

**Registration Number 419696**

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST JANUARY 2012**

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**OFFICERS AND PROFESSIONAL ADVISORS**

<b>Directors</b>	Fiona O'Malley Jim Ryan John Gerard O'Connor Noel Gerard Kehoe Noreen Ryan Diarmuid Ua Bruadair Brian Silke
<b>Secretary</b>	Noel Gerard Kehoe
<b>Company Number</b>	419696
<b>Registered Office</b>	Marianella 75, Orwell Road, Rathgar, Dublin 6.
<b>Auditors</b>	Hayden Brown Grafton Buildings, 34, Grafton Street, Dublin 2.
<b>Principle Place of Business</b>	Scala, Castle Road, Blackrock, Cork
<b>Bankers</b>	Allied Irish bank 9, Terenure Road, Rathgar, Dublin 6.
<b>Charity number</b>	18154
<b>Website</b>	<a href="http://www.serve.ie">www.serve.ie</a>

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**CONTENTS**

	<b>Page</b>
Chairperson's Statement	1
Directors' Report	2 - 9
Independent Auditors' Report	10
Income and Expenditure Account	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 16

## **SERVE IN SOLIDARITY IRELAND**

(being a company limited by guarantee and not having a share capital)

### **CHAIRPERSON'S STATEMENT FOR THE YEAR ENDED 31ST JANUARY 2012**

The widespread uncertainty impacting so negatively on so many sectors dominated 2011. The worldwide financial crisis created havoc in the lives of ordinary people across the globe. The disturbing images of starving children from Somalia and Kenya haunted worldwide audiences jaded from giving while trying to cope with enormous personal and societal challenges. In the midst of such a challenging context, it is my privilege to commend the efforts made by SERVE to implement programmes that deliver effective and meaningful solidarity to some of the poorest people on this planet.

The directors of SERVE In Solidarity Ireland have prepared a very detailed report with accompanying financial statements that offers a comprehensive oversight of the achievements and challenges faced by SERVE during 2011. I would like to thank each of the board members for their dedication and commitment. I would like to express my admiration and warm respect for the SERVE staff who display great energy and commitment working to achieve the high level goals promoted by our Strategic Plan. I also commend the commitment of the 80 SERVE volunteers who during 2011 displayed admirable enthusiasm, energy and goodwill. Their service and voluntary spirit is deeply valued. Their fundraising efforts are applauded and sincerely appreciated.

I would like to express sincere gratitude to the following donors who have contributed to the work of SERVE over the past year:

Irish Aid  
Misean Cara  
Redemptorists  
Electric Aid  
Edmund Rice Trust Fund  
Mercy Ministry Support Fund  
Galway County Council  
Dublin City Council  
Association for Solidarity  
Comhlamh  
Eli Lilly

We are also indebted to our dedicated support base that support SERVE through their generous donations. There is a growing support base of stakeholders who contribute financially on a regular basis and this support and commitment is the backbone of the organisation.

SERVE have exciting and ambitious plans for 2012. They deserve support. I am honoured to be part of a movement dedicated to authentic solidarity in support of some of the poorest communities in the world.

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**John Gerard O'Connor**  
Chairperson  
SERVE IN SOLIDARITY IRELAND

**Date: 21st November 2012**

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31ST JANUARY 2012**

The directors present their report and the financial statements for the year ended 31st January 2012.

**1. STRUCTURE, GOVERNANCE AND MANAGEMENT**

*Legal Status*

The organisation is a company limited by guarantee not having a share capital. It is incorporated in the Republic of Ireland under the Companies Acts, 1963 to 2012. It is a registered charity (CHY 18154), the objective of which is to relieve third world poverty.

*Structure*

The company has seven registered members. The number of members may be increased from time to time by vote of the said members. The directors of the company are appointed by the members.

The organisation is also incorporated as a limited company since August 25th 2009 under Companies (Northern Ireland) Order 1986. The company registration number is NI073601. It is registered as a charity in Northern Ireland with registration number XT 16752. The charity has three registered members. The directors are elected at Annual General Meeting by the members present.

Distinct and separate financial statements are prepared and filled for both charities. The financial statements are not consolidated.

*Board of Directors*

There must be at least seven and not more than ten directors of the Company, and these are appointed to the Company by the members. Each director shall serve for a three-year period, unless the term of appointment ceases before said period for some reason. Efforts are made to ensure some degree of continuity in regard to the Board. Directors serve a maximum of three terms of three years. The directors who held office during the financial year are set out in the list of Officers and Professional Advisors highlighted at the beginning of this report.

