ILCU International Development Foundation
(A company limited by guarantee not having a share capital)

Annual Report

Financial Year Ended 31 December 2024

Company Number: 144006

CONTENTS

DIRECTORS AND OTHER INFORMATION

Board of Directors

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Ms. Christine Barretto
Ms Margaret Heffernan
Mr Paul Gibbons
Mr Jim Toner

Solicitors

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Sir John Rogerson's Quay
Dublin 2

Secretary and Registered Office

Ms. Grace Kelly
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Dublin 2
D02 VK60

Charity Registered Revenue Number: CHY 9704

Company Registered Number: 144006

Registered Charity Number: 20024314

Bankers

Bank of Ireland
Rathfarnham Shopping Centre
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Independent Auditors

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Dublin 1

DIRECTORS' REPORT

The directors present herewith their report and the audited financial statements for the financial year ended 31 December 2024.

The purpose and mission of the Foundation

The purpose of the ILCU International Development Foundation (the Foundation) is to increase financial inclusion and reduce poverty by supporting sustainable credit unions that empower people and their communities.

The mission of the Foundation is to help alleviate poverty in developing countries by supporting credit unions and their representative bodies as a means for socio-economic development through the provision of financial and technical assistance.

The main strategy employed by the Foundation to achieve this purpose and mission is co-funding long term programmes with developing credit union movements in selected countries.

The Foundation shares the Irish movement's knowledge and experience from within the Irish Credit Union movement with countries keen to develop or initiate their own credit unions. The Foundation uses its experience and expertise to provide an appropriate transfer of skills to our partners, helping them to develop sustainable credit union movements, procedures and practices to alleviate poverty.

The characteristics of this support include:

- Financial and technical support and training provided on a broad range of financial co-operative issues at micro (communities and members); meso (credit unions and apex bodies) and macro (apex bodies and governments) levels;
- Digital Finance and IT Support;
- Capacity building of financial co-operative movements, including apex organisations;
- Maximising aid effectiveness through knowledge management, exchange programmes and the development of local capabilities to deliver technical expertise; and
- Poverty focus and emphasis on poverty reduction is core to the Foundation's programme and partner selection process.

Foundation Strategy 2020-2024

The overall aim of the Strategic Plan (2020-2024) is to continue to improve the quality of the Foundation's work in assisting international credit unions to build financial inclusion and reduce poverty in low income developing countries. The scope of the strategy was agreed by the Board of Directors, and generating the plan involved all staff, local partners, external stakeholders including the Department of Foreign Affairs (DFA) and other key international external funding agencies.

The Foundation's strategy focuses resources into 6 specific areas (highlighted in bold below) to help the Foundation meet its purpose and mission:

- **Working closely with dedicated local partners and credit union movements in the core countries** of Ethiopia and Sierra Leone, we will assist in building an equitable financial environment for all by providing access to affordable and ethical financial services through the credit union model;

- Investment in three specific areas of strategic development that will impact the nature of our work in our partner countries: **Digital Financial Services**; **South-South Technical Assistance** and **Social Impact Measurement;**

- Implementing necessary measures to ensure the sustainability of the organisation as a whole: **Business Development** and **Communications and Fundraising.**

DIRECTORS' REPORT – continued

Progress toward Strategic Priorities 2020 – 2024

1. *Stable and growing movements, with effective structures that offer modern and relevant financial services aligned with members' socio-economic aspirations in Ethiopia and Sierra Leone.*

   Sierra Leone: The Foundation's work currently supports the Sierra Leone credit union movement at all levels - the micro; meso and macro levels. This support is provided with direct financial and technical assistance through the Foundation's implementing office in Sierra Leone, ILCUF Ltd., in partnership with Irish Aid (Civil Society Fund) through the Department of Foreign Affairs (DFA); our Sierra Leonean credit union partner, National Cooperative Credit Union Association (NaCCUA); and German partner DSIK (Deutsche Sparkassenstiftung für Internationale Kooperation).

   Ethiopia: The Foundation's direct work in Ethiopia is at the macro level, where it provides financial and technical assistance for the development of regional apex organisations and appropriate tiered regulation and supervision, in partnership with the Ethiopian government.

   In 2024, IFAD has started supporting this work through the Women's Financial & Economic Empowerment (WF&EE) programme which is being co-funded by DFA. This programme aims to improve women's social and economic status through effective use of SACCO financial services as well as through their active participation in SACCOs at all levels.

2. *Integrate digital financial services into our technical assistance offered to our partners, and all digital services will be driven by an assessment of members' needs and demands.*

   The Foundation has continued to invest in personnel and resources to integrate digital financial service assistance into its support programmes for core countries. In practical terms, in 2024 significant work has taken place with our partner in Sierra Leone including continuing the process of the automation of credit unions. A key long-term focus of this work is that the Foundation will assist with providing the West Africa credit union movements with more sustainable IT solutions.

3. *Building the capacity of local and regional consultants to deliver high quality and effective Technical Assistance through the South-South Technical Assistance (SSTA) programme.*

   In 2024, the SSTA increasingly relied on a small number of dedicated credit union experts to support our work in Ethiopia and Sierra Leone. Their range of work included strategic and technical support, training, partnership building, donor liaison, staff capacity building and assessment. In 2024, ILCUF recruited a southern based team of renowned African credit union specialists from across the continent to support the development of the new WF & EE programme starting in Ethiopia. This will build our portfolio of experts as well as user-friendly resources to support economic growth and empowerment at the grassroots level.

4. *Systematic, regular, and robust impact measurement techniques and tools will be employed to measure the ongoing social, economic and community benefit of credit unions for the communities they serve.*

   In 2024, a rigorous impact assessment was conducted in Sierra Leone by a highly competent national consultant. This built on systematic assessments that have been regularly undertaken over the past 5 years. Baseline indicators for the WF & EE programme were developed over the course of the project design in the current year and encompass measurable indicators at the micro (grassroots), meso (apex organisation) and macro (regulator) levels. This was initiated in Ethiopia and the approach can be applied to other programme countries, Tanzania and Rwanda, in due course.

DIRECTORS' REPORT – continued

Progress toward Strategic Priorities 2020 – 2024 – continued

5. *Develop new and ongoing external business development partnerships with partners and institutional funders who share the missions and goals of the Foundation, notably in respect of poverty alleviation in low-income developing countries, and who respect the social and community focus of the credit union model.*

   The Foundation continues to be highly successful in accessing institutional funding to support its core activities.

   In the current year a major funding project, the Women's Financial & Economic Empowerment (WF&EE) has been signed with IFAD for East Africa which is co-funded by Irish Aid where ILCUF will work with its credit union partners initially in Ethiopia and then expand to Tanzania and Rwanda in 2025. Irish Aid are disbursing this grant to IFAD who are sub-contracting implementation to ILCUF. The budget is for €1.3 million for 3 years, with a potential option to extent to €2.5 million for 5 years.

   The Foundation has also in 2024 signed a new 5-year Memorandum of Understanding with Irish Aid for a DFA co-funded credit union programme 2024-2029 in Sierra Leone worth approximately €1.5 million.

   Opportunities for new funding support streams are being consistently monitored.

6. *Ongoing use of dedicated personnel and effective and strong communication tools and fundraising opportunities to engage with the Foundation's core Irish Credit Union funding base and, increasingly, the wider public, in order to ensure the Foundation has access to the funds needed to provide the planned support.*

   In 2024, the Foundation continued to share the Irish credit union experience to support the development of credit union movements in low-income developing countries. Throughout the year, we engaged with our credit union supporters at various credit union related events and continued to grow our presence online to engage with the wider public.

