoin McLaughlin Gerard Walsh David O'Connell Nicholas O'Sullivan Peter O'Reilly Patrick Sheehan Noel Taylor
	Chartered Accountants				



## **Independent Auditor's Report to the General Assembly of the Irish Red Cross Society**

### **Basis of Audit Opinion (continued)**

This is the second year since the inception of the Society in 1939 that the results and financial position of the combined Head Office, Commercial Training, International overseas operations and branch operations have been consolidated. Given that the prior year was the first year the Society produced consolidated financial statements and without an examination of the transactions in years prior to 2011, our scope is limited. As a consequence, it was not possible for us, as auditors, to perform the procedures necessary to obtain sufficient appropriate audit evidence as regards the completeness of the incoming and outgoing resources in years prior to 2011 and consequently the completeness of the opening net asset position at 1 January 2011.

### **Qualified Opinion arising from Limitation of Audit Scope**

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the opening net assets at 01 January 2011, in our opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the Irish Red Cross Society as at 31 December 2012 and of its net outgoing resources for the year then ended.

BDO

BDO

Registered Auditors

Dublin

11 December 2013

Date



## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Includes Income and Expenditure Account and Statement of Recognised Gains and Losses)

For the year ended 31 December 2012

	Notes	Unrestricted €000	Restricted €000	2012 Total €000	2011 Total €000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	2,906	1,411	4,317	5,806
Trading activities	3	649	-	649	1,332
Investment income	4	68	39	107	175
<b>Total incoming resources from generated funds</b>		3,623	1,450	5,073	7,312
<b>Incoming resources from charitable activities</b>					
Resilience	5	1,073	-	1,073	912
Health and social care	6	34	-	34	27
<b>Total incoming resources from charitable activities</b>		1,107	-	1,107	939
<b>Total incoming resources</b>		4,730	1,450	6,180	8,251
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Voluntary income	7	(1,249)	-	(1,249)	(835)
Trading activities	7	(736)	-	(736)	(1,002)
<b>Total resources expended on generating funds</b>		(1,985)	-	(1,985)	(1,837)
<b>Costs of charitable activities</b>					
Emergency response and recovery	7	-	(678)	(678)	(1,572)
Resilience	7	(2,190)	(744)	(2,934)	(2,897)
Health and social care	7	(147)	(607)	(754)	(1,503)
Supporting the movement	7	(796)	-	(796)	(809)
<b>Total resources expended on charitable activities</b>		(3,135)	(2,029)	(5,164)	(6,981)
<b>Governance costs</b>	7	(558)	(132)	(690)	(607)
<b>Total resources expended</b>		(5,678)	(2,161)	(7,839)	(9,425)
<b>Net (outgoing) / Incoming resources before transfers</b>		(948)	(711)	(1,659)	(1,174)
Transfers between funds		60	(60)	-	(40)
<b>Net (outgoing) / Incoming resources before recognised gains and losses</b>		(888)	(771)	(1,659)	(1,214)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**  
**(includes Income and Expenditure Account and Statement of Recognised Gains and Losses)**  
**For the year ended 31 December 2012**

	Notes	Unrestricted €000	Restricted €000	2012 Total €000	2011 Total €000
<b>Net (outgoing) / incoming resources before recognised gains and losses</b>		(888)	(771)	<b>(1,659)</b>	<b>(1,214)</b>
Actuarial (losses) / gains on defined benefit pension schemes	15	(748)	-	<b>(748)</b>	<b>(200)</b>
<b>Net movement in funds</b>		<b>(1,636)</b>	<b>(771)</b>	<b>(2,407)</b>	<b>(1,414)</b>
<b>Total funds – 1 January</b>		<b>9,579</b>	<b>1,903</b>	<b>11,482</b>	<b>12,896</b>
<b>Total funds – 31 December</b>		<b>7,943</b>	<b>1,132</b>	<b>9,075</b>	<b>11,482</b>

All the activities relate to continuing activities.

Incoming resources and net outgoing resources arose solely from continuing activities.