The primary role of the Board of directors is to set the organisation's strategic aims, ensure that the necessary financial and human resources are in place for the organisation to meet its objectives and conduct oversight of management performance. It must do so within a framework of prudent and effective controls which enables risk to be assessed and managed. New directors receive an induction and appropriate training where necessary.

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31ST JANUARY 2012**

There are currently four subcommittees of the board as follows:

- 1) The audit and risk committee which is responsible for: (a) Effective management of financial risk; (b) Reliable management and financial reporting; (c) Compliance with laws and regulations; (d) Maintenance of an effective and efficient audit function. There are three member of this committee, all of whom are board members. There are plans to appoint a fourth external member with relevant expertise.
- 2) The Human resources committee which provides the board with advice on HR matters. The committee comprises two board members and an external member engaged for specific professional input.
- 3) The SERVE Council committee established to explore proposals for the highest level of participation of SERVE Solidarity Groups in helping the organisation to achieve its goals. The committee consists of one board member, two staff members and a Solidarity Group representative.
- 4) The Child Safeguarding committee is primarily focused on advising the board about creating, maintaining and monitoring a safe environment for children in all aspects of SERVE's work and for advising on the human resources required for implementing best safeguarding practices. The committee comprises one board member and a staff member and an external representative.

*Decision Making and Management*

The directors are responsible for the implementation of the strategic plan, ensuring the organisation is effective in the delivery of its activities and accountable for the resources under its control. The directors appoint the management team and have delegated the operational powers to the management team.

*Director's responsibilities in relation to the Financial Statements*

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate;

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2012. 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.

*Risk management*

The directors have responsibility for and are aware of the risks associated with the operating activities of SERVE. They are confident that adequate systems of internal control are in place and that these controls provide assurance against such risks. The audit committee have been delegated the role of overseeing and reviewing strategies to mitigate against risk.

## **SERVE IN SOLIDARITY IRELAND**

(being a company limited by guarantee and not having a share capital)

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 2012**

SERVE IN SOLIDARITY IRELAND are committed to the safeguarding of children who benefit and interact with services and partners funded by SERVE. The organisation has developed a child protection policy. Proactive steps have been taken to engage, train and resource the organisation's partners to develop robust policies and procedures in pursuit of strengthened child safeguarding practices.

The organisation acknowledges the uncertain economic climate that is so strongly prevalent in Ireland and the risks to funding streams that have benefited the organisation over the years. The Directors are aware of the risk and will be monitoring the situation on an ongoing basis.

## **2. OBJECTIVES OF THE CHARITY**

SERVE is a development and volunteering organisation committed to poverty reduction in the developing world. We achieve this by working in solidarity, service and partnership with marginalised communities, empowering them to tackle the root causes of poverty and injustice.

The SERVE mission is realised by:

- Supporting the development of our international partners through empowering and building capacities so that our partners and those they work with can operate, manage and control their own development programmes;
- Accessing and distributing funds in favour of our partner's programmes with a specific emphasis on community development, self-sufficiency and long term impact;
- Implementation of Volunteering Programmes whereby Irish/international volunteers enhance the development agenda of our international partners by placements in the developing world while establishing important linkages with Irish communities and international networks;
- Offering a development resource service to the Dublin Province of the Redemptorists, strengthening their development programme by building their capacity to plan strategically, prepare funding proposals, monitor projects and complete reporting processes;
- Fostering Development Education in Ireland by promoting an understanding of the causes of poverty and inequality in the world through mobilising our volunteer base, implementing Immersion programmes and Solidarity projects and through a strategic partnership with the Teenage Magazine Face-Up;
- Planning, organisation and implementation of Shared Advocacy Projects in a partnership approach that fosters the active engagement of : (1) International partners; (2) SERVE; (3) Irish volunteers;
- Promoting the fair trade produce manufactured and processed by our international partners;

## **3. REVIEW OF THE ACTIVITIES OF THE CHARITY**

The Directors set four main objectives for 2011:

1. To successfully implement the second year of SERVE'S three year development programme funded by Irish Aid focused on South Africa, Mozambique and Zimbabwe;
2. To consolidate SERVE' volunteering programmes;
3. To deliver a highly effective development resource service to the Dublin Province of the Redemptorists with particular emphasis on successfully applying for funds from the two new funding streams introduced by Mísean Cara;
4. To complete an Organisational Strategic Plan for the period 2012-2014;

The progress made in 2011 in respect of the key objectives is detailed as follows:

Objective 1: To successfully implement the second year of SERVE's three year development programme funded by Irish Aid focused on South Africa, Mozambique and Zimbabwe.