   Engaging with our credit union supporters is extremely important as we can highlight the impact of their support. In 2024, we attended CUMA's Spring and Autumn conferences, the ILCU AGM and the Ploughing Championships. These in-person events allowed us to directly engage with supporters and non-supporters to discuss our work. An increasing number of credit unions looked to publicise their support of our work, and most visits to credit unions this year was for that sole purpose. This year we also made presentations to a small number of credit union boards - in total we visited over 40 credit unions throughout the year.

   The CU Challenge took place in October and raised over €9,000, and critically it is a highly effective way to raise awareness of the Foundation's work amongst credit union staff. We continue to enhance our communications to display the impact of our work and share across our social channels.

   Annual donations from the Irish credit union movement in 2024 has increased to just over €520,000. This is an increase of about 15% on last year. We have had several former supporters and non-supporters come on board this year, and some supporters increase their donations.

DIRECTORS' REPORT – continued

2024 Highlights - Activities, Impact and Main Accomplishments

Sierra Leone

Overview National Context

Although there have been huge strides and reforms in Sierra Leone since the end of the civil war in 2002, it still suffers from enormous challenges Governance still needs strengthening, and infrastructure, although improved through massive investment by China into main roads, is lacking in most other areas.

The 'Agreement for National Unity' in October 2023 mediated by the African Union, ECOWAS and the Commonwealth has been crucial in maintaining peace in this fractious political environment.

Although Sierra Leone continues to experience the adverse effects of global inflation and tighter monetary policies to manage the impact of the ongoing global crisis, economically growth was surprisingly up in 2023 reaching 5.7%, from 5.3% in 2022 driven by strong industrial performance, mostly in iron ore production, which more than compensated for a slowdown in agriculture and services. The projections for 2024 are less favourable with growth expected to slow to 4.3% for the year due to declining global iron ore prices impacting the mining sector. Inflation continues to be a huge economic challenge and as of November 2024 stood at 15.41%

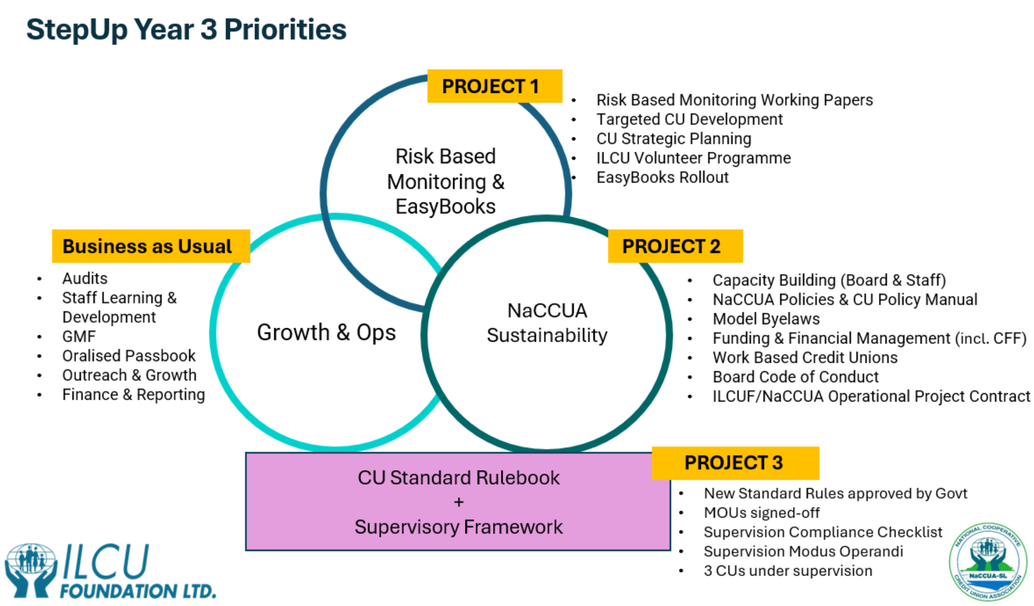
Key Achievements

ILCUF's current Programme (Step Up) in 2024 has the following 4 core areas:

- Business as usual operations (BAU),
- Project 1 – Risk Based Monitoring
- Project 2 – NaCCUA growth and sustainability
- Project 3 – CU Standard Rulebook and Supervisory Framework

Please note in the current year we changed Project 1's name to Risk Based Monitoring as this aligns more closely with the ongoing work and the needs of the credit unions.

Please see diagram below which gives more details on these core areas.



DIRECTORS' REPORT – continued

2024 Highlights - Activities, Impact and Main Accomplishments - continued

Business as usual operations (BAU)

We continued to deliver on the core elements of the programme, such as credit union finance & reporting, knowledge transfer to the CUs, and continued development/rollout of the graduated microfinance (GMF) programme. In addition, ongoing work was performed to increase financial transparency through rigorous audits while building the internal audit service.

EasyBooks is improving the systems and data governance of credit unions by moving credit unions from manual records to system-based records, which has been a key success. We implemented into four more CUs in 2024, Kiss Tongi, UPS, UBCCU and Nyandeyama. We are also conducting a survey to understand the successes and challenges for CU staff in moving to an excel based reporting and accounting system.

GMF has been exceptional in 2024, led by an experienced and committed leader in the ILCUF Freetown team. Over 700 people were trained and joined GMF in CUs running the programme. During the year from the GMF progammes over 1,000 people graduated to full membership into credit unions, a significant amount of our membership growth in 2024. Over 800 members also received financial literacy training across 10 CUs.

Project 1 – Risk Based Monitoring

A highly experienced credit union subject matter expert in the ILCUF Dublin team is leading the support of the Sierra Leonean monitoring team and their coaching of the credit unions. This has been key as we developed and operationalised the more formalised approach of Risk Based Monitoring. Also supporting this monitoring was the categorisation of all CUs into A, B or C depending on financial maturity and operations. This categorisation helped structure the programme plans for 2024 and develop more applicable approaches to each group.

CU Risk based monitoring work papers were developed in Q1 for use in reporting financials, operations, and training impact. They were revised in Q2 for easier practical use and successfully deployed in July 2024. These have helped streamline the process of monitoring the CUs, managing their progression financially and operationally with the aim of improving their categorisation status.

Project 2 - NaCCUA growth and sustainability

A key success this year has been growing the capacity of NaCCUA and recruiting two more roles. There are now 5 staff members and NaCCUA has become more central to all activities and visible to CUs throughout the country, attending 21 AGMS this year.

Internal auditing, although currently conducted by ILCUF, will be transitioned to NaCCUA early in the new Programme. This has had the support of some excellent peer learning from a Gambian credit union leader who trained the department of cooperatives and the ILCUF staff member who will lead this audit service. We see this as a foundational stepping stone to NaCCUA managing services independently in the coming years.

An operational contract was signed by ILCUF and NaCCUA and we set out some of the requirements for NaCCUA to move from a collaborating to an implementing partner, a key focus area of the new Programme. With close monitoring and support from ILCUF Dublin, NaCCUA are making strides towards meeting these prerequisites.

DIRECTORS' REPORT – continued

2024 Highlights - Activities, Impact and Main Accomplishments – continued

Project 3 – CU Standard Rulebook and Supervisory Framework

The Standard Rulebook covering the non-prudential guidelines has been validated by all stakeholders.

