An Tobar Nua  
A Strategic Mix of Mission and Business

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INTRODUCTION

Kelly and Susan Curry had a tough decision to make. In the summer of 2015 their Galway, Ireland-based businesses were all well-staffed and running smoothly. Profits had never materialized for the Curries but, nonetheless, both were both excited about the new opportunity they faced. They had been presented with the idea of expanding part of their missional work, particularly their work in secondary religious education retreats, throughout the Republic of Ireland. Should they move forward with the expansion immediately or first seek to strengthen the financial performance of the businesses? If they were to focus on generating profits in the businesses, what strategic changes should they make to achieve that goal?

BACKGROUND

Kelly and Susan were a typical corporate America success story. Originally from Kentucky, they met as college students at the University of Kentucky and were married in 1977. Kelly earned a B.S. in accounting, passed the CPA exam, and entered the health care industry in the financial management field. In 1982, Kelly became a manager at Health Management Associates, Inc. (HMA), a hospital services provider then headquartered in Naples, Florida. HMA was in a rapid expansion phase and Kelly’s financial skills were in increasing demand. He was named Chief Financial Officer of HMA in 1987.

The U.S. healthcare industry was booming in the 1980’s. Healthcare as a percentage of US GDP grew from 9% to 12.2% over the course of the decade². The industry was trending towards managed care as insurers sought to control costs by forcing patients into a group of providers with whom the insurers could negotiate prices. In an effort to better cope with the rising power of the insurance companies, hospitals began to consolidate³, with firms like HMA “rolling up” smaller operations into large corporate networks. The concentration of the hospital industry also provided greater opportunities for administrative and technology cost spreading. Kelly Curry found himself on the administrative team of a rapidly growing company in a rapidly growing industry. Financial rewards were sure to follow.

In the midst of this seemingly perfect career trajectory, both Kelly and Susan began to feel a call to ministry. Through a process of internal, spiritual renewal, they experienced a specific call to mission work in the Republic of Ireland⁴. In 1994, Kelly resigned from his executive position at HMA. To prepare for their new mission, the Curries attended Ravencrest Bible School in Estes Park, Colorado, and both received certificates in Biblical Studies, with Kelly being ordained into the ministry. Then, in 1996, the Curry family moved to Galway on the west coast of Ireland to start a business that would minister to the young people of the city. Kelly and Susan had been blessed with two daughters, Natalie and Leah, who made the move along with their parents. For the next year, they learned the local law and accounting rules, studied the market, and purchased a storefront building (an old hostel) near the city’s center. (See Exterior and Interior Photographs, Exhibit A).

Using his experience from the corporate world, Mr. Curry established a U.S. charity to help fund the ministry’s operations in 1995, before leaving for Ireland. The U.S. entity was named Foundation in Christ Ministries and through the Curries’ contacts it has been endorsed by such evangelical notables as Ravi Zacharias⁵ and Bruce Wilkinson⁶. The Curries adopted 1 Corinthians 3:11 as the Biblical theme of the organization, “For no one can lay any foundation other than the one already laid, which is Jesus Christ.”
REPUBLIC OF IRELAND ECONOMY

In the 1990’s when the Curries arrived in Ireland, the nation’s economy was experiencing such tremendous growth it had been dubbed the “Celtic Tiger.” The long term unemployment rate dropped from over 10% at the end of the 1980’s to 1.5% in the 2000’s. The short term unemployment rate hovered around 4% (a level many economists associate with full employment) until 2007. From 2000 to 2007, real GDP grew at an average rate of 5.7%, and real property prices rose at a compound annual growth rate of 11%. Ireland’s small but well educated workforce (Ireland’s total population is approximately 4.6 million, about the size of Sydney, Australia) and low corporate tax rate (only 12.5%) made the country a favorite for foreign direct investment. Foreign businesses, particularly pharmaceutical and computer companies, contributed to the country’s economic expansion. While foreign investment led to low unemployment rates, it became such a large sector of the economy, GDP (the total productivity of the nation) began to noticeably outstrip GNP (the funds available to Irish residents).

