

Company registration number: 419696

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST JANUARY 2016**

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**OFFICERS AND PROFESSIONAL ADVISORS**

<b>Directors</b>	Jim Ryan John Gerard O'Connor Noel Gerard Kehoe Diarmuid Ua Bruadair Brian Silke Leanne Kelly Eoin Mac Aodha
<b>Secretary</b>	Noel Gerard Kehoe
<b>Chief Executive Officer</b>	Eileen Hoffler ( appointed February 1st 2016)
<b>Company number</b>	419696
<b>Registered office</b>	Scala, Castle Road, Blackrock, Cork.
<b>Principle Place of Business</b>	Scala, Castle Rock, Blackrock, Cork.
<b>Auditor</b>	Hayden Brown Grafton Buildings 34 Grafton Street Dublin 2
<b>Bankers</b>	Allied Irish Bank, 9, Terenure Road, Rathgar, Dublin 6.
<b>Charity number</b>	18154
<b>Registered Charity Number</b>	20069094
<b>Website</b>	<a href="http://www.serve.ie">www.serve.ie</a>

**SERVE IN SOLIDARITY IRELAND**  
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**CHAIRPERSON'S STATEMENT**  
**YEAR ENDED 31ST JANUARY 2016**

The war in Syria and the refugees crisis at the frontiers of our doorsteps, is a striking reminder of how fragile world peace is, and how war causes havoc, destroying lives, unleashing hardship and poverty. Climate Change is prevalent and its impact and damage to our planet, to 'Our Common Home', is in evidence in communities all over the world, but particularly in the poorest communities. There is a fragility in the world, demonstrated by economic chaos, failed models, incredible inequality and draining poverty. Our world cries out for partnership, for international solidarity, for joined up thinking and action.

Inspired by the belief that 'Solidarity In Action' can improve the lives of the most vulnerable, SERVE works in partnership with local communities and organisations. If, 2015 was a challenging year for the world, it was also a daunting year for SERVE. It was a year of organisational review, external evaluation, and coming to grips with transitions and challenges and threats to established ways, practices and certainties. Key personnel, central to SERVE's story, expressed a desire to move to new pastures. The volunteering programme, so central to developing a constituency of supporters and sources of funds, began to look more vulnerable, as the level of interest, engagement, and willingness to volunteer, lessened in a changing economy and society.

The external evaluation of the Irish Aid funded SERVE SDP programme, was encouragingly positive. This programme is committed to reducing vulnerability and improving livelihood security for poor children, young people, women in targeted communities in South Africa, Mozambique and Zimbabwe. The programme is managed through a Results Based Management System. The fourth year (2015) saw great progress being made towards achieving targeted results. Improved nutritional status for targeted Orphan and Vulnerable Children; Increased incomes for young people resulting from quality vocational training programmes; Evidence of strengthened resilience amongst marginalised young people; Enhanced levels of healthcare for communities impacted by HIV/AIDS; Pilot schemes around training rural youth for employment being replicated. The external evaluation validates the conviction that SERVE delivers meaningful, cost effective, relevant and life changing programmes, which are focused on young people and vulnerable communities. We appreciate enormously our partnership with Irish Aid, whose generosity is integral to our programmes.

The partnership with the Redemptorists, the joint learning, the facing challenges and difficulties together, the dynamic pathways walked toward building capacity and the excellent development programmes funded, monitored and evaluated, has being a mutually beneficial engagement for both SERVE and the Redemptorists. This partnership relationship has led to transforming development results for poor communities in sectors that include: water and sanitation, orphan and vulnerable children, livelihood security, community development, primary education and primary health care. We are pleased to enter into a new phase of continued but different partnership relationship with the Redemptorists. We are very appreciative of the positively interactive and supportive engagement with Redemptorist leadership.