## **SERVE IN SOLIDARITY IRELAND**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 2012**

In October 2009, SERVE commenced programme planning with core partners for the period 2010-2012. In June 2010, SERVE applied to the Civil Society Funding of Irish Aid for 3 year programme funding for the period 2010-2012. The funding for 2010 was received in November 2010. The invitation by Irish Aid in July 2011 to apply for Programme Funding for the period 2012-15 prompted a review of the 2010-2012 programme and a period of comprehensive engagement with the core partners to plan for the period 2012-15.

In September 2011, SERVE submitted to Irish Aid a development programme for the period 2012-2015. The programme is focused on three priority countries involving four partners in - South Africa, Mozambique and Zimbabwe. The overall goal is to reduce vulnerability and improve livelihood security for poor children, young people, women and men in targeted communities. The application to Irish Aid was successful and Irish Aid are committed to supporting this programme to the amount of €290,573 for each of the years from 2012-2015.

Objective 2: To consolidate SERVE's volunteering programmes.

SERVE has an excellent reputational profile for delivering creative and relevant volunteering programmes that generate a constituency for change in Ireland and overseas through practical strategies and help to expand civil society's contribution towards achieving the Millennium Development Goals. SERVE'S Volunteer to Build Capacity programme acts as a catalyst for voluntary involvement, mentoring, development education, mutual learning and establishing links and networks based on trust. In 2011, the organisation assigned 80 volunteers in six countries in comparison to 86 volunteers placed in 2010.

Objective 3: To deliver a highly effective development resource service to the Dublin Province of the Redemptorists with particular emphasis on successfully applying for funds from the two new funding streams introduced by Misesan Cara.

SERVE acts as the development agent for the Redemptorists. We represent the Redemptorists at Misesan Cara. This documented strategic partnership is a practical example of harmonisation and sharing of resources to achieve greater impact and economies of scale in a challenging time for many organisations. SERVE successfully managed the transition to the new funding mechanisms introduced by Misesan Cara. On behalf of the Redemptorists, €687,972 was received from Misesan Cara which compared favourably with grant receipts of €328,670 in 2010 from the same source. Grants were achieved for development projects in six countries and emergency funding for the food crisis in Kenya during 2011.

Objective 4: To complete an Organisational Strategic Plan for the period 2012-2014.

The organisation finalised in September 2011 a new Strategic Plan for the period 2012-2014. The Strategic Plan 2012-2014 highlights seven high level goals. The Strategic Plan is available on request from the SERVE office.

SERVE' work in 2011 is summarised as follows:

#### *Development Programme*

Expenditure on development programmes amounted to €732,888 which compares to the €728,767 spent in 2010. The pillar of the development programme is called the SERVE Development Programme (SDP) which is being implemented through four partners in South Africa, Mozambique and Zimbabwe. This programme is focused on innovative approaches to supporting Orphan and Vulnerable Children, the provision of health infrastructure and responding to HIV/AIDS while delivering Technical education and vocational training (TVET) to marginalised young people.



## **SERVE IN SOLIDARITY IRELAND**

(being a company limited by guarantee and not having a share capital)

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 2012**

SERVE also supported development projects in India, Thailand and Zambia. These funds were channelled through SERVE partners implementing projects focused on income generation, gender, disability and youth leadership training. Funding was secured from Misesan Cara for Redemptorist projects in Brazil, the Philippines, Zimbabwe, Mozambique, Niger, and the Democratic Republic of the Congo. The principal areas of focus for the Misesan Cara funding are urban community development of favela and tribal communities, rural water projects, education programmes, agriculture development, livelihood security and disability programmes. It also includes emergency support to the food and drought crisis in Kenya during 2011 by supporting an emergency feeding programme to 31 schools in Kajiado county and supporting an emergency feeding programme to 3 parishes in Lodwar district, Turkana.

#### *Volunteer Programme*

Expenditure on the Volunteer Programme amounted to €72,922 (2010: €04,991). The programme assigned 78 short term volunteers and 2 long term volunteers. The costs for 2011 are inflated as they include international flights purchased in 2011 for the 2012 Brazil volunteer programme. The Volunteer to Build Capacity Programme which assigns groups of volunteers to South Africa, Mozambique, Zambia, Brazil, India, Thailand and the Philippines for 4-6 weeks periods each summer. These volunteers work in a variety of sectors including education, childcare, house-building, healthcare and youth work. Since 2005, SERVE has placed a total of 630 volunteers with partners in the developing world.

