

Twinning the Kingdoms Limited T/A Action Lesotho
(A company limited by guarantee, without a share capital)

Directors' Report and Financial Statements

for the year ended 31 December 2015

Patricia Power & Co
Chartered Accountants and Registered Auditors
Bridge Street
Bantry
Co. Cork

Company Number: 441748

Twining the Kingdoms Limited T/A Action Lesotho

(A company limited by guarantee, without a share capital)

CONTENTS

	Page
Directors and Other Information	3
Chairman's Report	4 - 5
Directors' Report	6 - 7
Directors' Responsibilities Statement	8
Independent Auditor's Report	9
Income and Expenditure Account	10
Balance Sheet	11
Notes to the Financial Statements	12 - 14
Supplementary Information on Income and Expenditure Account	16

Twining the Kingdoms Limited T/A Action Lesotho

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DIRECTORS AND OTHER INFORMATION

Directors	Paul Hanrahan Clare Heardman Colleen O'Kane Rita Kelly (Resigned 27 August 2015) David Buttimer Jacqui O'Riordan Brian O'Flaherty Diane Foord Eileen Coates
Company Secretary	David Buttimer
Company Number	441748
Registered Office	32 The Mall Tralee Co. Kerry
Auditors	Patricia Power & Co Chartered Accountants and Registered Auditors Bridge Street Bantry Co. Cork
Bankers	Bank of Ireland Castle Street Tralee Co. Kerry

CHAIRMAN'S REVIEW OF THE YEAR 2015.

The past year was one in which many of our projects matured into a very satisfactory level of performance, where we are having a real and lasting impact on people's lives. I visited Lesotho in January 2016, and I was absolutely delighted with the amount of activity going on, and the level of energy, commitment and ability being displayed by our amazing team of personnel.

1. Humanitarian Relief:

(a) HIV/AIDS: Our Malimpho program of food and nursing care for seriously ill AIDS patients, delivered by our nurse, 'M'e Makamahole Futho, enabled 10 patients to recover sufficiently to exit the program, and we helped them to take up employment or self-employment. Sadly three patients died during the year, two of whom came to us too late in their illness for our help to be effective. We cater for 40 patients at a time, and every vacancy is immediately filled, such is the demand for our services. Regretfully we must report that the rate of new HIV/AIDS infections in Lesotho does not seem to be abating.

(b) Orphans & Vulnerable Children: During 2015 we provided the following services for orphans and vulnerable children:

- Week-end meals and activities for 70 - 80 children.
- Pre-school program for 10 - 20 children.
- Homework club for 35 - 40 children.
- Month-long program of activities, academic support and meals for 53 children during winter holidays.
- Out-reach delivery of monthly food parcels to 53 children who cannot attend at our centre.

In the December newsletter we appealed for funding to provide breakfast for children who would otherwise go to school hungry, with the objective of improving their nutrition and helping them perform better at school. Thanks to a very generous response, we were able to start this "Breakfast Club" in late January 2016, and have over 70 children enrolled.

In addition to providing meals for the orphans and vulnerable children, we use every engagement with them as an opportunity to improve their life chances by encouraging recreational, artistic and academic activities, and by applying the four "Aistear" themes of Exploring & Thinking; Identity & Belonging; Communication; and Well-being. This approach is showing results in better behaviour, improved school performance and more self-confidence among the children. I would like to pay tribute to our staff who have trained themselves in these techniques, and delivered them so effectively and enthusiastically.

2) Enterprise Development: Action Lesotho's main focus is on helping to break the cycle of poverty in Lesotho, and the key to this is in the creation of self-sustaining enterprises and employment. We have identified craft enterprises as an area with real potential for growth, and a large part of our resources are focussed on helping individual craft producers to improve the quality of their products, and increase their output of crafts which will sell profitably on the domestic and export markets. We are working closely with the Basotho Enterprise Development Corporation (BEDCO) and the Lesotho Tourism Development Corporation (LTDC) to provide training in the necessary design, production and marketing and organisational skills to develop the national craft industry to its potential. In July 2015 Irish Aid agreed to provide a very substantial level of grant-aid to this project over the next 3 years, and over the last 6 months we have recruited and trained a number of specialist staff to deliver this training, and the follow-up mentoring which

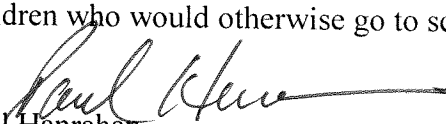
is a vital part in moving craft producers from start-up to becoming a successful, profitable business.