Just over 43% of funding to development projects during 2015 was allocated to Technical, Vocational and Education Training (TVET). There is an increasing recognition that Technical Vocational skills are critical to social inclusion, decent employment, and poverty reduction. The term refers to the acquisition of knowledge, competencies and attitudes necessary to perform a particular trade or occupation in the labour market. Lack of access to dignified employment and income-generating opportunities cuts to the heart of the development agenda. The Sustainable Development Goals (SDGs), place emphasis on TVET and the importance of improving young people's access to dignified employment. TVET has become the single biggest theme in SERVE's work and we expect our TVET focus to increase over the next years. For this reason, we are pleased that during 2015, very important steps were taken to enter into a dynamic strategic alliance with Young Africa International. In the coming years, SERVE will provide funding support and capacity building to our partners engaged in TVET; developing standardised resources and toolkits; providing skilled volunteers to support our partners deliver their programmes; promoting access for marginalised groups; and investing in monitoring, evaluation and learning systems.

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**CHAIRPERSON'S STATEMENT**  
**YEAR ENDED 31ST JANUARY 2016**

SERVE volunteers, their commitment, idealism, energy and aptitude for 'Solidarity In Action', has fuelled SERVE successes for over a decade. Our volunteers are the catalyst, that make so much else happen. It is worrying, that in 2015, that the indicative signs evident since 2013, that there is a waning of interest or availability for international volunteering, manifested itself with a significant reduction in the number of volunteers recruited and assigned by SERVE. We are worried by the emergence of this apparent trend. We are committed in 2016 and 2017, to understanding why, and to adapting strategies to reverse this trend. Thankfully, there remains a strong interest in immersion programmes, and SERVE are delighted to engage with immersion partners. The next few years, and especially the interest levels in volunteering will prove instrumental in influencing the future direction of SERVE.

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 2015. 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. I also commend the commitment of the 58 SERVE volunteers who during 2015 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 number of years:

Irish Aid  
Misean Cara  
Redemptorists  
Electric Aid  
Edmund Rice Trust Fund  
Galway County Council  
Eli Lilly  
McManus Trust Fund  
COREAM  
Better World Denmark  
TUI

I would like to thank the students and staff and parents and families of the International School Augsburg (ISA) Germany for their engagement, support, and passion for the SERVE supported projects in Zambia.

We are also indebted to our dedicated support base that supports SERVE through their generous donations. This solid support base of stakeholders is the backbone of the organisation.

SERVE will prepare a new Strategic Plan in 2016. Our focus on delivering tangible outcomes for young people and poor communities will be as strong as ever. I am honoured to be part of a movement dedicated to authentic solidarity in support of some of the poorest communities in the world.



John Gerard O'Connor  
Chairperson  
SERVE IN SOLIDARITY IRELAND

Date: 24th October 2016

**SERVE IN SOLIDARITY IRELAND  
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**DIRECTOR'S REPORT  
YEAR ENDED 31ST JANUARY 2016**

The directors present their annual report and the audited financial statements for the year ended 31st January 2016. This report presents the information and disclosures required by a Directors Report under the Companies Act 2014, together with additional information required by the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**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 2014. The objective of the company is to relieve third world poverty. It is a charity registered with the Charities Regulatory Authority and has been granted tax exemption by the Revenue Commissioners in Ireland, with registered charitable taxation No: CHY 18154. SERVE's governing documents is its Memorandum and Articles of Association.

*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 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.

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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

*Board Appointment*

Directors are recruited through a combination of both external and internal networking. Candidates for appointment to the Board are prioritised based on the Board's requirements for expertise from time to time: for example in the areas of development, finance, marketing, law, fundraising or governance. It is intended that the Board should comprise of a balance of expertise and disciplines. Directors receive induction training upon selection and are subject to a six month initial trial before formal appointment. The board's directors are drawn from diverse backgrounds including finance, development, legal, business, marketing, missionary, youth and community, who bring to the Board significant professional and decision-making skills achieved in their respective fields, together with a broad range of experience and views. There are no emoluments paid to directors.