The financial statements were approved by the Board of Directors on behalf of the General Assembly on ~~11 December~~ 2013

On behalf of the Board of Directors

  
 Director

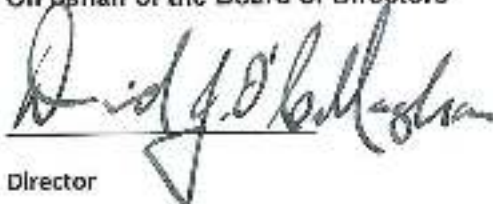
  
 Director

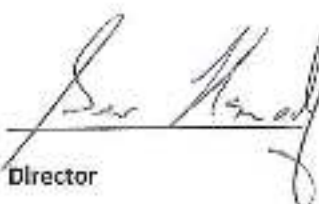
**CONSOLIDATED BALANCE SHEET**  
as at 31 December 2012

	Notes	2012 €000	2011 €000
<b>Fixed assets</b>			
Tangible fixed assets	9	5,600	5,734
		5,600	5,734
<b>Current assets</b>			
Stocks	10	191	184
Debtors: (Amounts falling due within one year)	11	422	721
Cash at bank and in hand		4,730	6,338
		5,343	7,243
<b>Current liabilities</b>			
Creditors: (Amounts falling due within one year)	12	(579)	(905)
		(579)	(905)
<b>Net current assets</b>		4,764	6,338
<b>Total assets less current liabilities</b>		10,364	12,072
Creditors: (Amounts falling due in more than one year)	13	(187)	(238)
<b>Net assets before pension scheme deficit</b>		10,177	11,836
Defined benefit pension scheme deficit	15	(1,102)	(354)
<b>Net assets</b>		9,075	11,482
<b>Represented by:</b>			
<b>Restricted funds</b>	20	1,132	1,903
<b>Unrestricted funds</b>			
General funds	20	7,508	8,976
Designated funds	20	435	603
<b>Total funds</b>		9,075	11,482

The financial statements were approved by the Board of Directors on behalf of General Assembly on *11 December 2013*

On behalf of the Board of Directors

  
Director

  
Director

**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 31 December 2012**

	Notes	2012 €000	2011 €000
Net cash (outflow)/inflow from operating activities	18	(1,365)	(1,536)
Interest received		98	164
<b>Capital expenditure:</b>			
Purchase of tangible fixed assets		(322)	(1,043)
<b>Decrease in cash for year</b>		<b>(1,589)</b>	<b>(2,415)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>Movement in net funds for the year</b>		<b>(1,589)</b>	<b>(2,415)</b>
Net funds at beginning of year		6,102	8,517
<b>Net funds at end of year</b>	<b>19</b>	<b>4,513</b>	<b>8,102</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1. STATEMENT OF ACCOUNTING POLICIES**

The principal accounting policies of the Irish Red Cross Society, which are outlined below, have been applied consistently throughout the current and prior year:

**(a) Scope and basis of the financial statements:**

The consolidated financial statements have been prepared under the historical cost convention. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (revised 2005) as recommended by the Charity Commission of England and Wales.

**(b) Basis of consolidation**

The financial statements incorporate the results and financial position of the Head Office, Commercial Training, International overseas operations and all branch operations situated in the Republic of Ireland. All transactions between these divisions have been eliminated in the preparation of the consolidated financial statements. The financial year of all reporting divisions are co-terminus.

**(c) Income**

Income is analysed as restricted, unrestricted or designated. Restricted funds represent income recognised in the financial statements which is subject to specific conditions imposed by the donors or grant making institutions. Unrestricted funds represent amounts which are expendable at the discretion of the Society, in furtherance of the objectives of the charity. Such funds may be held in order to finance working capital or capital expenditure. Designated funds are income received without restriction but allocated to a specific project area by the Board of Directors.

**(i) Income Resources**

All income is accounted for when the Society has entitlement to the funds, the amount can be quantified and there is certainty of receipt. Where income is received in advance of providing goods and/or services, it is deferred until the Irish Red Cross Society becomes entitled to that income.

**(ii) Income from legacies**

Income from legacies is accounted for on a receivable basis, and is recognised in full in the financial statements in the period in which probate is granted and where the amount can be reliably ascertained.

**(iii) Subscriptions / Donations & Royalties**

In general subscriptions, donations and royalties are recognised on a cash receipts basis when the money is lodged in the bank.

**(iv) Bank Interest**

Bank interest receivable is accounted for on an accruals basis.

**(v) Properties**

Properties donated for use by, and now owned by, the Society are recognised in the Society's financial statements as income and the equivalent amount capitalised on the balance sheet. This is in line with the Statement of Recommended Practice, Accounting and Reporting by Charities (2005).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)

1. ACCOUNTING POLICIES (Continued)

(c) *Income (Continued)*

(vi) *Grant Income*

Grant income is recognised in full once entitlement, certainty and measurement are met.