In 2008, the severe recession that hit the United States struck Ireland with even greater severity. While U.S. banks struggled and real property values declined, the Irish banking sector had to be bailed out by the government through infusions of public funds and a blanket government guarantee of all bank deposits. Irish housing prices fell to 50% of their pre-recession value. Irish unemployment rose steadily to over 14% in 2012. As the construction and banking sectors collapsed, the government itself was fiscally threatened. The Irish government went from annual surpluses in 2004, 2005, and 2006 to experiencing massive deficits. Total government debt ballooned from 23.9% of GDP in 2007 to 120.1% of GDP in 2012. A significant portion of the total was incurred in the banking sector bailout.

Ireland’s public finance situation became so critical that in November 2010, the government required a rescue package of €22.5 billion from the International Monetary Fund and €45 billion from other EU nations. The loans were necessary to allow the national government to continue to provide essential public services and to ensure the Irish treasury’s continued access to international capital markets. In 2011, Ireland’s lenders reduced the interest rate on the debt and extended its maturity with positive effects on the treasury’s current debt service obligations and long term recovery prospects.

Ireland remains one of the world’s largest exporters of pharmaceuticals and software but the success of foreign companies masks continued hard times for the Irish people. The Irish economy grew in the 4th quarter of 2015 by 2.7% with gains in exports outpacing the increase in consumer spending. The gap between GDP and GNP continues to widen as more of the country’s resources are captured by foreign manufacturers and fewer contribute to Irish living standards.

GALWAY

The City of Galway has a population of approximately 75,000 people, almost one half of the total population of County Galway, and is the third largest city in the Republic of Ireland. Galway has been described as the “most Irish” city in Ireland. Irish culture and Irish pride are very evident in Galway. While the official language of Ireland is English, the region around Galway still contains a subpopulation that speaks Gaelic, a Celtic language, and many street signs are written in both languages. Galway is also a relatively youthful city. Ireland generally has one of the youngest populations in Europe (21% are 14 years old and younger). Galway is home to some of Ireland’s major universities, and the large student population contributes to the young ambience of the city.

When the Curries first arrived in Galway, they were struck by the evident poverty in the region. Galway is a needy city, notorious for high unemployment rates. The cycle of poverty in Galway has led to substantial alcohol and drug abuse and a high suicide rate. Staffers at An Tobar Nua have noted a hopelessness about many of the youth to whom they minister.

The vast majority (over 87%) of the Irish population is Roman Catholic. The Diocese of Galway includes five separate parishes, two in the City of Galway, itself. Although many Catholics in Ireland may be “nominal” (non-practicing), the Catholic Church in Ireland and its leadership are still influential in everyday Irish life. Many of the secondary schools in Galway are directly affiliated with the Diocese. When An Tobar Nua first opened it sought to provide resources for School Retreats (see
below), but the local Bishop advised the city’s Catholic schools that An Tobar Nua was not a suitable source of religious instruction. However, after a change in the Diocese, and some effort on the part of Mike Shortt (An Tobar Nua’s Irish Catholic General Manager), An Tobar Nua was approved for religious instruction and the relationship with the current Bishop is an amiable one.

**AN TOBAR NUA**

The Curries opened An Tobar Nua (The New Well) in 1998. They purchased more store frontage in 2002 and built on an addition in 2005. All in all, the operation now occupies 15,000 square feet. A Christian bookstore and a small Bible School have been added to the business, but the heart of the operation remains An Tobar Nua.

An Tobar Nua is a café that caters to working class locals, educational and medical professionals, and, most pointedly, to local students. With few facilities available on campus to provide lunch for students, school kids from the local secondary schools often crowd into the city at lunch-time looking for quick, inexpensive meals. An Tobar Nua’s location puts it in easy walking distance of multiple schools and the typical “lunch rush” can include 60 to 70 students.