SERVE In Solidarity Ireland has developed a template where the board receives timely information at appointed times across the agreed principal areas of activities and concern. This template is prepared in a calendar format which ensures that relevant issues are considered by the Board. The Board met five times during 2015.

As a member of Dochas, SERVE In Solidarity Ireland subscribes to the principles contained in the Irish Development NGOs Code of Corporate Governance.

*Internal Controls*

The directors acknowledge their overall responsibility for Serve In Solidarity Ireland's systems of internal control and for reviewing its effectiveness. The Board has established a process of compliance which addresses the Boards wider responsibility to maintain, review and report on all internal controls, including financial and operational. There are six key pillars that give assurances about internal controls. Key elements of the internal control systems include:

1. SERVE has clear policies and procedures in place for the receipt, recording and control of donations received from private individuals and the other sectors;
2. Procedures and control systems are formally documented in a series of partnership and project agreements. Internal control reviews of partners are completed and documented as well as internal audits; The agreements and reviews are appraised on a bi-annual basis;
3. There is a formal organisational structure in place with clearly defined lines of responsibility, division of duties and delegation of authority;
4. A detailed budget is prepared annually which is in line with the strategic plan and approved by the Board. Actual results and service outcomes are compared regularly against budget and prior year to ensure alignment with budget, tight administration control and value for money;
5. A sub-committee focused on audit reports independently to the Board on all aspects of controls and risks;
6. The Board maintains a reserve policy that exceeds the minimum recommended for charities (three months reserves) to mitigate the increasing risks of the uncertain economy and to ensure sustainability of our services. Our actual reserves would not have been less than seven months during 2015.

The board updated and approved a new Governance Manual in May 2014. The Governance policy proposes four sub-committees of the board. The current sub-committees are:

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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

- 1) The audit and risk committee which is responsible for reviewing: (a) Financial reporting; (b) Risk Management and internal controls; (c) Budgetary control and financial policy; (d) Internal audit; (e) External audit. The audit committee was revamped after the year-end and includes four members, two who are board members and two who are external representatives.
- 2) The Governance sub-committee which is responsible for ensuring that the organisation has sufficient resourcing with the correct skills and expertise in place to achieve its strategic objectives and mission. The sub-committee reviews and makes recommendations to the Board on the following: (a) Director Nomination(s) and Succession; (b) Performance appraisal; (c) Resourcing and strategy; (d) Corporate Governance. There are four members of this committee, one board member and three external members.
- 3) The Solidarity Group Sub-Committee responsible for oversight of: (1) Structures and operations of the Solidarity Group; (2) Identifying the pathways by which the Solidarity Groups contribute to SERVE's Strategic Plans; (3) Identifying leadership potential for structures within the SERVE organisation. The committee consists of two 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 three external representatives.

*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 appointed a new CEO in December 2015. This represents a change in SERVE's governance structure. The CEO manages the day to day operation of the company. There are clear distinctions between the roles of the Board and the CEO to which the day to day management is delegated. Responsibility for the implementation of the internal control systems is delegated to management. Matters reserved to the Board and those delegated to the CEO are outlined in the Organisation's Governance Manual.

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

The directors are responsible for preparing the Director's Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish Company law requires the directors to prepare financial statements giving a true and fair view of the state of affairs of the company and the net income or expenditure of SERVE for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS 102: the Financial Reporting Standard applicable to the UK and Republic of Ireland ('relevant financial reporting framework'). 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 as at the financial year end date and of the net income or expenditure of the company for the financial year and otherwise comply with the Companies Act 2014.



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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

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;
- Observe the methods and principles in the Charities SORP;
- State whether the financial statements have been prepared in accordance with the 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 keeping adequate 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 Act 2014. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the SERVE's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

*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. The Audit Committee reports directly to the Board.