(vii) *Commercial Training*

Income from Commercial Training activities is recognised as earned i.e. as the related goods and services are provided.

(viii) *Tax Efficient Giving*

Income tax rebates on donations received is recognised on notification from Revenue Commissioners of the confirmation of the amount and when there is certainty of receipt.

(d) *Resources expended and basis of allocation of cost*

All expenditure is accounted for on an accruals basis.

Direct costs are those specifically related to producing the output of an activity, for example the costs incurred in direct contact with beneficiaries.

Support costs are those which provide indirect support to front-line output provision — examples are central finance, human resources and management information services.

Governance costs relate to the direct running of the charity, allowing the charity to operate and generate the information required for public accountability. They include the costs of subscriptions related to membership of the International Red Cross and Red Crescent Movement, as well as the costs of trustee meetings and internal and external audits.

(e) *Tangible fixed assets*

All tangible fixed assets are initially recorded at historic cost. Capital Expenditure in excess of €500 is capitalised and depreciated over its useful life. Expenditure less than this amount is charged to the Statement of Financial Activities.

Properties are stated at original cost where purchased. Donations/Gifts of properties are valued at open market value at the date of donation.

Properties donated for use by, and now owned by, the Society are currently recognised in the Society's financial statements as income and the equivalent amount capitalised on the balance sheet. This is in line with the Statement of Recommended Practice, Accounting and Reporting by Charities (2005).

The carrying value of tangible fixed assets is reviewed annually for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

**1. ACCOUNTING POLICIES (Continued)**

**(f) Depreciation**

Depreciation is provided at rates calculated to write down the cost or valuation of each asset to its estimated residual value, over its expected useful life, based on the rates noted below. The depreciation rates are as follows:

Freehold and Leasehold Premises	2%	Straight Line
Ambulance, Sea Rescue and Equipment	10%	Reducing Balance
Fixtures, fittings and equipment	10%	Reducing Balance
Computer equipment	20%	Reducing Balance

**(g) Investments**

Investments are stated at market value at the balance sheet date.

**(h) Defined Benefit Pensions**

Pensions and post retirement benefit schemes are accounted for in accordance with FRS 17 Retirement Benefits. The cost of contributions payable to the scheme and any movements on the scheme surplus or deficit are recognised in the Statement of Financial Activities. Pension scheme assets and liabilities are measured using market values and the pension scheme liabilities are measured using the projected unit method and discounted at an AA corporate bond rate. The pension scheme deficit is recognised in full on the balance sheet. Full actuarial valuations are obtained at intervals not exceeding three years.

**(i) Defined Contribution Pensions**

The company operates a defined contribution scheme. Pension contributions in respect of the scheme for employees are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme. The assets are held separately from those of the company in an independently administered fund. Differences between the amounts charged in the income and expenditure account and payments made to pension funds are treated as assets or liabilities.

**(j) Stocks**

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective stock where appropriate.

**(k) Taxation**

No charge to current or deferred tax arises as the Irish Red Cross Society has been granted charitable status.

**(l) Value Added Tax**

Irrecoverable value added tax is allocated to the category of expenditure to which it relates.

**(m) Provisions**

Provisions are recognised when the Irish Red Cross Society has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)

1. ACCOUNTING POLICIES (Continued)

(n) *Operating leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

(o) *Foreign currencies*

Foreign currency transactions are translated at the rates ruling at the date of the transaction.

Monetary assets and liabilities arising in foreign currencies have been retranslated at the rates ruling at the balance sheet date.

Exchange differences have been included in the profit and loss account for the year.

(p) *Reserves policy*

It is the policy of the Irish Red Cross Society to retain sufficient reserves to cover future commitments in relation to its ongoing function and mandate. These provisions are intended to finance:

- Working capital requirements
  - Potential setbacks in income
  - Fixed assets required for ongoing operations
  - Unexpected/emergency expenditure.
- **Restricted funds**  
Restricted funds are funds restricted for a specific use as defined by the donor or grant making body.
  - **Designated funds**  
Designated funds are unrestricted funds which have been allocated by the Board of Directors to assist in the furtherance of the objectives of the Society.
  - **Unrestricted funds**  
Unrestricted funds are funds which are expendable at the discretion of the Board of Directors, in furtherance of the objectives of the Society.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