An Tobar Nua’s competition for lunch traffic is varied. Both international chains and local favorites are available to the student population. Galway boasts three McDonald’s franchises (McDonald’s reportedly has 9% market share of the fast food industry in Ireland overall²³) and eight Subway restaurants. World food—pizza, Chinese food, crepes and kabobs—are all widely available.²⁴ The fast food industry in Ireland, generally, is fragmented. The largest provider is a firm called BWG Foods, Ltd. with 11% market share.²⁵ BWG Foods is actually the owner of a chain of grocery markets that sell fast food from a deli counter within their stores. Supermac’s, a native fast food chain of County Galway, offers everything from burgers and curry cheese fries to ice cream sundaes.²⁶

Service levels at An Tobar Nua are intentionally high for competitive reasons. Most of the café’s competitors operate on a walkup counter service model throughout the day. The café offers 100% table service at other times of day, but at lunch time reverts to an ordering line with meals then delivered to tables. Despite the higher service levels, the Curries have kept An Tobar Nua’s prices below those of the competition. The same chicken wrap that Supermac’s offers for €4.25 is available at the café for €3.90. The local Domino’s Pizza sells bottles of still or sparkling water for €1.50 while An Tobar Nua offers them for €1.00. Menu options at the café are designed to be familiar to, and affordable for, the student population. Even if the market might bear slightly higher prices, the Curries would rather fill the café to capacity than make the same or greater revenue from a smaller number of patrons paying more per check.

Analysts expect the market for fast food sales in Ireland to grow at 4% in constant 2015 prices while the number of outlets grows at only 1%.²⁷ They also expect a continuation towards greater customization, more nutrition information availability, limited menus and growth in the “fast casual” space, a sector that might describe An Tobar Nua.²⁸

An Tobar Nua relies on word of mouth for much of its promotion. It advertises café specials on its Facebook page alongside daily inspirational readings and notices of upcoming events. In 2014, it used a poster campaign in Galway to advertise free counseling services from licensed Christian counselors that were to be provided by one of the café’s managers with counseling credentials. Both promotional and product decisions benefit from the input of Irish staff. Irish consumers tend to prefer less sugar in their pastries than Americans and many still want butter on their sandwich bread. An Tobar Nua is apparently succeeding with its target market segment. In 2014 it was one of only three businesses in Galway that received a “Youth-Friendly Business Award.”²⁹

Structurally, the Curries formed An Tobar Nua as a business unit of a registered Irish charity, Foundation in Christ Ministries: I COR 3:11 Limited (FCM Ireland). While Irish law permits charities to take on multiple forms³⁰, FCM Ireland is formed as a company (the same form used by for profit businesses), rather than as a charitable trust or an unincorporated association. FCM Ireland is related through interlocking directorships with its U.S. sister organization, Foundation in Christ Ministries. Much of the revenue (See Recent Financial Results, below) of FCM Ireland is sourced from donations made to the U.S. nonprofit, with Kelly and Susan still serving as major donors.
Expatriate issues are an important constraint for An Tobar Nua. The café started with a staff comprised exclusively of Americans, but by 2012 was made up of 50% Irish and 50% expatriates—mostly American. Although the Irish staff of An Tobar Nua must be paid under Irish law, the expatriate staff members are all considered volunteers. Many are able to live in the building that houses the café but they are required to raise funds to cover their personal expenses during their time in Ireland. Because the expatriate staff are volunteers, acquiring extended visas is problematic for them. Volunteers are initially restricted to a three-year visa with renewals only on a year to year basis. Ireland is experiencing an influx of immigrants from European Union member nations and the Curry’s fear that the political sentiment among Irish nationals may further limit foreigners coming for extended stays in the future. Visa complications contribute to the turnover An Tobar Nua experiences among the expatriate staff members.