SERVE also respond to the long term capacity needs of our partners by recruiting, training and placing skilled long term volunteers. For example, SERVE placed two long term volunteers with our partner Young Africa Mozambique in 2011. SERVE are keen to develop and expand this model throughout the life of the SDP 2012-2015 and were part of the group of volunteer sending organisations who met with Minister of State Jan O'Sullivan during 2011 to explore best practice models for assigning long term volunteers.

All SERVE volunteers take part in a rigorous recruitment and training process involving attendance at an open evening, completion of an application form, attendance at an interview and compulsory attendance at 3 pre-departure training days. A final evaluation of the programme takes place each October and is known as the SERVE Next Step Conference. SERVE are signatories to Comhlamh's Code of Good Practice and have submitted self-appraisal audits to Comhlamh for a number of years. In November 2010, SERVE took part in an external audit by Comhlamh of our compliance to the Code and the results of this were largely positive. Throughout 2011, SERVE has worked to improve on the areas of weakness highlighted in this audit.

#### *Development Education and Global Citizenship*

SERVE places a great value on Development education. Development education activities undertaken by SERVE volunteers and staff include:

- Mainstreaming of development education into all volunteer programmes through the recruitment and training process and through in-country development education work. All volunteer groups make a presentation to their peers at the SERVE Next Step Conference. These presentations are based on development issues affecting the people in the communities where the volunteers have worked. Presentations have focused on HIV/AIDS, food, gender issues and the theme for 2011 was water;
- Prior to departure and post-return, volunteers speak in local schools, colleges, universities, parishes and voluntary groups;
- SERVE provided recruitment and training support to a schools immersion programme between Deansrath Community College in Dublin and a partner organisation, the Badjao Tribe, in the Philippines. This was run with support from the Worldwide Programme; and
- In keeping with SERVE'S focus on young people, SERVE regularly facilitate Development Education workshops with individual secondary schools in the Republic of Ireland and Northern Ireland and focus a lot of our work on Millennium Development Goal 3.

## **SERVE IN SOLIDARITY IRELAND**

(being a company limited by guarantee and not having a share capital)

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 2012**

2011 saw the third year of our Global Citizenship Programme whereby our Belfast office provided internship and development placement opportunities to young adults including volunteers from Asia, Africa and other European countries.

#### *Fair Trade*

SERVE is an advocate of the perspective that trade is as important as aid. The SERVE volunteer network provides strategic business advice that helps build the capacity of our partners to find new markets. Flip flop Friday in 2011 achieved again the double dividend impact of supporting the income generation capacity of our Thai partners while also raising funds for SERVE. We remain convinced that this is a genuinely pro-poor initiative worthy of support.

#### *Fundraising*

In 2011 our volunteers played a vital role in telling the SERVE story and attracting donations. We commend the commitment of our volunteer network. The SERVE Solidarity Gift initiative was implemented for the third year with modest results. In September 2010, we launched a communication and fundraising strategic plan with a strong emphasis on achieving growth in the number of standing orders, the implementation of new events based fundraising initiatives with increased emphasis on working with established groups such as schools, colleges, parishes, parish clusters etc. There were positive outcomes from these initiatives. There was a very welcome increase in income from standing orders and three events based fundraising initiatives were started which have the potential to become flagship annual fundraising events. The employment of an extra staff member in September 2010 to develop SERVE on the western seaboard began to pay dividend towards the end of 2011. We also enhanced our capacity to raise funds through the internet. The organisations communication strategy has improved steadily with regular e-newsletters, improved profiling, and enhanced data gathering. The organisation has become less reliant on a number of large individual donors and is now attracting funds from a greater number of smaller stakeholders. There are concrete plans to continue to develop the organisations fundraising function.

## **4. FINANCIAL REVIEW**

#### *Income and Expenditure*

The results of the year are set out in the audited statement of financial activities of the organisation on page 11 which shows a surplus for the year amounted to €15,197 (2010-€258,777).

SERVE is a registered charity both in the Republic of Ireland (CHY 18154) and in the North of Ireland (XT 16752). The combined income between South and North for the year ended 31st January 2012 reached €1,384,780 (2010- €1,334,424) of which €1,286,744 was raised in the Republic of Ireland. This represents a 3.8% increase in income when compared with the year ended 31st January 2011. The increase in the Republic of Ireland was 2.5%. This was a significant achievement as the year ended 31st January 2011 had shown an increase of 31% from the previous year largely accounted due to the emergency appeal in favour of Haiti. The retention of an income base of €1.3m plus was achieved because of the successful engagement with the new Misesan Cara funding streams. The decline in income from Irish Aid is explained by the transition to the new four year funding programme which prompted a temporary fall in Irish Aid income but will see an increase in income in 2012 with predictable income from Irish Aid for each year until 2015. Voluntary income in the Republic of Ireland when you exclude income for the emergency in Haiti rose by €69,000 but this includes €34,000 in support of the emergency in Kenya. The real net growth in voluntary income during 2011 was 11%. While this was an excellent outcome, there was a 30% decline in uncommitted voluntary income. The result from Third World Groups continues to improve.