3) Training of Unemployed Adults: In 2015 we ran basic literacy and numeracy courses for unemployed adult males, and facilitated them to move on to a carpentry course run by BEDCO. We ran a similar course for unemployed females, and include catering and sewing machine operating, as well. The latter course proved so popular that we had to move it from Ha Majele to our Craft Enterprise Centre at Phukalla, where we have installed a range of machines and are training 50 trainees at a time, with a high rate of subsequent employment in the clothing factories around Maputsoe.

4) Agriculture: The past year has been the most difficult for agriculture in a decade. Lack of rainfall during the critical January-February growth period meant that 2015 crop yields were very poor. This was followed by a longer and more severe drought throughout southern Africa from August to January, which meant that many crops could not be planted, and those that were have failed. Our own farm has not escaped the impact of the drought; we could not plant any maize, and the sorghum crop will be fit only for animal fodder. However, our farm team have made the most of the limited land around our farm centre at Phukalla, to plant and irrigate a vegetable garden. Temperatures of over 40 degrees mean that water evaporates as soon as it hits the ground, so they have installed netting to minimise this. The vegetables are supplied to our feeding programmes, and there is a ready market for any surplus. We are investigating how we can help our neighbouring farmers who are struggling to grow any crops, by supplying netting and water to them where possible.

5) Outlook for 2016: I have no doubt that our projects will make further progress in 2016. The one shadow on the horizon is the effect of the drought, which will cause widespread crop failure, and an inevitable rise in food prices. Many families who are lucky to get even one meal a day will struggle to survive. We expect that the number of children needing extra nutrition will grow dramatically, as will the demand for our services. Action Lesotho will respond to this emergency in every way possible.

6. Financial Review: The year 2015 saw a satisfactory consolidation of our finances, with our accounts showing a small surplus of Income over Expenditure, and healthy reserves of over €62,000 at year end. It is the policy of the Board to hold reserves equivalent to around 4 month's expenditure, in order to fund the organisation during periods of weak or unpredictable cash flow, and to be in a position to meet emergencies when they arise. We must thank all our generous donors, particularly the IMPACT Trade Union which contributed €50,000 as part of a 5-year program of support, and Irish Aid who provided €63,000 as part of a new 3-year program of grant-aid for our Enterprise Development projects starting in July 2015. We are grateful, too, for the continuing support of other regular donors, including Citywire (UK), Arrabawn Co-op, Bantry Friends of Lesotho and the Dochas Drama group from Killarney. But particular thanks must go to that cohort of individual donors, who supported us in record numbers in 2015, and responded so generously to our appeal for funding to enable us to provide breakfast for orphans and vulnerable children who would otherwise go to school hungry.


Paul Hanrahan,
Chairman.

Twinning the Kingdoms Limited T/A Action Lesotho

(A company limited by guarantee, without a share capital)

DIRECTORS' REPORT

for the year ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Principal Activity and Review of the Business

The company's objects and principal activities are the provision of humanitarian and development aid to the Kingdom of Lesotho.

The Company is limited by guarantee not having a share capital.

The company is a charitable organisation, incorporated under the Companies Act 2014. The company was established under a Memorandum of Association which established the objects and powers of the company, and is governed under its Articles of Association and managed by a Board of Directors.

The company has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No. CHY17838.

There has been no significant change in these activities during the year ended 31 December 2015.

Principal Risks and Uncertainties

The directors have identified that the key risks and uncertainties the Charity faces relate to the risk of a decrease in the level of donations and the potential increase in compliance requirements in accordance with company, health and safety, taxation and other legislation.

The company mitigates these risks as follows:-

- The charity continually monitors its level of activity, and prepares and monitors its budget targets and projections. The charity has a policy of maintaining significant cash reserves and it has also developed a strategic plan which will allow for the diversification of funding and activities.
- The charity closely monitors emerging changes to regulations and legislation on an ongoing basis.
- The charity continually seeks new sources of long-term funding from private sector companies and government organisations.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of volunteers, clients and visitors to the bookshop.

Directors

The directors who served throughout the year, except as noted, were as follows:

Paul Hanrahan
Clare Heardman
Colleen O'Kane
Rita Kelly (Resigned 27 August 2015)
David Buttimer
Jacqui O'Riordan
Brian O'Flaherty
Diane Foord
Eileen Coates

In accordance with the Articles of Association, the directors retire by rotation and, being eligible, offer themselves for re-election.

Future Developments

The company plans on continuing the activity outlined above in the forthcoming years subject to satisfactory funding arrangements. The company intends to continue fund raising and raising awareness of their organisation.

Post Balance Sheet Events

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

Auditors

The auditors, Patricia Power & Co, have indicated their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

Twining the Kingdoms Limited T/A Action Lesotho

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DIRECTORS' REPORT

for the year ended 31 December 2015

Financial Results

The financial results of the company are set out on page 8.