The General Manager of An Tobar Nua is Mike Shortt. Reporting directly to Mike are three mid-level managers: Megan Gordon, the Kitchen Manager; Tommy O’Loughan, the Café Manager; and Orlaith Downey, the Outreach Coordinator. Mike is a native of Belfast, Northern Ireland. Although he never joined the Irish Republican Army, as an Irish Roman Catholic he was sympathetic to their cause. In a 2007 feature article in the Catholic Charismatic Renewal magazine, Goodnews, Mike described the violent and self-destructive tendencies he experienced before his own spiritual renewal. Mike credits his wife, Cathy, and the work of the Holy Spirit in transforming his life. He returned to practicing the spiritual disciplines of his Catholic tradition, praying the rosary, Lectio Divina, and attending confession. He and Cathy moved to Galway (her home town) in 1982. Mike met Kelly Curry in 2001 and the two formed a relationship through monthly prayer meetings. Mike began working for An Tobar Nua in 2002 and was the first Roman Catholic employed there. Mike also serves as a Director of FCM Ireland.

RECENT FINANCIAL RESULTS

As of the company’s fiscal year end in January 2014, FCM Ireland had total assets of €2,812,026, most of which consisted of the real property and other fixed assets used to run An Tobar Nua. (See Selected Financial Statements, Exhibit B.) Current assets amounted to €289,228. With current liabilities totaling only €19,861, the company had a current ratio of over 14.5X, a liquidity measure many businesses would envy. The 2014 balance sheet also represented an improvement from 2013. Total assets climbed from €2,797,018 in 2013 to the 2014 level. Current assets increased 19.6% from the 2013 level of €241,754.

FCM Ireland received income of €532,819 in 2013 but over three quarters of that revenue reflected support from the American sister charity. An Tobar Nua had only €66,887 in sales. The bookstore generated €49,136. The educational arm of the business was the least remunerative, producing only €1,855. (Even this was a marked improvement from 2013 in which the school’s activity produced only €533.) With expenses of €518,476, FCM Ireland showed a surplus of €15,008 in 2014, but the total profit and loss of the company was driven less by results of operations than by contribution gathering and funding decisions being made in the United States. In 2013 the company generated more revenue from operations than in 2014, but nonetheless sustained a shortfall of €196,932 because contributions from the US sister charity were only €222,437.

Despite recurring losses from operations, FCM Ireland is fiscally conservative. The organization has no debt and, as of January 31, 2014, maintained cash reserves of over €266,000. The directors reported that monies sufficient to cover the projected shortfall for the year ending January 2015 had already been raised a year in advance through the efforts of the U.S. organization. The directors understood that the business would not generate sufficient revenue to fund its operations and were managing An Tobar Nua intentionally to maximize its missional focus at the expense of profitability. The fact that wage and benefit expenses for the Irish employees represented over half of total expenses also reflected a missional, rather than profitability, focus.

MINISTRY ACTIVITY

The ministry aspect of the café can be described as “seed planting.” Christian employees provide all of the service in the café and are expected to emanate compassion and other Christian traits to the customers. A nondenominational form of discipleship is also
encouraged. Staff members are expected to become acquainted with patrons, learn their names, and relate to them as whole individuals. Opportunities to share the gospel are understandably rare in a busy café setting, but relationships lead to dialogue which ultimately leads to the sharing of important ideas. The bookstore and Bible School are obviously much more ministry intensive, and the café can sometimes serve to introduce people to those two, smaller facets of the operation.

The Curries started the Emmaus Scripture School in 2007. It offers four to six classes per semester with each class meeting once a week for three hours. Class offerings include Old Testament and New Testament Survey, Biblical Interpretation, The Life of Christ, and studies of individual Biblical books. Class sizes are small, ranging from one to 15 students, made up of mostly adults and college students. In 2011, there were 20 students enrolled in the school. Although the school offers a certificate, classes can lead to college credit through an arrangement with Oral Roberts University or be taken on an audit basis. Currently the school attracts more auditors than students seeking credit.

Part of the store frontage of FCM Ireland is occupied by the Brother Emmaus Bookstore. The purpose of the bookstore is twofold. Through its product offerings, it provides sound Christian materials to those who are seeking to find, or grow in, Christ. The clerks of the store are also able to connect with shoppers with an opportunity to form relationships with a ministerial focus. The store caters to both Protestant and Catholic customers in its merchandising.