The MoUs (which will underpin the CU Supervisory Framework) between NaCCUA, the Central Bank of Sierra Leone and the Department of Co-operatives (DoC) were signed by these key parties in June 2024. The Bank and Registrar granted NaCCUA first-level supervision power to regulate the country's credit unions. Peer learning and support was conducted with a credit union specialist from Ghana that ILCUF have worked with before. Initiating the supervisory board and developing a corresponding checklist in conjunction with NaCCUA and ILCUF staff occurred in Q4, along with the inaugural supervisory visits conducted in 3 pilot CUs.

Ethiopia

Overview National Context

The peace deal signed in late 2022 between the Ethiopian government and Tigray forces has largely held, contributing to relative stability in the northern region. However, security in other parts of the country remains entrenched and problematic. Persistent fighting, particularly in the Amhara region, has widely disrupted economic activities. Overall, more than 2 million people remain displaced due to conflict and food insecurity.

Despite this, Ethiopia's economy rebounded with an estimated growth rate of 6.1% in 2024. This recovery is attributed to agricultural, increased domestic consumption, and investments in infrastructure and manufacturing. Despite the growth, inflation and food inflation remains high, driven by supply chain disruptions and food shortages.

Ethiopia has benefited from significant support from ILCUF in areas such as SACCO regulation, digitalisation of regulatory processes and initiation of the Women's Financial & Economic Empowerment Programme supported by Irish Aid and IFAD. This collaboration involves stakeholders including the Ethiopian Cooperative Commission (ECC), SACCOs, IFAD, and Irish Aid.

Key Achievements

Ethiopia Co-operative Commission (ECC)

The ECC is implementing a prudential inspection system aligned with international standards of PEARLS. Inspections include on-site and off-site evaluations. In 2024, training sessions for inspectors and stakeholder workshops were conducted to enhance capacity.

A new Excel-based data capture system was developed for SACCO regulators to automate the inspection process. The project involved software development, laptop procurement, training, pilot testing and stakeholder feedback. Laptops and software were deployed to ECC regulatory personnel and regional inspectors. Initial training and field testing of the system have been successfully completed. This initiative was kindly co-funded by Electric Aid.

Women's Financial & Economic Empowerment Project (WF&EE)

The WF&EE project aims to empower women by scaling financial products and services tailored to their needs. This is a multi-country programme starting in Ethiopia and extending to Rwanda and Tanzania in 2025. SACCOs have been instrumental in reaching millions of women in Ethiopia through IFAD's major anchor project - the Rural Finance Intermediation Programme (RUFIP) III, and WF&EE project aims to support RUFIP III by enhancing its gender impact.

DIRECTORS' REPORT – continued

2024 Highlights - Activities, Impact and Main Accomplishments – continued

Women's Financial & Economic Empowerment Project (WF&EE) - continued

Planned initiatives in the WF&EE project include capacity building, gender mainstreaming, and the development of gender-responsive financial products. This programme got underway in 2024 with the recruitment of a panel of specialists who will examine gender challenges and opportunities at the micro, meso and macro levels.

Progress in regulation, women's empowerment, and digital transformation positions the programme to achieve substantial impact in the coming years.

Ukraine

The Foundation continued to assist the credit union movement in Ukraine in 2024 by supporting the Ukrainian National Association of Savings and Credit Unions (UNASCU), which is a national credit union apex body. Funding of €40,000 was allocated to UNASCU by the Foundation Board.

With this funding UNASCU to continue to assist the credit unions and their members as the war continues in their country. UNASCU is supporting 61 credit unions with approx. 90,000 members where 16 of the credit unions are in temporary occupied territories.

The funding supported UNASCU to continue their operations to assist their member credit unions, including provision of training and supporting credit unions to adhere to new legislation passed. The funding also supported UNASCU to continue to represent and advocate for the credit union movement.

Staff and Volunteers

The Foundation has an active and growing network of credit union volunteers who support our work by providing technical advice to our partners and promoting/fundraising for the Foundation in Ireland. The Board acknowledge with gratitude the work of its staff and that of its volunteers in 2024. The major achievements during the year are due to the dedication, belief, and commitment of all of these people.

Governing Document

The ILCU International Development Foundation was incorporated on 20 April 1989 and is a company limited by guarantee not having a share capital and having a registered office at 77 Sir John Rogerson's Quay, Block C, Grand Canal Docklands, Dublin 2. The Foundation is exempt from corporation tax. The objects of the Foundation are charitable in nature with established charitable status, (Charity Number CHY 9704 and Charities Regulatory Authority Number 20024314.) All income is applied solely towards the promotion of charitable objectives of the Company.

The Constitution of the Foundation is the fundamental governance document of the Foundation. The Board of the Foundation acts as the governing body. The Board is committed to maintaining the highest standards of corporate governance and full compliance with the Charities Governance Code.

DIRECTORS' REPORT – continued

Appointment of Directors

All five Board members are non-executive directors, with three directors appointed from the Board of the Irish League of Credit Unions (ILCU). The remaining two Director positions are filled from outside the ILCU Board. The Directors, consequently, are from a broad mix of backgrounds, the intention being to have a Board with a wide mix of competencies and qualifications, with a particular emphasis on securing Directors committed to development issues, and those with knowledge and experience of the credit union environment. The Board also recognises the necessity to include on its Board, Directors with other business and financial expertise where possible.

It is Board policy to ensure that the Board refreshes itself on a regular basis. In this regard, directors retire in a manner that ensures that there is continuity of knowledge and expertise on the Board, without permitting Directors to serve for an unduly lengthy period.

Directors' Induction and Training

New directors receive formal induction and are provided with appropriate information relating to the Foundation's affairs, including its financials, policies, strategies, corporate governance, and risk exposures.

Decision Making

There is a clear division of responsibilities between the functions of the Board and those of the Foundation's Senior Management. The day-to-day management of the Foundation is delegated by the Board to the CEO.

The Board is responsible for providing leadership, setting strategy, and ensuring control. Notwithstanding the level of delegation to management, the Board accepts that it has the primary responsibility to ensure that the Foundation is effective and is achieving its strategic objectives consistently.

The Foundation has a clear and defined process for reporting management information to the Board. The Board is provided with regular information, which includes key performance and risk indicators for all aspects of the organisation. The Board meets regularly and otherwise as required with a minimum of six Board meetings annually. The Board cannot, under the governing documents, receive remuneration for services to the Foundation, and may only be reimbursed for approved expenses arising from the fulfilment of their duties as Directors.

Risk Management and Internal Control

The Board recognises and accepts that there are significant risks associated with the operations and activities of the Foundation. They acknowledge that those risks facing the organisation must be identified, monitored, reported on, and managed. The Board accepts the responsibility for ensuring sufficient resources are made available to management to minimise the risk of adverse event occurrences affecting the Foundation's operations, personnel, and beneficiaries. The Board reviewed and updated the Foundation's overall Risk Management Policy in 2023, and all policies are reviewed on a regular and systematic basis. Board policy to update Risk policy is every 3 years.

Detailed risk registers have been established for all key areas of the Foundation's operations – including at Headquarter (HQ), programme, and country-programme level – and key responsibilities within the organisation for the act of updating of identification, monitoring, and reporting of risk have been assigned. Senior management prepares an updated consolidation of all HQ/programme/country-level risk reports which is reviewed and acted upon quarterly by the Board. Detailed programme risk registers are maintained for all Donor funded programmes.