The financial situation of the company has been strengthened by the generosity of the IMPACT trade union, which agreed in 2014 to donate €50,000 per annum for five years, starting from July 2014.

Irish Aid: Irish Aid have agreed funding for a three-year program relating to the development of the craft industry in Lesotho, commencing 1st July 2015. The first instalment of €63,000 was received on 25th June 2015. The only other contributor to this development project was Citywire (U.K.) Ltd., who agreed three-year funding of Stg£5,000 per annum, the first instalment of which (€6,639.73) was received in May 2015. As the Irish Aid grant for this project represents less than 60% of direct project costs, the Citywire contribution does not involve any duplication of funding. Action Lesotho has not onward-granted to a partner or third party any part of the Irish Aid grant. Action Lesotho has not disposed of any asset acquired with Irish Aid funding.

Statement on Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Accounting Records

To ensure that proper books and accounting records are kept in accordance with Sections 281 to 285 of the Companies Act, 2014, the directors have implemented the necessary policies and procedures for recording transactions, and have maintained appropriate computerised accounting systems. The books of account are located at the company's office at 32 The Mall, Tralee, Co. Kerry

Signed on behalf of the board



Paul Hanrahan
Director

8 April 2016



David Buttimer
Director

8 April 2016

Twining the Kingdoms Limited T/A Action Lesotho

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DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2015

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

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (the Financial Reporting Standard for Smaller Entities (effective January 2015) issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland and Irish law). 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 company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

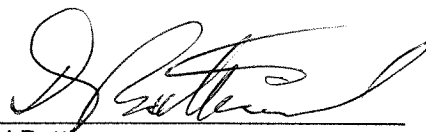
The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board



Paul Hanrahan
Director

8 April 2016



David Buttimer
Director

8 April 2016

INDEPENDENT AUDITOR'S REPORT

to the Members of Twinning the Kingdoms Limited T/A Action Lesotho

(A company limited by guarantee, without a share capital)

We have audited the financial statements of Twinning the Kingdoms Limited T/A Action Lesotho for the year ended 31 December 2015 which comprise the Income and Expenditure Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and the Financial Reporting Standard for Smaller Entities (effective January 2015) issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors, including 'APB Ethical Standard - Provisions Available for Small Entities (Revised)', in the circumstances set out in Note 3 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2015 and of its surplus for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland and in particular with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014.

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by Sections 305 to 312 of the Act are not made.



Patricia Power

for and on behalf of

PATRICIA POWER & CO

Chartered Accountants and Registered Auditors

Bridge Street

Bantry

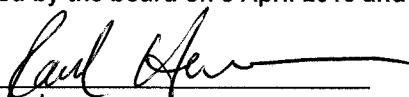
Co. Cork

11 April 2016


Twinning the Kingdoms Limited T/A Action Lesotho
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INCOME AND EXPENDITURE ACCOUNT
 for the year ended 31 December 2015

	Notes	2015 €	2014 €
Income		188,659	121,923
Expenditure		(183,108)	(168,204)
Surplus/(deficit) for the year	8	5,551	(46,281)
Retained surplus brought forward		56,547	102,828
Retained surplus carried forward		62,098	56,547

Approved by the board on 8 April 2016 and signed on its behalf by:



 Paul Hanrahan
 Director



 David Buttmer
 Director

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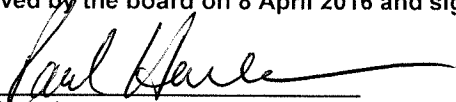
BALANCE SHEET


as at 31 December 2015

	Notes	2015 €	2014 €
Current Assets			
Cash at bank and in hand		63,754	58,583
Creditors: Amounts falling due within one year	5	(1,656)	(2,036)
Net Current Assets		<u>62,098</u>	<u>56,547</u>
Total Assets less Current Liabilities		<u>62,098</u>	<u>56,547</u>
Reserves			
Income and expenditure account	8	62,098	56,547
Members' Funds	9	<u>62,098</u>	<u>56,547</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) relating to small companies.

Approved by the board on 8 April 2016 and signed on its behalf by:


Paul Hanrahan
Director


David Buttimer
Director

Twining the Kingdoms Limited T/A Action Lesotho

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014. They comply with the Financial Reporting Standard for Smaller Entities (effective January 2015) of the Financial Reporting Council, as promulgated by Chartered Accountants Ireland. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Income

Income consists of grants, fundraising and donations, and other funds generated by voluntary activities. These are included in the financial statements when received. Incoming resources have been included in the financial statements only when realised or when the ultimate cash realisation of which can be assessed with reasonable certainty.