## **SERVE IN SOLIDARITY IRELAND**

(being a company limited by guarantee and not having a share capital)

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 2012**

The surplus of €15,197 for the year referenced on page 11 is largely due to a combination of three grants received before the year-end but not spent until 2012. Expenditure patterns in 2011 resemble closely expenditure outcomes in 2010 with strident efforts made to stay within budget for all cost centres. Expenditure on Haiti was substantially less than projected due to ongoing planning and legal difficulties which have created obstacles to the long term rebuilding programme at Saint Gerard's school in Port-au-Prince. The SERVE funding appeal asked for support in favour of the area surrounding Saint Gerard's parish in Port-au-Prince. In common with other organisations and agencies and projects, the rebuilding phase in Haiti is taking longer than imagined with political, planning and legal problems. SERVE will retain funds for the longer term rebuilding phase until the optimum building time emerges.

#### *Reserves Policy*

Unrestricted Income is treated as income apart from restricted income. It is income where the donor has not designated the income for a specific purpose. It is used by SERVE in the furtherance of its work and objectives. Such funds may be held in order to finance working capital or may be used at the discretion of the organisation for specified purposes that are within the aims of the organisation. The board appraising the administrative and operational costs of the organisation, allocates income from unrestricted income to cover these costs and may allocate also to programme costs and also carefully reviews the amount required to be held for emergencies and to cover running costs for a certain period of time due to unforeseen events

SERVE are committed to maintaining at a minimum €65,000 in unrestricted reserves to cover at least five months of organisational running costs. The minimum reserve will be increased proportionally if running costs increase. Amounts over and beyond minimum amount will be carefully stewarded in the interests of the organisation and the beneficiaries we serve. Reserves will at all times be maintained in accordance with charity regulations and best practice. The unrestricted reserves of €165,812 at Jan 31st 2012 represents a 9% increase on the previous year and is the equivalent of approximately twelve months of the running costs of the organisation.

#### *Grant Awarding Policy*

The SERVE partnership approach is based on accountability and acknowledges the potential for power imbalances and is rooted in a set of core values. SERVE approved a partnership policy in May 2010. We engage with partners who are committed to working with the most vulnerable and marginalised and who share both a passion and competency for delivering positive development outcomes for children, young people and women.

Contact with partners emerges from referrals from older and existing partners, direct applications, and through proactive initiatives by SERVE to work with partners who share our convictions and aims. Any initial assessment about advancing to a partnership arrangement focuses on (a) Matching values and ethos; (b) Considering the geographical focus, development themes, scale of activity etc.; (c) Agreement on the building blocks and possible intervention strategies for supporting children, young people and women; (d) Suitability to engage in long term capacity building work and partnership arrangements.

Our programmatic partners are at the partnership management and implementation phase of our partnership time-line framework. This means that partners have passed through: (1) The partner identification phase; (2) The partnership development phase; (3) The project planning phase. Our partners work in extremely poor communities and SERVE is committed to working with them on a long term basis, understanding that development is only achieved over lengthy time periods. SERVE provides input, advice and shares experience around governance, financial planning, organisational development, programme quality and child protection.

All funding grants are appraised through an assessment matrix. Project contracts are central to all grant allocations. There are stringent reporting requirements, monitoring and audit demands relevant to all grants awarded.

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31ST JANUARY 2012**

*Books of Account*

The measures taken by directors to ensure compliance with the requirement of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of the company are maintained at Marianella, 75, Orwell Road, Rathgar, Dublin 6.

*Auditors*

The auditors, Hayden Brown, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

*Taxation Status*

The company, as a charity (CHY no. 18154), is not liable to corporation tax under section 207 (as applied to companies by section 76) of the Taxes Consolidation Act, 1997.