DIRECTORS' REPORT – continued

Risk Management and Internal Control– continued

The Board has identified the following major risks:

- The ongoing risk posed by the sustainability of sufficient income levels from credit union donations and institutional grants. The Board has responded to this risk by putting Business Development and Communications and Fundraising as key strategic priorities in the Foundation's strategy 2020-2024 and committing to provide the resources necessary to ensure income from these two critical sources continues in a balanced way. The Foundation continues to successfully diversify income in 2024, through the CU Challenge and broadening its base of institutional and corporate funders. The Foundation monitors its long-term commitments on an ongoing basis to always ensure adequacy of funding to meet such commitments, and the Board has ensured the Gus Murray Endowment Fund is maintained at levels necessary to ensure this.

- The risk to the safety and security of Foundation personnel is elevated due to the particular economic, social, political, environmental and health environments in which the Foundation operates. The Board acknowledges its duty of care to ensure safe, secure, and sustainable access to these environments, and has committed to adhere to Irish Aid guidelines for NGO professional safety and security risk management. Personnel are explicitly required to comply with all relevant policies, procedures, and guidelines, and to have an active role in ensuring their own safety and security.

- The ongoing risk of difficulties accessing the key personnel to ensure effective and uninterrupted delivery of programmes, and the ability to position those personnel where needed has become more of a challenge due to the general challenges in the labour market. The Foundation's strategy focuses strongly on building local and regional capacity within Africa to provide effective and high-quality technical advice to African credit union movements through the SSTA programme. The continued and improved use of remote working platforms in 2024 has enabled the Foundation to expand access to a wider pool of talent and skills, and to provide greater capacity building support to local staff in core countries, and to improving peer-to-peer support. At all levels, HR measures are being implemented to ensure the recruitment and retention of high calibre, motivated staff.

- There are inherent risks in the management of programmes and flows of funds which must be mitigated by sufficient internal controls and monitoring. Management is charged with ensuring regular reviews of all aspects of programmes, and the Board periodically commissions an external review of the effectiveness of internal controls in the Foundation. The Foundation has also committed to conducting regular internal audits of its international credit union partners. The directors recognise the Board's overall responsibility for the organisation's systems of internal control and for reviewing the effectiveness of these systems. The Board actively oversees the internal control systems of the Foundation to ensure they provide reasonable assurance of identifying and addressing risks adequately; that relevant policies and procedures are consistent with best practice, and that they are regularly reviewed and adopted. The Board has delegated responsibility for the implementation of this system of internal control to management and to executive management of the ILCU Foundation. This system includes financial controls, which enable the Board to meet its responsibilities for the integrity and accuracy of the organisation's accounting records.

In 2024 the Foundation Board completed an annual review of important policies and procedures using its new Annual Governance and Compliance Manual. The Board is also cognisant of the fact that no system of controls and policies and procedures will ever be sufficient to eliminate risk and has undertaken to foster a strong ethical outlook throughout the organisation. The Board has introduced a mandatory Declaration of Conduct and Ethics for all personnel in the Foundation and Implementing Partners of the Foundation to help promote highest standards of ethical behaviour at all levels.

DIRECTORS' REPORT – continued

Financial Instruments, Financial Risk Management Policies and Strategies

As the Foundation relies on its incoming resources and its reserves to finance its operations, its financial instruments are confined to government bonds, a corporate bond fund, short-term deposits, and cash and liquid funds. The Foundation does not trade in derivatives or other complex financial instruments. Furthermore, the Foundation has a formal investment policy for its capital reserves which was updated in 2024, stating that funds can only be invested in 100% capital guaranteed investment products.

The Foundation is exposed to a number of financial risks which are summarised as follows:

- **Credit Risks:** This is the risk that the banks holding the Foundation's current and deposit accounts may not be in a position to repay on the funds deposited. In addition, there is a risk of default in relation to the Foundation's government bonds and corporate bond fund. The Foundation manages this risk by assessing the banks where cash deposits are held, and by monitoring external credit ratings of the relevant banks on a regular basis. The Foundation also engages with its external investment advisor in respect of external credit ratings of its government bond, and the credit ratings of the underlying bonds included in the corporate bond fund.

- **Foreign Exchange Risks:** The Foundation receives the majority of its income in Euro, however significant amounts are received in foreign currencies (mainly Sterling and US Dollars). Where appropriate, these amounts are transferred immediately into Euro, on receipt. The Foundation's overseas programmes are primarily committed in Euro, but a US Dollar balance is maintained to fund US Dollar commitments. Our project partners' activities are currently denominated in two local non-core currencies, and this by its nature may spread foreign exchange risk to the Foundation. However, the risk to the Foundation is currently judged to be minimal and is actively managed and monitored on an on-going basis.

- **Interest Rate Risks:** The Foundation's assets are managed by third parties in line with the Foundation's investment policies. Investment management meetings are held regularly with the Foundation's investment adviser to ensure compliance with the investment policy in place. Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk, as it invests in government bonds and a corporate bond fund.

- **Liquidity Risks:** This is the risk that the Foundation will have temporary deficits in its cash flow in terms of meeting its day-to-day commitments. This arises from timing differences between income flows and expenditure outlays. The Foundation's liquidity is managed by holding deposits on short call notice, and by retaining sufficient designated reserves to cover cash flow requirements. When necessary, the Board can approve the securing of short-term overdraft facilities with the Foundation's bankers; this has not arisen in the current year.

- **Price Risks:** The Foundation is exposed to price risk arising from fluctuations in the value of its government bonds and its corporate bond fund as a result of changes in the market prices and risks inherent in all investments. The risk is managed by the Foundation maintaining an appropriate mix of financial instruments and adopting a conservative investment policy.

Compliance with Sector-Wide Standards

As part of Foundation's efforts to improve its work, the Directors and staff of the Foundation monitor and engage with all legislation, standards and codes which are developed for the sector in Ireland. Currently the Foundation subscribes to the following standards:

- The Charities Act 2009 and the Charities (Amendment) Act 2024
- Charities Governance Code
- Dóchas Code of Conduct on Images and Messages
- Charities Institute Ireland's Triple Lock Standard
- Irish Aid Guidelines for NGO Professional Safety & Security Risk Management

DIRECTORS' REPORT – continued

Compliance with Sector-Wide Standards - continued

The Foundation has reported to the Charities Regulator in 2024 that the Foundation is in full compliance with the Charities Governance Code.

Financial Overview of the Foundation in 2024 and Future Developments

The Directors have voluntarily adopted the Statement of Recommended Practice applicable to charities, preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland Charity SORP (FRS 102).

The Foundation recognised total income of €1,445,682 for the year ended 31 December 2024 (2023: €1,287,714) which includes total realised income of €1,422,240 (2023: €1,217,198). The difference of €23,442 (2023: (€70,516) relates mainly to unrealised gain due to a change in fair value of the investment in government bonds and the Corporate Bond Fund investment. This may not reflect the value which will be available in future because market values change, and it is currently the Foundation's policy to hold such investments to maturity.