**2. VOLUNTARY INCOME**

	Unrestricted €000	Restricted €000	2012 Total	2011 Total
Regular Giving	782	3	785	426
Public Appeals and Events	891	483	1,354	2,324
Tax Efficient Giving	200	8	208	291
Legacies	66	5	71	83
Corporates, Major Donors and Trusts	22	34	56	379
Property Donated	-	-	-	410
Grant Income	878	898	1,776	1,827
Royalties Income	67	-	67	65
<b>Total</b>	<b>2,906</b>	<b>1,411</b>	<b>4,317</b>	<b>5,805</b>

As outlined in note 1, Legacy income is recognised once the Irish Red Cross Society has entitlement to the funds, the amount can be quantified and there is certainty of receipt.

Donations, Church Gate collections and Fundraising activities are recognised in line with the accounting policy 1c (iii) when cash is lodged to the bank.

**GRANT INCOME**

Unrestricted grant income, paid by the Vote of the Department of Defence, amounting to €739,000 (2011: €821,000), is towards the salaries and administration costs of the Head Office of the Irish Red Cross Society.

The Restricted Government Grant is in relation to funding received from the International Federation of Red Cross and Irish Aid in relation to the bilateral programme in Niger. Also within restricted income is a Department of Defence grant amounting to €130,000 which subsequently is transferred to the International Committee of Red Cross.

Other Grant Aid comprises grants from the Health Service Executive (€29,087), Wicklow County Partnership (€29,228), Department of Transport, Tourism and Sport (€19,890), Voluntary Educational Department (€5,097), Irish Coast Guard (€7,407), County Councils (€6,300) and Community Foundation of Ireland (€1,300).

**ROYALTIES**

Royalties comprise income earned from the works of the French writer Joseph Kessel who bequeathed the royalty rights of his books to the Irish Red Cross Society.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

**3. TRADING ACTIVITIES**

	Unrestricted €000	Restricted €000	2012 Total €000	2011 Total €000
Products and Manuals	32	-	32	43
Medical and First Aid Services	151	-	151	633
Training	466	-	466	858
<b>Total</b>	<b>649</b>	<b>-</b>	<b>649</b>	<b>1,332</b>

All income from trading activities relates to third party activities.

**4. INVESTMENT INCOME**

	Unrestricted €000	Restricted €000	2012 Total €000	2011 Total €000
Bank Interest	59	39	98	164
Rental Income	9	-	9	11
<b>Total</b>	<b>68</b>	<b>39</b>	<b>107</b>	<b>175</b>

Income included in investment income comprises bank interest received and receivable together with rental income received and receivable. Rental Income relates to the letting of properties on an informal basis.

**5. RESILIENCE**

	Unrestricted €000	Restricted €000	2012 Total €000	2011 Total €000
Duties	659	-	659	605
Government Grants	-	-	-	-
Membership Fees	40	-	40	47
Training	351	-	351	247
Sundry	23	-	23	13
<b>Total</b>	<b>1,073</b>	<b>-</b>	<b>1,073</b>	<b>912</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)

## 6. HEALTH AND SOCIAL CARE

	Unrestricted €000	Restricted €000	2012 Total €000	2011 Total €000
Training	1	-	1	8
Sundry	12	-	12	3
Community Support Services	21	-	21	18
<b>Total</b>	<b>34</b>	<b>-</b>	<b>34</b>	<b>27</b>

## 7. RESOURCES EXPENDED

	Direct costs €000	Support costs €000	2012 Total €000	2011 Total €000
<b>Costs of generating funds</b>				
Voluntary income	1,249	-	1,249	835
Trading activities	738	-	736	1,002
	<b>1,985</b>	<b>-</b>	<b>1,985</b>	<b>1,837</b>
<b>Charitable activities</b>				
<b>Emergency response and recovery</b>				
Ireland	65	-	65	48
International	613	-	613	1,526
	<b>678</b>	<b>-</b>	<b>678</b>	<b>1,572</b>
<b>Resilience</b>				
Ireland	2,228	-	2,228	2,125
International	706	-	706	872
	<b>2,934</b>	<b>-</b>	<b>2,934</b>	<b>2,997</b>
<b>Health and social care</b>				
Care and support programmes	754	-	754	1,503
	<b>754</b>	<b>-</b>	<b>754</b>	<b>1,503</b>
<b>Supporting the movement</b>	<b>-</b>	<b>798</b>	<b>798</b>	<b>909</b>
	<b>-</b>	<b>798</b>	<b>798</b>	<b>909</b>
<b>Governance costs</b>				
Subscriptions to Federation	142	130	272	127
Staff	247	-	247	321
Fees to auditors for audit of financial statements	82	-	92	123
Fees to auditors for other services	23	-	23	-
Other governance costs	56	-	56	36
	<b>560</b>	<b>130</b>	<b>690</b>	<b>607</b>
<b>Total</b>	<b>6,911</b>	<b>928</b>	<b>7,839</b>	<b>9,425</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)