**5. EVENTS SINCE THE YEAR END**

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

**6. PLANS FOR FUTURE PERIODS**

*Future Developments*

Securing and retaining reliable sources of funding remains the key challenge for SERVE over the next number of years. SERVE IN SOLIDARITY IRELAND Programme Plan for 2012 is based on five key objectives:

1. Implementation of the first year of the 4 year Irish Aid funded Programme in South Africa, Mozambique and Zimbabwe;
2. To support the capacity building of the Redemptorist development programmes with particular emphasis on Africa and Madagascar;
3. To expand the volunteering options to include Solidarity Projects and School Immersion programmes;
4. To implement the Organisational Strategic Plan 2012-2014 and to support capacity building of the organisation;
5. To support the expansion of SERVE's funding base (restricted and unrestricted)

**On behalf of the Board**

**John Gerard O'Connor (Chairperson)**

**Noel Gerard Kehoe**

**Date: 21st November 2012**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SERVE IN SOLIDARITY IRELAND**

We have audited the financial statements of Serve In Solidarity Ireland for the year ended 31st January 2012 on pages 11 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

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

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts 1963 to 2012. We also report to you whether in our opinion: proper books of account have been kept by the company and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**Opinion**

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at the 31st January 2012 and of its surplus for the year then ended and have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

Ciarán Murray for and on behalf of  
HAYDEN BROWN  
Grafton Buildings,  
34, Grafton Street,  
Dublin 2.

Chartered Accountants and  
Registered Auditors  
  
21st November 2012

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST JANUARY 2012**

	<b>Restricted Funds 2012</b>	<b>Unrestricted Funds 2012</b>	<b>Total Funds 2012</b>	<b>Total Funds 2011</b>
	<b>Notes</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Income</b>	<b>1</b>	996,970	289,774	1,286,744
Direct Expenditure		(796,201)	(218,487)	(1,014,688)
Administrative Expenses		-	(56,859)	(53,449)
Net Movement Before Taxation		200,769	14,428	258,777
Taxation		-	-	-
Net Movement After Tax		<u>200,769</u>	<u>14,428</u>	<u>258,777</u>

The financial statements were approved by the board on 21st November 2012 and signed on its behalf by

**John Gerard O'Connor**  
Director

**Noel Gerard Kehoe**  
Director

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**BALANCE SHEET**  
**AS AT 31ST JANUARY 2012**

	Notes	€	2012 €	€	2011 €
<b>Current Assets</b>					
Debtors	4	95,282		41,700	
Cash at bank and in hand		844,784		683,154	
		<u>940,066</u>		<u>724,854</u>	
<b>Creditors: amounts falling due within one year</b>					
	5	<u>(3,870)</u>		<u>(3,855)</u>	
<b>Net Current Assets</b>			<u>936,196</u>		<u>720,999</u>
<b>Total Assets Less Current Liabilities</b>			<u><u>936,196</u></u>		<u><u>720,999</u></u>
<b>Represented By</b>					
Restricted Funds	6		770,384		569,615
Unrestricted Funds	6		165,812		151,384
			<u>936,196</u>		<u>720,999</u>

The financial statements were approved by the Board on 21st November 2012 and signed on its behalf by

**John Gerard O'Connor**

Director

**Noel Gerard Kehoe**

Director

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST JANUARY 2012**

	Notes	2012 €	2011 €
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>			
Operating surplus		215,197	258,777
(Increase) in debtors		(53,582)	(11,700)
Increase / (decrease) in creditors		15	225
<b>Net cash inflow from operating activities</b>		<u>161,630</u>	<u>247,302</u>
 <b>Cash Flow Statement</b>			
<b>Increase in cash in the year</b>		<u>161,630</u>	<u>247,302</u>
 <b>Reconciliation of net cash flow to movement in net funds (Note 7)</b>			
<b>Increase in cash in the year</b>		161,630	247,302
<b>Net funds at 1st February 2011</b>		<u>683,154</u>	<u>435,852</u>
<b>Net funds at 31st January 2012</b>		<u>844,784</u>	<u>683,154</u>



**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JANUARY 2012**

**1. Basis of Accounting and Accounting Policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

**1.2. Income**

Income is accounted for when amounts receivable on grant and funding applications are approved or paid.

**Voluntary Income**

Voluntary income, which consists of monetary donations from the public and from corporate and major donors together with related tax refunds, is recognised in the period in which the organisation is entitled to the resource, receipt is virtually certain and when the amount can be measured with sufficient reliability. In the case of monetary donations from the public this income is generally recognised when the donations are received.

**Restricted Income**

Income received by the company, the application of which is restricted to a specific purpose by the donor, is treated as restricted income and any unspent amounts as restricted assets. Such specified purposes are within the overall aims of the organisation

**Unrestricted Income**

Other income, apart from restricted income, is used by the company in the furtherance of it's work and objectives. Such funds may be held in order to finance working capital or may be used at the discretion of the organisation for specified purposes that are within the aims of the organisation.