The members of this committee examine the major risks that SERVE faces. Systems and processes are then developed to monitor and control the risks in order to mitigate the potential impact that they may have on the future development of the organisation. The directors have set-out below what they consider to be the principal risks impacting on SERVE and the steps taken to address these risks are clearly articulated in the Risk Register overseen by the Board. The Risk Register highlights: (1) The Risk Area; (2) The Risk factor; (3) The impact; (4) The Likelihood; (5) The Impact severity; (6) The Mitigating Control; (7) Ownership of the risk. The detailed Risk register is made available to key partners and stakeholders. The principal Risk Areas are identified as:

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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

1. Financial / Funding Risk – 1.1 Loss or reduction of Irish Aid donor funding; 1.2 Relationship between the Redemptorists and SERVE changes; 1.3 Failure to effectively monitor and evaluate funded projects; 1.4 Fraudulent activities; 1.5 Insufficient Internal controls in the Organisation; 1.6 Over dependent on Irish Aid; 1.7 Fall in uncommitted funds.
2. Strategy and Governance Risk – 2.1 Lack of clarity in organisational purpose or mission; 2.2 Failure to operate according to Memorandum and Articles and Strategic Plan/ Objectives; 2.3 Lack of operational transparency through reporting; 2.4 Failure in compliance with regulation, statutory or legal obligations.
3. Operational Risk – 3.1 Operation skills and resources; 3.2 High dependency on small number of key people; 3.3 Lack of adequate skills/ experience on Board; 3.4 Reliance on small number of individuals; 3.5 Partner Risks; 3.6 Volunteer Programmes, Immersion Programmes, Solidarity Projects; 3.7 Fundraising; 3.8 Failure in compliance around Child Protection; 3.9 Systems failure leading to data loss; 3.10 Effective Communication; 3.11 Insufficient Engagement with Donors; 3.12 Insufficient engagement with partner organisations; 3.12 Insufficient engagement with the public; 3.13 Health and Safety; 3.14 Insufficient planning for monitoring visits in the field.
4. Partner Risk- SERVE prioritises a partnership approach. The Board has developed a review mechanism to assess all partnerships in the SERVE Development Programme (SDP) and to review the organisations work with the Redemptorists and the partners receiving funding through the Misean Cara system. Care is taken to monitor the dependency ratio on Irish Aid. SERVE maintains a Risk Register for the SDP. The Register covers the categories of Operational, Financial, Development and Reputational risk. Each risk is quantified in terms of probability and impact, and is then ranked.

The board updated SERVE's risk policy and the risk register in May 2015.

*Transparency and Accountability*

In 2015, SERVE managed a fraud incident involving a partner. The amount involved was just over €23,000. The details relating to this fraud are outlined in section 3 of this report on pages 10 and 11. SERVE is satisfied that no other incidences of fraud or gross financial management has occurred among partners. Partners are externally audited by registered in-country auditors; audit reports and management letters are examined by SERVE management and board members in line with our financial policy. It is the current opinion of our partner's independent auditors that their respective financial statements give a true and fair view of the state of affairs of each partner. SERVE also completes a number of internal audits each year. SERVE also reviews partner's financial policy and procedures, and holds independent discussions with partner's financial managers as part of routine monitoring and evaluation processes. Review of partners other donor's reports and audits provide further security regarding financial management procedures.

*Networks and Consortia*

SERVE is committed to a strategic alliance with both Young Africa International and the Dublin Province of the Redemptorists. Strategic partnership with international partners and organisations is seen as a key vehicle for SERVE's macro level engagement and advocacy. SERVE is also a member of Dochas- the Irish Association of Non-Governmental Organisations. SERVE is also as a member of COMHLAMH and IDEA . Through its partnership relationship with the Redemptorists, SERVE engages actively with Misean Cara. SERVE participate in several working groups led by these organisations.