One of the cultural dynamics impacting An Tobar Nua's ministry stems from the fact that it involves both Catholic and Protestant Christians working in tandem. Since “The Troubles” began in Northern Ireland in the 1960's, violence between Protestants and Catholics has occasionally spilled over into the Republic of Ireland. Without the political stakes experienced in the North, between the Protestant Unionist community and the Catholic Nationalist community, the Republic of Ireland was spared the full impact of the tragedy. Nevertheless, relations between Irish Protestants and Catholics are understandably strained, and any ministry that claims to encompass both kinds of believers is the subject of suspicion from both faith traditions.

School Retreats

One segment of An Tobar Nua’s operations that allows it to combine its business with its Christian mission most directly is its provision of “retreats” for the local secondary schools. School retreats are a historical part of the religious education curriculum at Irish schools. Throughout Ireland, students in the equivalent of the U.S. 10th grade will spend a day, or sometimes longer, outside the school campus in a camp-like setting, experiencing more intensive and engaging instruction on religious and moral issues. An Tobar Nua provides retreat services and contracts with some of the local schools to host retreats for them. In fact, with the decline of the “Celtic Tiger” economy, An Tobar Nua has become the last retreat center left in the city. Galway’s experience in the economic cycle is certainly not unique. The Curries believe that school systems in other parts of the country must also be feeling the pressure to provide these traditional religious educational retreats to their students.

Occasionally, An Tobar Nua is invited into the schools, themselves, to provide religious education curriculum. The staff typically employs a combination of video presentations with directed discussion. In 2011, the ministry worked with seven different classes from three local schools.

Retreat programs last for one day and include lunches and snacks for the students, age appropriate games, and the religious and moral instruction requested by the school. Retreats are currently conducted in the building that houses the café. An Tobar Nua negotiates each retreat individually and allows the schools to choose from a menu of moral instruction topics. Topics include drug and alcohol avoidance, the merits of chastity, and a gospel presentation. An Tobar Nua follows a strict prohibition against proselytizing during retreats. Students with doctrinal questions are referred to their home church or to churches in the area from their particular Christian tradition. Ms. Orlaith Downey, the Outreach Coordinator, is directly responsible for the school retreat business segment. Retreats are priced on a per student basis to cover costs, but little or no profit is generated by them. In 2011, An Tobar Nua hosted 27 retreats for four different secondary schools.

The Curries believe the retreats are a valuable aspect of An Tobar Nua’s mission, despite the lack of profits they generate, because they can serve to introduce new
students to the business and build new relationships. Even with the prohibition against evangelism, they provide one of the more natural opportunities to share Biblical truth with the Galway student population. 

The idea of expanding the retreats across Ireland was extremely attractive to the Curries. If An Tobar Nua could leverage its relationship with the local Bishop and its own Catholic employees, it might be able to meet the demand for retreats anywhere in the country. Assuming the same dearth of providers existed in other regions of Ireland, An Tobar Nua might be a very welcome entrant into the Irish religious educational space. As so often seems to happen in Business As Mission enterprises, however, the choice was one of business versus mission. The retreats, particularly if conducted outside the Galway area, were going to cost money. The question the Curries had to resolve was whether they would continue to rely on their U.S.-based funding sources or seek to fund the expansion with internally generated resources, and if so, how. The Curries’ corporate experience had taught them that opportunities rarely tarry in business. They knew they had to make a strategic decision soon, but what should they do?

ADDITIONAL RESOURCES


STUDENT DISCUSSION QUESTIONS

1. What strategic direction would you set for An Tobar Nua – more emphasis on the business or more emphasis on the mission? How would your approach answer the question of whether and how to expand the retreat business?

2. Would you change or maintain the current mix of businesses run by FCM Ireland – the café, the bookstore, the Bible School, the retreats and other religious education?

3. If you were responsible for An Tobar Nua, what pricing policy would you set for the café? Would you increase prices in that business unit to make it more economically self-sustainable? Would you lower prices to increase customer flow? What would be the effect of your decision on local competitors?