**2. Operating surplus**

	<b>2012</b>	<b>2011</b>
	€	€
Operating surplus is stated after charging:		
Auditors' remuneration	1,496	1,472
and after crediting:		
Government grants		
Irish Aid	65,282	147,336
Misean Cara	687,972	328,670

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JANUARY 2012**

..... continued

**3. Employees**

**Number of employees**

The average monthly numbers of employees were:

	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
Administration	4	4
	<u>4</u>	<u>4</u>

**Employment costs**

	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
Wages and salaries	110,773	104,788
Social welfare costs	11,864	11,100
	<u>122,637</u>	<u>115,888</u>

**4. Debtors**

	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
Other debtors	95,282	41,700
	<u>95,282</u>	<u>41,700</u>

**5. Creditors: amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
PAYE/PRSI	2,374	2,383
Accruals	1,496	1,472
	<u>3,870</u>	<u>3,855</u>

**SERVE IN SOLIDARITY IRELAND**  
(being a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JANUARY 2012**

..... continued

**6. Reconciliation of movements in reserves**

	<b>2012</b>	<b>2011</b>
	€	€
<b>Restricted Funds</b>		
Opening Balance	569,615	364,021
Net Movement After Taxation	200,769	205,594
	<u>770,384</u>	<u>569,615</u>
<b>Unrestricted Funds</b>		
Opening Balance	151,384	98,201
Net Movement After Taxation	14,428	53,183
	<u>165,812</u>	<u>151,384</u>
<b>Total Reserves</b>	936,196	720,999

**7. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	€	€	€
Cash at bank and in hand	683,154	161,630	844,784
Net funds	<u>683,154</u>	<u>161,630</u>	<u>844,784</u>

**8. Approval of financial statements**

The financial statements were approved by the Board on 21st November 2012 and signed on its behalf by

John Gerard O'Connor  
Director

Noel Gerard Kehoe  
Director

**SERVE IN SOLIDARITY IRELAND**

(being a company limited by guarantee and not having a share capital)

**THE FOLLOWING PAGE CONTAINS  
SUPPLEMENTARY MANAGEMENT INFORMATION**

**SERVE IN SOLIDARITY IRELAND**

**RESTRICTED AND UNRESTRICTED FUNDS**

**FOR THE YEAR ENDED 31ST JANUARY 2012**

	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
<b>INCOME</b>		
<b>Restricted Funds</b>		
Irish Aid	53,282	147,336
Thailand	7,610	9,235
Brazil	35,379	32,418
India	17,034	14,584
South Africa	18,243	12,518
Zambia	8,845	8,319
Kenya	34,972	-
Mozambique	14,605	19,874
Reclassification of donations received	-	(9,473)
Misean Cara	680,043	328,670
Third World Groups	72,877	53,810
Haiti	50,591	406,699
Thailand - Solidarity gift	180	92
Brazil - Solidarity gift	136	140
Philippines - Solidarity gift	487	144
India - Solidarity gift	865	494
South Africa - Solidarity gift	1,685	404
Mozambique - Solidarity gift	-	270
Zimbabwe - Solidarity gift	136	94
Other income restricted	-	904
	<u>996,970</u>	<u>1,026,532</u>
<b>Unrestricted Funds</b>		
Donations and Standing Orders	78,301	147,799
Reclassification of donations received	9,473	-
Misean Cara	7,929	-
Irish Aid	12,000	-
Comhlanh	1,900	-
Volunteer Contribution	135,266	65,002
Redemptorists Ireland	30,000	-
Flip Flop Friday	13,205	15,803
Other	1,700	-
	<u>289,774</u>	<u>-</u>
<b>Total Income</b>	<b>1,286,744</b>	<b>1,026,532</b>

**SERVE IN SOLIDARITY IRELAND**

**RESTRICTED AND UNRESTRICTED FUNDS**

**FOR THE YEAR ENDED 31ST JANUARY 2012**

	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
<b>EXPENDITURE</b>		
<b>From Restricted Funds</b>		
Irish Aid	118,043	153,108
Misean Cara	462,625	267,670
Third World Groups	64,410	40,277
Development Appeal	121,149	359,883
Misean Cara Admin for Dev Salary	29,974	-
	<u>796,201</u>	<u>820,938</u>
<b>From Unrestricted Fund</b>		
Development Programme Salaries	-	36,843
Volunteering Programmes	145,221	79,966
Development Education	922	1,337
Global Citizenship	-	191
Fair Trade	7,150	3,635
Immersion Programme	62,891	-
Philippines Solidarity Project	2,303	-
	<u>218,487</u>	<u>121,972</u>
<b>Total Project Assistance</b>	<b>1,014,688</b>	<b>942,910</b>
<b>Surplus Funds before Administration Expenditure</b>	<b>272,056</b>	<b>83,622</b>