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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

**2. OBJECTIVES OF THE CHARITY**

SERVE is a development and volunteering organisation committed to tackling the root causes of poverty to achieve justice, equality and opportunities for all. Since 2003 SERVE has worked in solidarity with communities living in poverty, supporting initiatives in Southern Africa, South-East Asia and South America. Inspired by the belief that "Solidarity In Action" can improve the lives of the most vulnerable, SERVE works in partnership with local communities and organisations. Our work is rooted in strategic cooperation with Irish communities at home and abroad.

SERVE's vision is of a world where everyone has an opportunity to realise his or her potential and make a meaningful contribution to society. SERVE's mission is to work in partnership to strengthen the livelihoods of young people and communities living in poverty by providing high quality vocational and educational learning opportunities, helping young people gain employment or start and develop their own businesses.

SERVE'S Values include:

- The Principle of Solidarity- our determination is to work to the good of all in a spirit of mutual responsibility in participatory partnerships, ensuring local participation and ownership, shared values, collaborative spirit and mutual respect underpinned by transparency and accountability.
- A Commitment to Volunteering- SERVE volunteers are at the centre both of our development agenda and of our engagement with the Irish public;
- A focus on Development Education and public engagement- plays a role in increasing awareness and understanding of the changing, interdependent and unequal world in which we live and the ways in which our attitudes and actions can make a difference to disadvantaged people and vulnerable communities.

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

The Directors set six main objectives for 2015:

1. To implement the fourth year of the 5 year Irish Aid funded Programme in South Africa, Mozambique and Zimbabwe;
2. To support the capacity building of the Redemptorist Development programme with particular emphasis on Africa and Madagascar;
3. To consolidate the volunteering options by SERVE while developing our capacity to measure the impact of the programmes offered;
4. To complete an external evaluation of the Irish Aid programme;
5. To strengthen the policy base of the organisation around Development themes, Capacity building, Monitoring and evaluation, Partnership, Theory of Change and Results Based Management;
6. To develop a new strategic vision and plan for the next threshold phase in the organisations history 2016-2018 with particular emphasis on expanding our funding base and enhancing governance including the roles of board sub-committees;

The progress made in 2015 in respect of the key objectives is detailed as follows:

Objective 1: To implement the fourth year of the 5 year Irish Aid funded Programme in South Africa, Mozambique and Zimbabwe;

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**DIRECTOR'S REPORT (CONTINUED)**  
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Irish Aid is committed to supporting the SERVE Development Programme (SDP) in South Africa, Mozambique and Zimbabwe for the five year period 2012-2016. The initial commitment of Irish Aid was for a grant contribution of €290,573 per annum. Irish Aid fulfilled this commitment in the first two years of the programme despite recessionary financial pressures. In year 3, Irish Aid committed €285,143, representing a 1.8% reduction. In year 4, Irish Aid contributed €278,646 representing a 2.2% reduction on 2014 levels and a 4.1% reduction on the original annual commitment. The SDP Programme is a response to the challenges of vulnerability and low levels of livelihood security in targeted communities in South Africa, Mozambique and Zimbabwe. SERVE are working with four partner organisations to improve the lives of poor children, young people and adult women and men. The four key partners are : (1) Tapologo, South Africa (HIV and Aids sector, including OVC and ART Programmes); (2) Tsholofelo, RSA (Education, vocational skills training and primary health care); (3) Young Africa (YA) Zimbabwe (vocational skills training for young people, including SRHR training); (4) Young Africa Mozambique (vocational skills training for young people, including SRHR training). Our work focuses on the issues of orphaned and vulnerable children (OVC), HIV and AIDS care and prevention, and Technical Vocational Education and Training (TVET). The programme model integrates funding support, capacity development support, volunteer placements, development education and advocacy.