4. How would you anticipate your pricing strategy impacting the missional effectiveness of An Tobar Nua?

5. Would you consider altering the human resources strategy of An Tobar Nua – more Irish nationals or more expats – or the ecumenical makeup of the workforce – more Catholics or more Protestants?

6. What is your assessment of the financial sources of FCM Ireland? Would you alter its balance sheet to be more effective or to be more financially secure? What changes would you make?
Exhibit B  Selected Financial Statements

Foundation in Christ Ministries: 1 COR 3:11 Limited
(A company limited by guarantee, not having a share capital)

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 January 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
<th>2013</th>
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<tr>
<td>Income</td>
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<td>532,819</td>
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<td>Expenditure</td>
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<td></td>
<td>-518,476</td>
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<tr>
<td>Surplus/(deficit) on ordinary activities before interest</td>
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<td>Investment income</td>
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<td>Interest receivable and similar income</td>
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<tr>
<td>Surplus/(deficit) for the year</td>
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<td>15,008</td>
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The company has no recognized gains or losses other than the surplus for the year. The results for the year have been calculated on the historical cost basis. The company’s income and expenses all relate to continuing operations.

Approved by the board on Date: 29 March 2014 and signed on its behalf by

_/s/ Kelly Curry____________
Rev. Kelly Curry
Director

_/s/ Michael Shortt__________
Michael Shortt
Director
Foundation in Christ Ministries: 1 COR 3:11 Limited
(A company limited by guarantee, not having a share capital)

BALANCE SHEET
as at 31 January 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
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<tbody>
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<td></td>
<td>Notes</td>
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<td>Fixed Assets</td>
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<td>Tangible assets</td>
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<td>Current Assets</td>
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<td>Stocks</td>
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<td>Cash at bank and in hand</td>
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<td>Creditors: Amounts falling due within one year</td>
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<td>Total Assets less Current Liabilities</td>
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<td>Reserves</td>
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<td>Income and expenditure account</td>
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<td>Members’ Funds</td>
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Approved by the board on Date: 29 March 2014

/s/ Kelly Curry
Rev. Kelly Curry
Director

/s/ Michael Shortt
Michael Shortt
Director
### 7. TANGIBLE FIXED ASSETS

<table>
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<td><strong>Net book value</strong></td>
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In the opinion of the directors, the carrying value of the land & buildings is not less than the market value.

Change in method of depreciation

As outlined in the accounting policies note, the Foundation changed its method of computing depreciation from straight line to the reducing balance method for equipment assets, effective February 1, 2013. As a result of the change in estimation of the depreciation policy, the directors have determined that the equipment depreciation charge for the current year is nil.
## Foundation in Christ Ministries: 1 COR 3:11 Limited
(A company limited by guarantee, not having a share capital)

### SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

#### SCHEDULE 1: COSTS

For the year ended 31 January 2014

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<th>Costs</th>
<th>2014</th>
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<td>Opening stock</td>
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<td>Wages and salaries</td>
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<td>Social welfare costs</td>
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<td>Book costs</td>
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<td>387,791</td>
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</table>
Foundation in Christ Ministries: 1 COR 3:11 Limited
(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 January 2014

1. INCOME

The income has been derived from-

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant income</td>
<td>66,887</td>
<td>70,307</td>
</tr>
<tr>
<td>Book and music shop income</td>
<td>49,136</td>
<td>52,264</td>
</tr>
<tr>
<td>Other income</td>
<td>416,796</td>
<td>222,970</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>532,819</strong></td>
<td><strong>345,541</strong></td>
</tr>
</tbody>
</table>

The whole of the company’s income is attributable to its market in the Republic of Ireland and is derived from the principal activity of the proclamation of the Christian message. Turnover comprises the invoice value of goods and services supplied by the company net of value added tax and exclusive of discounts.