Of the total realised income of €1,422,240, the following movements were significant:

- The Irish credit union movement continued to provide important support for the work of the Foundation. Total income from CU and public donations amounted to €543,254 for the year 2024 (2023: €480,998), representing an increase of 13% on 2023. External Funding support for the Foundation work increased to €525,012, due mainly to increased utilisation of Irish government funding and a new grant from the International Fund for Agricultural Development (IFAD) in the current year. The components of external funding are the following:
    - In 2024, the Foundation received Department of Foreign Affairs (DFA) grants totalling €340,000 (2023: €320,000). The total amount of income recognised from DFA grant in 2024 amounted to €381,235 (2023: €320,180) which includes elements of funding received in prior years which are being utilised in this year. Total recognised income for 2024 consists of €324,568 relating to Civil Society Fund (CSF) co-funded programme in Sierra Leone called Step Up 2021-2024 and €56,667 relating to the successor programme 'CUGS' 2024-2027. The Foundation is very grateful to its local partners in Sierra Leone, ILCUF Ltd. and the apex body for Credit Unions in Sierra Leone, NaCCUA, for their ongoing positive engagement and commitment to the shared work in Sierra Leone and in helping to deliver on programme mandates.
    - In 2024, the Foundation received a grant of €438,478 from the International Fund for Agricultural Development (IFAD) relating to the 3 years 'Women's Financial and Economic Empowerment' Programme in East Africa which started in August 2024. The amount of income recognised for this grant in 2024 amounted to €65,801.
- Total DSIK income recognised by the Foundation in 2024 totalled €6,535 and represented a contribution towards Sierra Leone office rent and expenses for the year (2023: €54,845).
- The Foundation recognised income of €10,000 in 2024 from Electric Aid for our Data Capture project in Ethiopia.
- Corporate funders generously contribute to the work of the Foundation and €61,441 was recognised as income in 2024 (2023: 55,000). Included in corporate donations income in 2024 is a donation of €55,000 from ECCU Assurances DAC (2023: €55,000).

Overall expenditure marginally increased to €1,261,625 (2023: €1,250,264)

1. Expenditure on charitable activities amounted to €1,215,907 (2023: €1,205,552) with major projects in Ethiopia and Sierra Leone benefitting primarily from this support.
2. Smaller scale support for non-donor funded projects was made to Ukraine.
3. Expenditure on raising funds was €45,718 (2023: €44,712).

All risks and developments, including those related to inflation and regional conflicts, will continue to be monitored on an ongoing basis in all programme countries and internationally and flexible, results-oriented, responsive adaptive programming will be used to mitigate any issues identified.

DIRECTORS' REPORT – continued

Financial Overview of the Foundation in 2024 and Future Developments - continued

Reserves and Financial Position

The Foundation is committed to a strategy that ensures that the Foundation's reserve levels are sufficient, and that the organisation has a strong financial capital to maintain its current activities and grow in the future. The Board review the level of reserves annually.

The reserves of €2,684,577 at 31 December 2024 (2023: €2,500,520) are detailed in note 17 of the Financial Statements and are classified into three categories:

- The Gus Murray Memorial Endowment Fund of €2,000,000 (2023: €2,000,000) is a permanent endowment fund and was established as a memorial to Mr. Gus Murray. Its sole objective is to ensure funding obligations to the Foundation's existing credit union projects are met. In 2015, the Board approved an additional objective for the Fund that its annual investment income will be used to support the ongoing development programmes of the Foundation. In order for this to be achieved on a sustainability basis, the Board completed an in-depth review and agreed to increase the size of the Fund to €2 million and cap it at that figure. This was achieved in 2016 and the Fund's annual net realised income earned is utilised as an additional source of funding for development programmes. In the event of project funding shortages, to further the objectives of the Foundation, the Board have agreed that funds can be moved from the Gus Murray Fund, however the €2 million balance would be restored in due course.
- Restricted Reserves amounting to €331,000 (2023: €137,000) are unrestricted funds which have been transferred to restricted reserves to meet co-funding contractual obligations with institutional donors.
- Unrestricted Reserves amounting to €353,577 (2023: €363,520) which are funds that relate to unspent incomes, which were given without any restrictions, expressed or implied as to how they may be applied. These reserves are classified as 1) Designated funds €272,300 (2023: €314,000) which are unspent unrestricted incomes which the Board wishes to designate for specific purposes appropriate to the mission and strategic priorities of the Foundation and 2) General (Free) Reserves €81,277 (2023: €49,520) which are the residual unrestricted funds available to the Foundation for general financial purposes in 2025.

Political Contributions

There were no political contributions in the year ended 31 December 2024, and as a result no disclosures are required under the Electoral Act 1997.

Events since the End of the financial year

There have been no significant events affecting the Foundation since the year end.

Research and Development

The Foundation did not engage in any research and development during the year.

DIRECTORS’ REPORT – continued

Transactions Involving Directors

There were no contracts in relation to the affairs of the Foundation in which the Directors had any interest, at any time during the year ended 31 December 2024.

The names of the persons who were Directors at any time during the year 31 December 2024 are set out below. Unless otherwise stated indicated they served as Directors for the entire year:

Mr. Eamonn Sharkey

Ms. Christine Barretto

Mr. Jim Toner

Ms. Margaret Heffernan

Mr. Paul Gibbons

Business Review

The income and expenditure for the year and the appropriation there of are set out in the Statement of Financial Activities on page 21.

Going Concern

Management have prepared cash flow forecasts for the Foundation based on committed grant income, cash at bank and ongoing credit union contributions. The Directors are satisfied based on the review of these forecasts that the Foundation has adequate resources to continue for at least twelve months from the date of approval of these financial statements and it is appropriate to adopt the going concern basis in the preparation of the financial statements.

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the Foundation’s statutory auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Foundation’s statutory auditors are aware of that information.

DIRECTORS' REPORT – continued

Accounting records

The measures taken by the directors to secure compliance with the Foundation's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at 77 Sir John Rogerson's Quay, Block C, Grand Canal Docklands, Dublin 2, D02 VK60.

Auditors

KPMG are the auditors for the year end 31 December 2024. Following the completion of the 2024 year end audit process by KPMG, Mazars will assume the role for the financial year ending 31 December 2025 as they were appointed as auditors at the ILCU Annual General Meeting on 27 April 2024.

On behalf of the board

Eamonn Sharkey
Director

Jim Toner
Director

14 February 2025

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

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Foundation and of its incoming resources and application of resources including its income and expenditure for that year. In preparing these financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;
• make judgements and estimates that are reasonable and prudent;
• state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
• assess the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
• use the going concern basis of accounting unless they either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and its incoming resources and application of resources including its income and expenditure of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a director's report that complies with the requirements of the Companies Act 2014.