8. TAXATION

The Society, charity number CHY3950, is exempt from taxation on income under Section 207 Taxes Consolidation Act 1997, as it is for charitable purposes.

9. TANGIBLE FIXED ASSETS

Cost	Freehold and Leasehold Premises €000	Ambulance, Sea Rescue and equipment €000	Fixtures fittings and equipment €000	Computer equipment €000	Total €000
At 1 January 2012	2,735	5,398	512	749	9,394
Additions	70	235	12	12	329
Disposals		(7)			(7)
At 31 December 2012	2,805	5,626	524	761	9,716
Accumulated depreciation					
At 1 January 2012	407	2,458	341	454	3,660
Charge	56	319	20	61	456
At 31 December 2012	463	2,777	361	515	4,116
Net book value					
At 31 December 2012	2,342	2,849	163	246	5,600
At 31 December 2011	2,328	2,940	171	295	5,734

The Society's properties are included at historical cost.

The Society's properties include the Head Office premises, national, regional and training centre offices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)

10. STOCKS

	2012 €000	2011 €000
Supply stocks	97	118
Manuals	94	66
	191	184

There are no material differences between the replacement cost of stock and balance sheet amounts.

11. DEBTORS: (Amounts falling due within one year)

	2012 €000	2011 €000
Trade debtors	181	143
Prepayments	241	578
	422	721

12. CREDITORS: (Amounts falling due within one year)

	2012 €000	2011 €000
Trade creditors	242	185
Accruals	250	641
Other creditors	57	79
Bank loans	30	-
	579	905

Included within other creditors is an amount for PAYE/PRSI of €52,000 (2011: €57,000)

13. CREDITORS: (Amounts falling due in more than one year)

	2012 €000	2011 €000
Bank loans	187	236
	187	236

There is a mortgage/charge held by Bank of Ireland over Unit 3, Ashbourne Business Park, Limerick.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

**14. STAFF EMOLUMENTS AND DIRECTOR EXPENSES**

<b>Total staff emoluments (including casual staff) for the year were as follows:</b>	<b>2012 €000</b>	<b>2011 €000</b>
Salary costs	2,004	2,310
Employers PRSI	197	203
Pensions costs	99	57
	<b>2,300</b>	<b>2,570</b>

The number of employees whose emoluments, as defined for taxation purposes (basic pay, vehicle and medical insurance benefits), amounted to over €60,000 in the year were as follows:

	<b>2012 No.</b>	<b>2011 No.</b>
€60,001 - €70,000	1	4
€70,001 - €80,000	3	2
€80,001 - €90,000	-	-
€90,001 - €100,000	-	1
€100,001 - €110,000	1	-
	<b>5</b>	<b>7</b>

The average number of full-time equivalent staff employed by the Irish Red Cross during the year was as follows:

	<b>2012 No.</b>	<b>2011 No.</b>
Fundraising	7	4
Finance	5	4
Services & Commercial Training	37	35
International services	5	5
Governance	5	5
Utilities	1	1
Communications	2	1
International delegates	6	10
<b>Total employed by headcount</b>	<b>68</b>	<b>65</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

**14. STAFF EMOLUMENTS AND DIRECTOR EXPENSES (Continued)**

The average number of volunteers working for the Irish Red Cross Society during the year was as follows:	2012 No.	2011 No.
National Services	5,500	5,210
<b>Total</b>	<b>5,500</b>	<b>5,210</b>

	2012 €'000	2011 €'000
<b>Directors expenses:</b>		
Expenses incurred by directors and reimbursed by the Irish Red Cross Society	9	7
Expenses incurred by the Irish Red Cross Society on behalf of directors	13	6
Directors' indemnity insurance cover cost	3	2
<b>Total</b>	<b>25</b>	<b>15</b>

	2012	2011
Number of directors receiving expenses	10	10

The Irish Red Cross Society relies substantially on voluntary services provided by its members across the country. It is not possible to quantify, in monetary terms, the value of these services to the Irish Red Cross Society.