Grants

Grants received specifically as a contribution towards capital expenditure are credited directly to the capital fund in the year of receipt. Such grants are amortised to the Statement of Financial Activities on the same basis as the assets are depreciated.

Grant income from Public Sector Bodies / Government Agencies and other sundry sources are either credited when receivable to the Statement of Financial Activities or are deducted from expenses which give rise to the grants. Expenditure grants are credited to the Statement of Financial Activities upon recognition of the associated expense for which the grant was originally received.

Taxation

No charge to current or deferred taxation arises as the charity has been granted charitable status under Section 207 and 208 of the Taxes Consolidation Act 1997, Charity No. CHY17838

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions, during the year, which are denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. The resulting exchange differences are dealt with in the income and expenditure account.

2. GOING CONCERN

The financial statements have been prepared on a going concern basis. The company has positive financial resources and is relying on the continued support of shop income, donations and also grant income. The directors are of the opinion that such financial support will continue for the foreseeable future of twelve months from the date of approval of the accounts, and that it is therefore appropriate to prepare the company's financial statements on a going concern basis.

3. PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature, we use our auditors to prepare and submit tax returns to the Revenue and to assist with the preparation of the financial statements.

Twinning the Kingdoms Limited T/A Action Lesotho

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

continued

4. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive directors) during the year was as follows:

	2015 Number	2014 Number
Employees	1	1

The staff costs comprise:

	2015 €	2014 €
Wages and salaries	19,197	11,041

5. CREDITORS

Amounts falling due within one year

	2015 €	2014 €
Taxation (Note 6)	-	194
Other creditors	1,656	1,842
	1,656	2,036

6. TAXATION

	2015 €	2014 €
Creditors: PAYE	-	194

7. STATUS

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members or within one year thereafter for the payment of the debts and liabilities of the company contracted before they ceased to be members and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required, not exceeding € 1.

8. INCOME AND EXPENDITURE ACCOUNT

	2015 €	2014 €
At 1 January 2015	56,547	102,828
Surplus/(deficit) for the year	5,551	(46,281)
At 31 December 2015	62,098	56,547

9. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2015 €	2014 €
Surplus/(deficit) for the year	5,551	(46,281)
Opening members' funds	56,547	102,828
Closing members' funds	62,098	56,547

Twinning the Kingdoms Limited T/A Action Lesotho

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NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2015

10. CAPITAL COMMITMENTS

The company had no material capital commitments at the year-ended 31 December 2015.

11. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year, other than travel and subsistence paid to directors for travel to Lesotho, details of which are as follows:-

31st December 2015 total - €1,568 (31/12/2014 total - €4,347)

12. POST-BALANCE SHEET EVENTS

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

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 8 April 2016.

TWINNING THE KINGDOMS LIMITED T/A ACTION LESOTHO
(A company limited by guarantee, without a share capital)

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

NOT COVERED BY THE REPORT OF THE AUDITORS

THE FOLLOWING PAGES DO NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

Twinning the Kingdoms Limited T/A Action Lesotho

(A company limited by guarantee, without a share capital)

SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

DETAILED INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2015

	2015 €	2014 €
<u>Income</u>		
Income from bookshop	36,706	39,945
Donations and sponsorship	27,327	16,310
Bantry Friends of Lesotho	10,200	7,800
Fundraising events	-	565
Miscellaneous income	1,426	7,303
Irish Aid grant for coming year	63,000	-
Impact Trade Union grant	50,000	50,000
	<hr/> 188,659	<hr/> 121,923
<u>Expenditure</u>		
<i>Expenditure on Activities in Lesotho</i>		
Funds transferred to Lesotho	126,656	102,589
Exchange rate loss	2,504	-
Wages and salaries	19,197	-
In-country management	8,000	24,000
Fees and flights for craft and enterprise consultants	4,850	7,964
Other flights and travel expenses	2,444	6,871
	<hr/> 163,651	<hr/> 141,424
<i>Costs incurred in Ireland</i>		
<u>A – Operating costs of bookshop</u>		
Wages and salaries	-	11,041
Rent payable	9,734	9,701
Light and heat	1,257	1,170
Repairs, maintenance and miscellaneous expenses	2,408	320
	<hr/> 13,399	<hr/> 22,232
<u>B – Overheads</u>		
Meetings	533	1,003
Insurance	1,455	1,410
Auditor's remuneration	1,656	1,558
Legal and professional fees	300	-
Bank charges	455	306
Office supplies and administration	908	137
General expenses	751	134
	<hr/> 6,058	<hr/> 4,548
Total expenditure	<hr/> 183,108	<hr/> 168,204
Net surplus / (deficit)	<hr/> 5,551	<hr/> (46,281)