On behalf of the board

Eamonn Sharkey	Jim Toner
Director	Director

14 February 2025

KPMG

Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

Independent Auditor's Report to the Members of ILCU International Development Foundation (A company limited by guarantee not having a share capital)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ILCU International Development Foundation (A company limited by guarantee not having a share capital) ('the Charitable Company') for the year ended 31 December 2024 set out on pages 21 to 35, which comprise the Statement of Financial Activities including Profit and Loss Account, Balance Sheet, Statement of Cash Flows and related notes, including the significant accounting policies set out in note 4.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the Charitable Company's affairs as at 31 December 2024 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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 Charitable Company's ability to continue as a going concern for a period of at least twelve months from the date 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 presented in the Annual Report together with the financial statements. The other information comprises the information included in Directors and Other Information, the Directors Report, Statement of Directors' Responsibilities and Appendix - Gus Murray

Memorial Endowment Fund - Unaudited. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

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

In our opinion the accounting records of the Charitable 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

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

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the Statement directors' responsibilities set out on page 19, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Charitable 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 they either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

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

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

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

Our report is made solely to the Charitable 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 Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

25 February 2025

Brian Medjaou
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING PROFT AND LOSS ACCOUNT
For the financial year ended 31 December 2024

	Unrestricted funds €	Restricted funds €	Endowment funds €	Total 2024 €	Total 2023 €
Income from					
Credit union and public donations	520,166	23,088	-	543,254	480,998
External funding (note 10)	-	525,012	-	525,012	430,025
Investment and interest Income (net)	1,473	-	62,327	63,800	26,025
Unrealised gains/(losses) on investments	-	-	23,442	23,442	70,516
Contributed services and facilities (note (11) (a))	290,174	-	-	290,174	280,150
Total	811,813	548,100	85,769	1,445,682	1,287,714
Expenditure on					
Charitable activities (note 11)	(667,807)	(548,100)	-	(1,215,907)	(1,205,552)
Raising funds	(45,718)	-	-	(45,718)	(44,712)
Total	(713,525)	(548,100)	-	(1,261,625)	(1,250,264)
Net income for the year	98,288	-	85,769	184,057	37,450
Transfer between funds	(108,231)	194,000	(85,769)	-	-
Net movement in funds	(9,943)	194,000	-	184,057	37,450
Total funds brought forward	363,520	137,000	2,000,000	2,500,520	2,463,070
Total funds carried forward	353,577	331,000	2,000,000	2,684,577	2,500,520

BALANCE SHEET
As at 31 December 2024

	Notes	2024 €	2024 €	2023 €	2023 €
Fixed assets					
Financial assets	12		1,923,105		1,394,942
Current assets					
Debtors	13	18,087		14,177	
Deposits and investments - cash equivalents		1,589,695		1,529,893	
		1,607,782		1,544,069	
Current liabilities					
Creditors: amounts falling due within one year	14	(846,310)		(438,492)	
Net current assets			761,472		1,105,576
Net assets			2,684,577		2,500,520
The funds of the charity:					
Endowment funds					
Gus Murray Memorial Endowment Fund Reserves	17		2,000,000		2,000,000
Unrestricted funds	17		353,577		363,520
Restricted funds	17		331,000		137,000
Total charity funds			2,684,577		2,500,520

The notes on pages 24 to 35 are an integral part of these financial statements.

The financial statements on pages 21 to 23 were authorised for issue by the board of directors on the XX February 2025 and were signed on its behalf.

On behalf of the board

Eamonn Sharkey
Director

Jim Toner
Director

14 February 2025

STATEMENT OF CASH FLOWS
Financial Year Ended 31 December 2024

	Note	2024 €	2023 €
Net cash provided by/(used by) operating activities	16	500,725	(127,310)
Cash flows from investing activities			
Interest received and similar income (net)		63,800	26,025
Net increase in financial assets- debt securities		(504,723)	(251,992)
Net decrease in deposits and investments – other		-	-
Net cash used in investing activities		(440,923)	(225,967)
Net increase/(decrease) in cash and cash equivalents in the year		59,802	(353,277)
Cash and cash equivalents at 1 January		1,529,893	1,883,170
Cash and cash equivalents at 31 December		1,589,695	1,529,893
Cash and cash equivalents comprise			
Cash		23,869	69,566
Deposits and investments		1,565,826	1,460,327
		1,589,695	1,529,893

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

The mission of the Irish League of Credit Unions International Development Foundation CLG is to help alleviate poverty in developing countries by supporting credit unions and their representative bodies as a means for social-economic development through the provision of financial and technical assistance.

The main strategy employed by the Foundation to achieve this mission is co-funding long term programmes with developing credit union movements in selected countries.

The Foundation is incorporated in the Republic of Ireland under the Companies Act 2014 as a company limited by guarantee not having a share capital under registered number 144006. The Foundation is a registered charity with the Charities Regulatory Authority and meets the definition of a Public Benefit Entity under FRS 102. The address of its registered office is 77 Sir John Rogerson's Quay, Block C, Dublin D02 VK60.

The Foundation regards the Irish League of Credit Unions (ILCU) as its ultimate controlling party. The ILCU is the largest and smallest group of undertakings for which group financial statements are drawn up and of which the Foundation is a member. Copies of the financial statements of the ILCU are available at 77 Sir John Rogerson's Quay, Block C, Dublin D02 VK60.

These financial statements are the Foundation’s separate financial statements.

2 Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014. The financial statements comply with Financial Reporting Standard 102 “The Financial Reporting Standard Applicable in the UK and Republic of Ireland” (FRS 102).

3 Basis of preparation and measurement

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss.

(b) Going concern

Management have prepared cash flow forecasts for the Foundation based on committed grant income, cash at bank and ongoing credit union contributions. The Directors are satisfied based on the review of these forecasts that they have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Foundation’s shareholders. In these financial statements, the Foundation has taken advantage of the following exemptions:

i. from the financial instrument disclosure requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A of FRS 102.
ii. from the related party disclosure of transactions under Section 33 of FRS 102 with the parent undertaking, Irish League of Credit Unions and with wholly owned subsidiaries within the Irish League of Credit Unions Group.

NOTES TO THE FINANCIAL STATEMENTS

4 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The significant accounting policies adopted by the Foundation are as follows:

(a) Incoming resources

Credit union and public donations
Voluntary income, primarily derived from credit unions, which provides core funding to the Foundation and is recognised when received. However, income recognition may be deferred if there are future specific conditions attached to the donation which have not yet been met.

External Funding

i. **Institutional funding**
Income from government and other institutional donors' contracts or grants (whether "capital" grants or "revenue" grants), is recognised when the Foundation has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received, and the amount can be measured reliably.

ii. **Other funding**
Income from corporate donations and grants which are recognised when the Foundation has received the funds, and any performance conditions attached to the donation or grant have been met.

Interest receivable
Interest on funds held on deposit is included when receivable and the amount can be reliably measured by the charity; this is normally upon notification of the interest payable by the bank.

Realised gains and losses
Realised gains and losses, being the difference between the net sale proceeds and the cost of acquisition, are included in the Statement of Financial Activities as investment income.

Unrealised gains and losses
Unrealised gains and losses, being the difference between the market value at the end of the financial year and the market value at the beginning of the financial year or date of purchase if later, as adjusted for the reversal of unrealised gains and losses recognised in earlier accounting periods which are now realised, are included in the Statement of Financial Activities.

Contributed Services and Facilities
Contributed services and facilities are recognised as income in the period in which the Foundation has derived the economic benefit from those services and facilities and that economic benefit can be measured reliably on the basis of the value of the gift to the charity (which is deemed to be the amount the Foundation would have been willing to pay to obtain those professional services on the open market). A corresponding amount is then recognised in expenditure in the same period.

Classification of Funds
All transactions of the organisation have been recorded and reported as income into or expenditure from funds which are designated as "restricted", "endowment" or "unrestricted".

Income is treated as restricted where the donor has specified that it may only be used for a particular purpose and there are restrictions imposed on the treatment of any related surpluses. All other income is treated as unrestricted. Expenditure is treated as being made of restricted funds to the extent that it meets the criteria specified by the donor. All other expenditure is treated as unrestricted.