The programme is focused on achieving three principal outcomes:

1. Reduced vulnerability and improved quality of life for OVC in targeted communities in Rustenburg, South Africa;
2. Enhanced levels of HIV and AIDS healthcare in 9 target communities and young people in target communities empowered to make better choices regarding their sexual & reproductive health;
3. Improved employment and self-employment prospects for young adults in targeted communities;

The annual progress reports for each year of the SDP are available on the SERVE website [www.serve.ie](http://www.serve.ie) under the section Our Work- SERVE Dev Programme 2012-2016. The SDP programme was externally evaluated in September 2015. The external evaluation report is also available at [www.serve.ie](http://www.serve.ie). The external evaluation is very positive. The programme is committed to the achievement of sixteen targeted results. With four years of monitoring data available, results show that the fourth year of the SDP has gone well. The principal achievements include:

- 12 of the 16 targets are On-Target;
- Improved nutrition status of the targeted Orphan and Vulnerable Children;
- Increased income for students graduating from the Technical Vocational Education Training (TVET) programmes;
- A Volunteer Programme central to partner capacity building and awarded a Comprehensive Compliance Award by Comhlamh in 2015;
- Evidence that the Life Skills training integrated into TVET programmes is impacting positively on Sexual & Reproductive Health Rights (SRHR) knowledge, attitudes and practices of the majority of beneficiaries;
- The combination of increased income and effective life skills training is strengthening the resilience of marginalised young people;
- Replication of a SERVE pilot programme focused on TVET training in rural communities to 6 Rural Districts in Zimbabwe;
- Evidence of SERVE adding value by building the capacity of partners in six distinct competencies;
- Strengthened suite of SERVE policies completed and approved;
- Impressive value for money achievements;

The principal programme failures and issues of concern include:

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- While the programme can boast of advocacy achievements at the micro and meso level, it is much more difficult to point to successes at the macro level;
- Mainstreaming policies fail to capture the extensive mainstreaming approaches in the programme;
- SERVE's strategic engagement with the Irish Public has not been significant beyond our own network.
- The impact of climate change is being felt by all partners, but is most significantly at YA Agri Tech in Mozambique where it is negatively impacting on the productivity capacity of the graduates;

The SERVE Regional Office in Harare was closed in December 2015 as scheduled. The Development Programme Manager returned to the SERVE office in Ireland. The Regional Office was an interesting learning experience and played a crucial role in delivering key aspects of the SDP, namely: improved monitoring and evaluation of the SDP, capacity building of partners regarding Results Based Management, managing the external evaluation process and organising a successful Training Event with all SDP partners in Harare.

The Directors are committed to responding proactively to the recommendations outlined in the external evaluation.

Objective 2: To support the capacity building of the Redemptorist development programmes with particular emphasis on Africa and Madagascar;

SERVE has acted as the development agent for the Redemptorists since 2008. SERVE has represented the Redemptorists at Misesan Cara since 2008. 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.

During 2015, SERVE completed a comprehensive review of all aspects of its operations, and this included a review of the partnership relationship with the Redemptorists. The review was positive in assessing the role SERVE has played in supporting development projects owned and sponsored by the Redemptorists. SERVE and the Redemptorists have agreed a new approach to working together. Three important factors influenced the emergence of this new approach:

1. The accounting for grants from Misesan Cara through the SERVE banking and accounting systems distorts the income ratio of Irish Aid: SERVE with Irish Aid commenting unfavourably on the ratio at intervals;
2. The emergence of a fraud on a Redemptorist related project in Zimbabwe, raised questions about ownership of the problem and corresponding responsibility etc.;
3. The Redemptorists having positively evaluated the partnership relationship with SERVE, also noted that in some ways the reliance on SERVE slowed progress towards internal Redemptorist capacity building;

A total of €480,805 was received from Misesan Cara in 2014. In 2015, no funds were received from Misesan Cara. Redemptorist funding from Misesan Cara will no longer be reflected through the SERVE banking and accounting systems. Misesan Cara for a period of a number of months, suspended funding to the Redemptorists, and during 2015, the Redemptorists, during a period of reorganisation, did not for a ten month period, submit any project proposals to Misesan Cara. Misesan Cara reinstated funding status to the Redemptorists after completion of a review of the issues relating to the fraud in Zimbabwe and the repayment by the Redemptorists of the €23,000 due to Misesan Cara.