Directors' expenses are for travel, meetings and accommodation costs incurred.

None of the directors received any remuneration during the year (2011:- €nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)

## 15. DEFINED BENEFIT PENSION

The Irish Red Cross Society operates a funded defined benefit pension scheme. The assets of the scheme are vested in independent trustees for the benefit of the employees. The defined benefit scheme is closed to new entrants.

The Society accounts for pensions in accordance with FRS 17 "Retirement Benefits". The pension costs charged as operating expenses/resources expended in the Statement of Financial Activities were as follows:

	2012 Total €000	2011 Total €000
Current service costs	(55)	(57)
Net finance cost	(55)	(57)
Other finance income: Expected returns on assets	124	132
Other finance costs: Interest on pension scheme liabilities	(136)	(119)
Total other finance (costs) / income	(12)	13

The accrual for defined contribution pension costs at 31 December 2012 was €nil (2011: €nil).

**Defined benefit scheme**

The Irish Red Cross Society undertakes an actuarial valuation of the scheme every 3 years. These valuations are undertaken by qualified, independent actuaries. The effective date of the last actuarial valuation was 1 January 2011.

The valuations employed for FRS 17 have been based on the most recent funding valuation for the scheme adjusted by the independent actuary to allow for the accrual of liabilities up to 31 December 2012 and to take account of financial conditions at that date. The valuations used for FRS 17 purposes have been prepared using the projected unit method and assets for this purpose have been valued at market value.

Information in respect of the scheme, as at 31 December 2012 with prior year comparatives as required under FRS 17, is set out below:

**Principal actuarial assumptions (% per annum)**

	At 31/12/12	At 31/12/11	At 31/12/10	At 31/12/09	At 31/12/08
Rate of increase in salaries	3.0	3.0	3.0	3.5	3.5
Rate of increase in pensions in payment	2.0	2.0	2.0	2.0	2.0
Discount rate	3.6	4.6	4.68	5.1	5.6
Inflation assumption	2.0	2.0	2.0	2.0	2.0



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)

## 15. DEFINED BENEFIT PENSION (Continued)

The assets of the scheme and the expected rate of return were:

	Rate of return expected 31/12/12 %	Value at 31/12/12 €000	Rate of return expected 31/12/11 %	Value at 31/12/11 €000	Rate of return expected 31/12/10 %	Value at 31/12/10 €000	Rate of return expected 31/12/09 %	Value at 31/12/09 €000	Rate of return expected 31/12/08 %	Value at 31/12/08 €000
Equities	6.00%	1,083	7.00%	878	7.20%	1,005	7.00%	1,067	7.00%	775
Bonds	3.00%	1,567	4.00%	1,276	4.20%	1,240	4.00%	1,040	4.00%	740
Property	5.00%	79	6.00%	75	6.20%	78	6.00%	83	6.00%	99
Cash	2.00%	29	2.00%	40	2.50%	50	2.50%	53	2.50%	87
Other	4.00%	-	6.75%	86	0.00%	-	0.00%	-	4.00%	36
<b>Total market value of assets</b>		<b>2,758</b>		<b>2,355</b>		<b>2,373</b>		<b>2,243</b>		<b>1,737</b>
Present value of scheme liabilities		(3,860)		(2,709)		(2,512)		(2,636)		(2,197)
<b>Net pension (deficit)/surplus</b>		<b>(1,102)</b>		<b>(354)</b>		<b>(139)</b>		<b>(393)</b>		<b>(460)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

**15. DEFINED BENEFIT PENSION (Continued)**

Analysis of the amount charged through the Statement of Financial Activities

	2012 €000	2011 €000
<b>(Credit) / Charge to staff costs:</b>		
Current service cost	(55)	(57)
Death in service costs	(6)	(4)
Expected return on pension scheme assets	124	132
Interest on pension scheme liabilities	(136)	(119)
	<b>(73)</b>	<b>(48)</b>

**Actuarial (losses)/gains on Defined Benefit Scheme**

	2012 €000	2011 €000
Actual return less expected return on pension scheme assets	174	(194)
Experience gains arising on the scheme liabilities	(206)	71
Changes in assumptions underlying present value of scheme liabilities	(771)	(77)
	<b>(803)</b>	<b>(200)</b>