NOTES TO THE FINANCIAL STATEMENTS

4 Summary of significant accounting policies – continued

(a) Incoming resources - continued

Classification of Funds – continued

The balance of the restricted funds at year end represents the asset held by the Foundation for particular purposes specified by the donor. The balance of the unrestricted funds at year end represents the assets held by the Foundation for general use in furtherance of its objectives. Endowment fund represents amounts held in investments for the purpose of allowing the Foundation, in an orderly manner phase down funding to its partners over a number of years, where there is a sudden cessation of the Foundation activities. Annual income from these principal amounts are being utilised as an additional source of funding for Foundation programmes.

(b) Foreign currencies

(i) *Functional and presentation currency*
The Foundation's functional and presentation currency is the euro, denominated by the symbol "€".

(ii) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Gains and losses arising from foreign currency transactions and on settlement of amounts receivable and payable are dealt with in the Statement of Financial Activities.

(c) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

4 Summary of significant accounting policies – continued

(d) Employee Benefits

The Foundation provides a range of benefits to employees, paid holiday arrangements and facilitates a revenue-approved Personal Retirement Savings Account (PRSA) scheme for employees.

Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(d) Expenditure

Charitable activities
Charitable activity expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises all those directly attributable costs - at Headquarter and country programme level - required to provide financial and technical assistance including consultancy fees, salaries, travel costs, accommodation costs, subsistence costs etc. These costs are recorded by specific activity and disclosed by country in note 11.

In addition, the ILCU, the Foundation's parent undertaking, has contributed certain administrative and professional services and facilities to the Foundation. The fair value of these costs has been estimated and are allocated on a pro rata basis to the charitable activities by country.

Governance costs relating to Board and compliance costs and Support costs relating to administrative and charitable activity support have also been allocated on a pro rata basis to the charitable activities by country.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Raising funds
Raising funds comprises all expenditure incurred directly by the Foundation on raising funds for the organisation's charitable activities. The related expenditure is recognised in the period in which it is incurred.

(e) Related party transactions

The Foundation discloses by way of a note to the financial statements any transactions with related parties which are not wholly owned with the same group.

(f) Reserves policy

Unrestricted funds are general funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity or which have been designated by the directors for specific purposes out of unspent unrestricted income in the period.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which are funds the Foundation is contractually obliged to provide from its unrestricted income reserves under a co-funding arrangement with an institutional donor.

Endowment fund is funds which are held as capital and intended to be held indefinitely.

(g) Financial Instruments

The Foundation has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

4 Summary of significant accounting policies – continued

(g) Financial instruments – continued

i. Financial assets

Trade and other debtors
Trade and other debtors are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Subsequent to initial recognition, trade and other debtors and cash and cash equivalents are measured at amortised cost less any impairment losses. Financial assets from financing arrangements cannot be measured at amortised costs, these are discounted.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

Investments
Investments in Government Bonds is carried at quoted market value on the active market at bid price. The investment in the Collective Investment Scheme is based on a Net Asset Value (NAV) that is published on a daily basis.

Subsequent to initial recognition, these investments are measured at fair value with changes recognised in profit or loss. Fair values are determined at prices quoted in active markets.

Impairment of Financial Assets
At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in the Statement of Financial Activities. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS

4 Summary of significant accounting policies – continued

(g) Financial instruments – continued

ii. Financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, and loans from fellow group companies, are subsequently carried at amortised cost.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

ii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

5 Critical judgments in applying the company's accounting policies

Estimates and judgements made in the process of preparing the Foundation financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements.

i. Charitable expenditure

The Foundation has a number of charitable expenditure obligations. Accruals are recognised based on the estimated cash flow expected to be required to settle the Foundation's obligation under these constructive obligations and commitments. Judgements are used in determining the timing and level of expenditure to be recognised.

ii. External Funding income recognition

Income is recognised from external funding when the Foundation has (a) entitlement to the funds, (b) any performance conditions attached to the grant or contract are deemed to have been met, (c) it is probable that the income will be received and (d) the amount can be measured reliably. Some judgements are applied when determining whether all conditions have been met. The income may be deferred in such instances.

6 Group membership

The Foundation regards the ILCU as its ultimate controlling party. The ILCU is the largest and smallest group of undertakings for which group financial statements are drawn up and of which the Foundation is a member. Copies of the financial statements of the ILCU are available at 77 Sir John Rogerson's Quay, Block C, Dublin D02 VK60.

NOTES TO THE FINANCIAL STATEMENTS

7 Income

	2024 €	2023 €
Analysis of turnover by category:		
Unrestricted funds	811,813	734,839
Restricted funds	548,100	457,707
Endowment funds	85,769	95,168
	1,445,682	1,287,714

8 Net incoming resources for the year before other recognised gains and losses

Net incoming resources for the year before other recognised gains and losses is stated after crediting/(charging) the following:

	2024 €	2023 €
Foreign exchange gains	23,863	6,016

There is no auditors' remuneration in respect of the Foundation. The auditor's remuneration for the consolidation of the ILCU Group is borne by the ILCU.

9 Taxation

No taxation charges are provided in the financial statements as the Foundation has been granted charitable status and accordingly is not subject to tax.

10 External funding

	2024 €	2023 €
Department of Foreign Affairs and Trade -Irish Aid – Step Up Project	324,568	320,180
Department of Foreign Affairs and Trade -Irish Aid – CUGS Project	56,667	-
International Fund for Agricultural Development (IFAD) – WFEE Project	65,801	-
DSIK (Deustche Sparkassenstiftung für Internationale Kooperation)	6,535	54,845
Electic Aid	10,000	-
Corporate Donors	61,441	55,000
	525,012	430,025

NOTES TO THE FINANCIAL STATEMENTS

11 Cost of charitable activities

Grants and associated costs for the year were made up as follows:

	2024 €	2023 €
Ukraine	54,494	29,499
Ethiopia	233,024	233,770
Gambia	-	32,593
Sierra Leone	928,389	895,030
Turkey / Syria	-	14,217
Other countries	-	443
	1,215,907	1,205,552

(a) Contributed services and facilities:
The ILCU, the Foundation's parent undertaking, has contributed certain professional services and facilities to the Foundation. The value of this gift of €290,174 (2023: €280,150) has been recognised in income and a corresponding amount has been recognised in expenditure within charitable activities. Contributed professional services and facilities have been allocated to charitable activities on a pro rata basis where applicable.

(b) The following costs have been allocated to charitable activities on a pro-rata basis:

- Governance costs €19,581 (2023: €13,956) relating to Board and compliance costs.
- Support costs €37,122 (2023: €31,444) relating to administration and charitable activity support costs.

12 Financial assets

	Market value 2024 €	Cost 2024 €	Market value 2023 €	Cost 2023 €
Debt securities – Irish Government Bond	483,305	500,000	477,507	500,000
Debt securities – France Government Bond	289,007	300,000	250,573	252,000
Collective Investment Scheme	701,448	751,108	666,862	751,108
Debt securities – Germany Government Bond	449,345	445,000	-	-
	1,923,105	1,996,108	1,394,942	1,503,108

Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction.

NOTES TO THE FINANCIAL STATEMENTS

13 Debtors

	2024	2023
	€	€
Amounts falling due within one year:		
Other debtors	18,087	14,177
	18,087	14,177

14 Creditors – amounts falling due within one year

	2024	2023
	€	€
Accruals	63,289	8,270
Amounts owed to parent	77,246	39,489
Deferred income	705,776	390,733
	846,310	438,492

Amounts owed to parent are unsecured, interest free and are repayable on demand.