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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

The detection of a suspected fraud at a partner in Zimbabwe, emerged through a process of internal whistleblowing, whereby a partner staff member communicated directly with SERVE. Following consultations with the Redemptorists, and in conjunction with another donor, forensic auditors were appointed, and all grant funding to this partner was subject to the forensic audit. On confirmation of the fraud and the amount involved, the Redemptorists repaid the appropriate amount to Misesan Cara.

At February 1st 2015, SERVE were responsible for overseeing the project cycle management process for the following Redemptorist projects: India (APD) €6595; Mozambique (Water for All ) €23,970; Zimbabwe ( Mavambo Trust) €73,219; Zimbabwe Chiweshe Education Programme ( €76,762); Angola (Menongue) €32,707; Ghana (Pease) €48,115 . SERVE administered Misesan Cara project grants during 2015 to India (APD) €6,595; Mozambique (Water for All) €23,970; Zimbabwe (Mavambo Trust) €73,219.6; Zimbabwe (Chiweshe Education Programme) €31,406.75. At the end of the year, as at 31st January 2016, SERE are responsible for two Misesan Cara funded projects Zimbabwe- (Chiweshe Education Programme) €45,355.25 and Angola-( Menongue) €31,301.10

SERVE and the Redemptorists agreed a new strategic partnership, commencing in 2016.

Objective 3: To consolidate the volunteering options by SERVE while developing our capacity to measure the impact of the programmes offered;

SERVE implement Volunteering Programmes, Solidarity Projects and School Immersion 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 Sustainable 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. Since 2012, The Volunteer to Build Capacity Programme has placed 141 volunteers in support of the SDP programme. In 2015, 58 people participated in SERVE projects in five countries in comparison to 105 volunteers placed in 2014, (2013 114 volunteers).

In November 2015, SERVE were awarded a Comprehensive Compliance Award by Comhlamh. The throughput on the volunteering programmes and immersion programmes was lower in 2015 than in previous years. This is reflective of reduced interest and availability in international volunteering amongst SERVE's traditional volunteering constituency. The volunteering programmes to South Africa, the Philippines and Mozambique and India were excellently executed and positively evaluated. There was only one immersion programme in 2015 and that was to Zambia, involving International School Augsburg (Germany).

The SERVE Volunteer to Build Capacity Programme makes a significant contribution to the infrastructure and service outcomes delivered by our partners. Twenty three (23) (2014 38) (2013 48) volunteers in total were placed in the SDP( South Africa, Mozambique, Zimbabwe) programme countries. Sixty seven (23) volunteers were assigned to India, and the Philippines. A total of Twelve (12) (2014 46) (2013 33) participants were engaged in the immersion initiatives. There were no Solidarity Projects in 2015 (2014 0) (2013 21 volunteers).

SERVE believes that recognising the value of volunteer work is an important prerequisite towards successfully harnessing volunteerism as a renewable economic resource for development and the creation of social capital and social cohesiveness. The SDP programme is attempting to measure the impact of volunteering. The KAP survey completed in 2015 with returned volunteers was a good step forward in assessing change in the knowledge, attitudes and practices of returned volunteers. This KAP survey is available at [www.serve.ie](http://www.serve.ie) .

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Evaluations of the 2015 SERVE Development Education Programme (DEP) by volunteers, showed a 89% "beneficial rating" ( 92% in 2014). Telling the story of the Volunteer to Build Capacity Programme is an effective way of capturing part of its impact. SERVE volunteers told their story through diary entries which are available on the SERVE website (<http://www.serve.ie/category/blog/>). The SERVE website had 40,100 views in 2015 (2014 44,000).