**Changes to the fair value of plan liabilities are as follows:**

	2012 €000	2011 €000
Opening value of scheme's liabilities	(354)	(139)
Service cost	(55)	(57)
Other finance income/(costs)	(12)	13
Employer contributions	122	29
Actuarial (loss)/gain	(803)	(200)
<b>Closing value of scheme liabilities</b>	<b>(1,102)</b>	<b>(354)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

**16. DEFINED CONTRIBUTION PENSION**

The Society operates a defined contribution scheme for certain employees. The assets of the scheme are held separately from those of the Society in an independently administered fund. The defined contribution pension charge for the year was €5,525 (2011 : 4,321). The amount owed at the year end was nil (2011 : nil)

**17. OBLIGATIONS UNDER OPERATING LEASES**

	Property €000	Other €000	2012 Total €000	2011 Total €000
The amount payable within the next 12 months on leases expiring:				
Within one year	27	-	27	57
In two to five years	22	-	22	37
After five years	-	-	-	-
<b>Total</b>	<b>49</b>	<b>-</b>	<b>49</b>	<b>94</b>

The Irish Red Cross Society has a number of properties which it sub-leases, where there is no formal lease agreement in place. Therefore the above analysis is an estimate of such leases.

**18. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH(OUTFLOW)/  
INFLOW FROM OPERATING ACTIVITIES**

	Note	2012 €000	2011 €000
Reconciliation of net incoming resources to net cash outflow from operating activities			
Net outgoing resources		(1,659)	(1,214)
Investment Income	4	(98)	(164)
Depreciation charge		456	469
Value of property donated		-	(410)
Increase in stocks		(7)	(30)
Decrease in debtors		299	142
Decrease in creditors		(356)	(329)
<b>Net Cash outflow from operating activities</b>		<b>(1,365)</b>	<b>(1,536)</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

**19. ANALYSIS OF NET FUNDS PER CASH FLOW STATEMENT**

	At 1 January 2012 €000	Cash flow €000	Investment losses €000	At 31 December 2012 €000
Cash at bank and in hand	6,338	(1,608)	-	4,730
Loan due within one year	-	(30)	-	(30)
Loan due after one year	(236)	49	-	(187)
<b>Total</b>	<b>6,102</b>	<b>(1,589)</b>	<b>-</b>	<b>4,513</b>

**20. MOVEMENT IN FUNDS**

	At start of year €'000	Incoming Resources €000	Outgoing Resources €000	Transfers between funds €000	At end of year €000
Restricted Funds	1,903	1,450	(2,161)	(80)	1,132
Unrestricted Funds	8,978	4,663	(6,391)	260	7,508
Designated Funds	603	67	(35)	(200)	435
<b>Total</b>	<b>11,482</b>	<b>6,180</b>	<b>(8,587)</b>	<b>-</b>	<b>9,075</b>

**21. ANALYSIS OF NET ASSETS**

	Restricted €'000	Designated €000	Unrestricted €000	2012 Total €000	2011 Total €000
Tangible assets	-	-	5,600	5,600	5,734
Net Current assets	1,132	435	3,197	4,764	6,338
Creditors: amounts falling due after one year	-	-	(1,289)	(1,289)	(590)
<b>Total</b>	<b>1,132</b>	<b>435</b>	<b>7,508</b>	<b>9,075</b>	<b>11,482</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)

22. CAPITAL COMMITMENTS

	2012 €000	2011 €000
Capital commitments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

23. PROGRAMME COMMITMENTS

	2012 €000	2011 €000
Niger Food Security Programme	28	18
<b>Total</b>	<b>28</b>	<b>18</b>

24. RELATED PARTY TRANSACTIONS

The nature of the Irish Red Cross Societies activities means that it has connections to a number of organizations. However, none of these relationships have the ability to exercise influence or control over the activities of the Irish Red Cross Society.

During the period, the Irish Red Cross Society provided income received from the Department of Defence to the International Federation of Red Cross of €130,000 (2011: €130,000).

During the year, the Irish Red Cross Society reimbursed expenses to Director's amounting to €9,000 (2011: €15,000).

25. POST BALANCE SHEET EVENTS

No significant events have occurred since the balance sheet date which would require adjustments to the amounts as disclosed in the financial statements.

26. COMPARATIVE FIGURES

Comparative figures have been grouped on a consistent basis with the current year presentation.