**SERVE IN SOLIDARITY IRELAND**

**DETAILED INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31ST JANUARY 2012**

	2012		2011	
	€	€	€	€
<b>Income</b>				
<b>Donations and Standing Orders</b>				
Serve		73,249		135,740
Reclassification of donations received		-		9,473
Fundraising Events		14,525		-
Misean Cara Admin Income		7,929		-
Irish Aid Admin Income		12,000		-
Conhlamh Income		1,900		-
Sandals		-		2,586
Other Income		-		904
		<hr/>		<hr/>
			109,603	148,703
<b>Volunteers Contribution</b>			135,266	65,002
<b>Flip Flop Friday</b>			13,205	15,803
<b>Development Appeal</b>				
Thailand		7,610		9,235
Brazil		35,379		32,418
India		17,034		14,584
South Africa		18,243		12,518
Zambia		8,845		8,319
Kenya		34,972		-
Mozambique		14,605		19,874
Reclassification of donations received		-		(9,473)
Haiti		50,591		406,699
		<hr/>		<hr/>
			187,279	494,174
<b>Solidarity Gifts</b>				
Thailand - Solidarity gift		180		92
Brazil - Solidarity gift		136		140
Philippines - Solidarity gift		487		144
India - Solidarity gift		865		494
South Africa - Solidarity gift		1,685		404
Mozambique - Solidarity gift		-		270
Zimbabwe - Solidarity gift		136		94
		<hr/>		<hr/>
			3,489	1,638
<b>Other Income</b>			1,700	-
<b>Irish Aid</b>			53,282	147,336
<b>Misean Cara</b>			680,043	328,670
<b>Third World Groups</b>			72,877	53,810

**SERVE IN SOLIDARITY IRELAND**

**DETAILED INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31ST JANUARY 2012**

	2012		2011	
	€	€	€	€
<b>Redemptorists Ireland</b>		30,000		-
<b>Total Income</b>		<u>1,286,744</u>		<u>1,255,136</u>
<b>Expenditure</b>				
<b>Volunteering Programme</b>				
Wages and Salaries	48,454		52,735	
Employers PRSI contribution	7,668		5,553	
Overseas Programme Costs	191,263		125,374	
Training Programme	15,997		11,345	
Recruitment and Promotion	4,747		8,366	
Auxilliary	4,793		1,618	
		<u>272,922</u>		<u>204,991</u>
<b>Development Projects</b>				
Wages and salaries (excl. PRSI)	27,974		33,267	
Employer's PRSI contributions	3,010		3,576	
Brazil	73,944		178,748	
India	24,225		38,825	
Philippines	23,902		2,560	
Thailand	19,227		16,925	
South Africa / Muvamba	76,659		100,882	
Mozambique	178,161		143,714	
Zimbabwe	183,481		49,430	
Zambia	7,931		19,338	
Haiti	9,405		141,502	
Niger	24,390		-	
Congo	26,010		-	
Kenya	54,569		-	
		<u>732,888</u>		<u>728,767</u>
<b>Development Education</b>				
Development Ed/Global Citizenship	1,728		1,337	
		<u>1,728</u>		<u>1,337</u>
<b>Shared Advocacy</b>				
		<u>-</u>		<u>-</u>
<b>Global Citizenship</b>				
Global Citizenship	-		4,180	
		<u>-</u>		<u>4,180</u>



**SERVE IN SOLIDARITY IRELAND**

**DETAILED INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31ST JANUARY 2012**

	2012		2011	
	€	€	€	€
<b>Fair Trade</b>				
Fair Trade		7,150		3,635
			7,150	3,635
<b>Administration</b>				
Wages and Salaries		11,012		18,786
Employers PRSI Contribution		1,186		1,971
<u>Office Administration Expenses</u>				
Rent payable	4,786		3,144	
Computer costs	2,319		2,579	
Insurance	4,835		4,324	
Professional Fees (Strategic Planning)	658		1,373	
Telephone	2,664		3,461	
Printing, postage & stationery	2,912		2,746	
Motor expenses	932		2,443	
Subscriptions	-		229	
Office expenses	4,929		524	
		24,035		20,823
<u>Fundraising</u>				
Fundraising costs	15,267		7,118	
		15,267		7,118
<u>Capacity Building</u>				
Staff Training	2,456		1,647	
		2,456		1,647
Audit		1,496		1,472
Bank Charges		-		-
Miscellaneous Administration Expenses		1,407		1,632
			56,859	53,449
Total Expenditure			1,071,547	996,359
<b>Operating surplus</b>			215,197	258,777