Included in accruals above is €20,000 (2023: €0) of committed charitable expenditure which will not be payable until the recipient has met with the conditions set down by the Foundation.

15 Commitments

As at 31 December 2024, the Foundation has no commitments other than those included in creditors in the financial statements.

16 Note to the cash flow statement

	2024	2023
	€	€
Income for the year	184,057	37,450
(Increase)/Decrease in debtors	(3,911)	23,241
(Decrease)/Increase in creditors	407,821	(91,462)
Unrealised losses on investments	(23,442)	(70,516)
Investment and interest income (net)	(63,800)	(26,025)
Net cash (outflow)/inflow from operating activities	500,725	(127,310)

17 Analysis of Funds

	Endowment fund movement	Unrestricted fund movements	Restricted fund movements
	€	€	€
Opening balance at 1 January 2024	2,000,000	363,520	137,000
Incoming resources	85,769	811,813	548,100
Resources expended	-	(713,525)	(548,100)
Transfer between funds	(85,769)	(108,231)	194.000
Closing balance at 31 December 2024	2,000,000	353,577	331,000

NOTES TO THE FINANCIAL STATEMENTS

18 Employees and directors

	2024 €	2023 €
Staff costs		
- wages and salaries	309,830	245,002
- social insurance costs	34,020	26,272
- pension costs	11,312	8,421
	355,162	279,695

The staff costs are recorded by specific charitable expenditure activity and disclosed by country with other related expenditure in note 11.

The average number of full-time equivalents (FTEs) employed in the Foundation during the year was:

	2024 Number	2023 Number
Project Support	5	5

	2024 Number	2023 Number
€60,000 - €70,000	1	0
€70,000 - €80,000	0	1
€80,000 - €90,000	1	0
€90,000 - €100,000	0	0
€100,000 - €110,000	1	1
Total	3	2

The 3 staff members earning more than €60,000 are senior personnel providing significant key management services to the Foundation and one of these is an ILCU employee.

As our international Credit Union partners have stated that technical advice and training is the most useful assistance the Foundation is providing a significant element of our support in the form of human resources.

None of the directors received any emoluments during the current year or prior year.

The Foundation provides access to a revenue approved PRSA and contribute a percentage of an employee's salary to the PRSA under certain conditions.

19 Financial Risk Management

The Foundation is exposed to a range of financial risks. The risks that the Foundation primarily faces due to the nature of its charitable activities and investment activities are market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Foundation does not use derivatives.

Fair value
Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction. Fair values are determined at prices quoted in active markets. The Foundation has an investment in a French Government bond, a German Government bond and an Irish Government Bond which is carried at quoted market value on the active market at bid price. The investment in the Collective Investment Scheme is based on a Net Asset Value (NAV) that is published daily. The Foundation's remaining investments are in cash and deposits which are carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

19 Financial Risk Management - continued

(a) Market risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates, and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

The Foundation's risk management objectives which aim to minimise exposure to market risk in line with the overall risk appetite framework are:

- To adopt a conservative approach to investments and seek to safeguard the value of the funds:
- Hold sufficient investment values and investment liquidity to ensure all charitable expenditure commitments are met as they fall due;
- Ensure that there are appropriate policies and strategies in place including concentration risk management, counterparty risk management, and asset liability risk management to meet this objective; and
- Manage investment assets risk profile.

The Foundation has established policies and procedures in order to manage market risk and methods to measure it.

There were no changes to the Foundation's objectives, policies, and processes for managing market risk.

(i) Currency risk

The Foundation receives the majority of its income in Euro however significant amounts are received in foreign currencies (mainly Sterling and US Dollars). Where appropriate these amounts are transferred immediately into Euro on receipt. The Foundation's overseas programmes are primarily committed in Euro, but a US Dollar balance is maintained to fund US Dollar commitments.

Our project partners' activities are currently denominated in three local non-core currencies and this by its nature may spread foreign exchange risk to the Foundation. However, the risk to the Foundation is currently judged to be minimal and is actively managed and monitored on an on-going basis.

(ii) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk as it invests in a French Government Bond, a German Government Bond, and an Irish Government Bond and a Corporate Bond Fund. The Foundation's assets are managed by an external investment manager in accordance with a conservative investment mandate. Investment management meetings are held regularly with the Foundation's investment adviser to ensure compliance with the investment policy in place.

(iii) Price risk

The Foundation is exposed to price risk arising from fluctuations in the value of financial instruments as a result of changes in the market price of its investment in a French Government Bond, a German Government Bond, and an Irish Government Bond and the investment in a Corporate Bond fund. The risk is managed by the Foundation maintaining an appropriate mix of financial instruments and adopting a conservative investment policy.

NOTES TO THE FINANCIAL STATEMENTS

19 Financial Risk Management - continued

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Foundation. The Foundation is exposed to the risk that the banks holding the Foundation's current and deposit accounts may not be in a position to repay on the funds deposited. The Foundation manages this risk by assessing the banks where cash deposits are held and by monitoring external credit ratings of the relevant banks on a regular basis.

The Foundation is also exposed to credit risk in respect of its investment in a French Government bond, a German Government Bond, and an Irish Government Bond and the investment in a corporate fund. The Foundation manages this risk by reviewing the credit ratings of the government bonds and the corporate fund in conjunction with the external investment advisors.

Trade and other debtors are also exposed to credit risk. The Foundation monitors collection of amounts receivable.

There were no changes in the Foundation's credit risk exposure in the financial year nor to the objectives, policies, and processes for managing credit risk.

The carrying amount of financial assets recorded in the financial statements, represents the Foundation's maximum exposure to credit risk.

(c) Liquidity risk

This is the risk that the Foundation will have temporary deficits in its cash flow in terms of meeting its day-to-day commitments. This generally arises from timing differences between income flows and expenditure outlays. The Foundation's liquidity is managed by holding deposits on short call notice, and by retaining sufficient designated reserves to cover cash flow requirements. When absolutely necessary, the Board can approve the securing of short-term overdraft facilities with the Foundation's bankers; this has not arisen in the current or prior year.

There are risks associated with cash flows, particularly where the economic situation has the potential to reduce the amount or timing of income from voluntary contributions. The Foundation is sensitive to the reality that cash flows can lag behind associated programme expenditure, and the reserves policy of the Foundation is structured to ensure that unrestricted reserves are brought to a sufficient level to act as a cushion against any such cash flow sensitivities.

Details of the Foundation's going concern assessment is included in note 3.

20 Post Balance Sheet events

There have been no significant events between the Balance Sheet date and the date on which the financial statements were approved by the Board which would require adjustment to the financial statements or any additional disclosures.

21 Approval of Financial Statements

The financial statements were approved by the directors on 14 February 2025.

APPENDIX - GUS MURRAY MEMORIAL ENDOWMENT FUND - unaudited
Financial Year Ended 31 December 2024

	2024 €	2023 €
Revenue account		
Investment (Expense)/Income (net)	85,767	95,168
Total (Expense)/Income	-	-
(Loss)/Profit for the year	85,767	95,168
Transfer to unrestricted funds	(85,767)	(95,618)
	-	-
Balance sheet		
Assets		
Investments- Debt Securities	750,273	750,273
Investments- Corporate Bond Fund	751,108	751,108
Cash equivalents	498,619	498,619
Deposits		-
	2,000,000	2,000,000
Financed by		
Reserves	2,000,000	2,000,000