2. OTHER INCOME

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>School’s Income</td>
<td>1,855</td>
<td>533</td>
</tr>
<tr>
<td>Contributions received from related party</td>
<td>414,942</td>
<td>222,437</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>416,797</strong></td>
<td><strong>222,970</strong></td>
</tr>
</tbody>
</table>
INSTRUCTOR NOTES

Post Script

Mr. Curry began consulting for his former employer, HMA, in 2006 and returned to work for the company full time in 2007 as Chief Operating Officer. He continued to work with An Tobar Nua and Foundation in Christ Ministries although his responsibilities at HMA were substantial. Susan Curry also continued to spend time on site in Ireland when possible. In July, 2013, HMA announced that it was being bought out by Community Health Systems Inc., the second largest for-profit hospital provider in the United States, for $3.9 billion.

Instructor Discussion Guide

This Case has been designed to focus on business strategy. Instructors might suggest students apply Michael Porter's Five Forces, a BCG Matrix, or another strategic model to frame the discussion. It is also intended to focus on the particular nature of Business as Mission enterprises. Instructors might consider the following questions to direct a discussion of those issues.

1. Various academics have proffered different definitions of what it means to be a “Business as Mission” organization with a particular focus on self-sustainability. Do the students believe An Tobar Nua is engaged in a mission? If so, how would they define the mission of An Tobar Nua?

2. In the same manner, do the students believe An Tobar Nua is operating a business? Can they identify the attributes of a business that it possesses?

3. If students believe An Tobar Nua is engaged in a mission and operating a business (which both appear to be rational, though not inescapable, conclusions), does An Tobar Nua meet their definition of Business as Mission? Why or why not?

4. The corporate structure of an organization can also bear on whether it would be a candidate for classification as a BAM organization. An Tobar Nua operates in a corporate form, but is also a registered Irish Charity and paired with a U.S. non-profit. Do students think this makes An Tobar Nua less of a BAM organization? Should people generally consider the legal form of an enterprise to determine if it is a BAM organization or should they look exclusively to its operations?

5. One weakness of the An Tobar Nua business model’s reliance on outside funding is that it makes the organization less scalable. The Curries cannot grow the business without also growing the external funding. Are there other potential business models available to An Tobar Nua that would provide greater scalability?

6. Students will find in this case that taking steps to improve the business’ profitability has the potential to detract from the mission of the business. This push/pull dynamic is common among BAM organizations but is not a necessary element of business as mission. Are there strategies available to An Tobar Nua that would allow for profitability improvements and also improve the missional capacity and performance of An Tobar Nua?

7. Instructors desiring more background on Business As Mission may want to review one or more the following texts:


ALTERNATIVE INSTRUCTION APPLICATIONS

To focus the case more on the financial aspects of the business, instructors could consider adding one or more of the following additional student questions.

1. How long could An Tobar Nua operate if funds from Foundation in Christ Ministries were no longer available?

2. Create an operating budget for An Tobar Nua that would allow it to be self-sustaining (without contributions from the U.S.). What operational changes would you have to make?

3. Using current risk free interest rates, calculate the cost of An Tobar Nua’s liquidity. Could you redeploy that liquidity on the balance sheet to improve the performance of the business while still controlling the level of financial risk?

The marketing details of the case are intentionally scarce. Instructors wanting a greater marketing focus for the case could consider one or more of the following student questions.

1. Could An Tobar Nua benefit from additional advertising? Given the financial situation of the business, any money spent on marketing would have to be recouped quickly. Design a marketing plan for the café that would pay for itself within one year.

2. Should An Tobar Nua broaden its target market beyond the local student population? What additional segment would you target and how would you adjust the product mix and advertising strategy to reach it? How would your strategy impact the missional aspects of An Tobar Nua?

3. Marketing varies from country to country because markets do. How would marketing An Tobar Nua to the Galway student population differ from marketing it to a U.S. market segment of similar age?

ENDNOTES

1The author wishes to thank his Research Assistants, Mr. Ethan Mitra and Ms. Kirstie Wallace, for their valuable help in writing this case study. Thanks also to my colleague, Dr. Jim King, for his help and wisdom, and to Kelly and Susan Curry for generously providing their time and information for the case.


21The unemployment rate was reportedly 15% in 2009. See Foundation in Christ Ministries 2009 Annual Report.


26For more information on Supermac’s, see http://supermacs.ie/.


36Ibid.