SERVE placed a Long Term Volunteer with Young Africa Zimbabwe who is building capacity in the areas of marketing, PR and monitoring and evaluation.

Objective 4: To complete an external evaluation of the Irish Aid programme;

The SERVE Board commissioned Mary McKeown, an independent consultant, to complete an external evaluation of the Irish Aid funded SDP programme. The purpose of the evaluation was to provide an informed understanding of the implementation of the SDP by undertaking a review, assessment and analysis of the programme, and identify the challenges and lessons learned. The evaluation team visited South Africa, Zimbabwe, and Mozambique over two weeks in September 2015. The evaluation included a desk review, an inception report, project visitation, site visits, interviews with the Chairperson of SERVE and with Irish Aid.

The evaluation noted that relationships between SERVE and its partners are very strong and supportive. The evaluation highlights "that SERVE's Programme Approach has a clear goal for impact on the lives of a particular group in each location. It has an in depth understanding of the contexts in which it works and there are clear goals and objectives in place for each location. The results framework is strong, and is used appropriately by SERVE and its partners. Institutional capacity building is a major part of the programme, and though all parts of the programme are flexible and responsive to change, the capacity building element of the programme is particularly strong, being responsive and flexible to partner's needs. Serve's volunteers provide tangible practical support to all SERVE's partners. There is evidence of benefits for volunteers as well as for the partners. SERVE's long term volunteering programme has the potential to offer greater capacity building throughout the programme".

The external evaluation makes a total of Twenty One (21) recommendations, Four (4) that relate to SERVE, Two (2) that relate to Tsholofelo, One (1) relating to Tapologo, and Eight (8) relating to Young Africa Zimbabwe, and Six (6) relating to Young Africa Mozambique. SERVE are committed to implementing these recommendations. The full evaluation can be reviewed on [www.serve.ie](http://www.serve.ie).

Objective 5: To strengthen the policy base of the organisation around Development themes, Capacity building, Monitoring and evaluation, Partnership, Theory of Change and Results Based Management;

The detailed monitoring visits and reports completed in 2014 encouraged SERVE to develop a suite of policies to strengthen its policy based approach to development. During 2015, policies were completed and approved in the following areas: Monitoring, Evaluation & Learning, Results Based Management, Technical Vocational Education and Training, Exit Strategies, Advocacy, Mainstreaming, Capacity Building & Complaint Mechanisms within Partnerships, Fraud & Whistleblowing. The Directors welcome this strengthened policy based which should act as a catalyst for enhanced quality in development programmes and volunteer programmes, leading to improved outcomes for the beneficiaries that SERVE prioritise.

Objective 6: To develop a new strategic vision and plan for the next threshold phase in the organisations history 2016-2018 with particular emphasis on expanding our funding base and enhancing governance including the roles of board sub-committees;

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During 2015, the Directors led an organisational review. The review involved a participative process engaging board members, staff and key stakeholders. Four organisational restructuring options were considered, researched and appraised. The most significant organisational change resulting from this review, was the decision to centralise SERVE operations in Cork. Aligned with this change, SERVE are committed to a new Strategic Alliance with Young Africa International and a restructured alliance with the Dublin Province of the Redemptorists based on a Service Level Agreement. A new CEO was recruited and announced in December 2015. Resources during 2015, were also deployed to the development of an internal audit and control review function. This was achieved through retaining the services of an internal auditor based in Capetown, South Africa. The geographical and organisational changes led to inevitable staff transitions and changes. The current staffing levels in Cork include: (1) CEO; (2) Operations Manager; (3) Development Programme manager; (4) Communications Officer; (5) Development Officer; (5) Immersion officer.

The announcement by Irish Aid of an extension by one year for all programme grant holders, along with the decision to complete a detailed organisational review, delayed the process to formulate a new Strategic Plan. The new Strategic Plan for the period 2017-2021 was prepared after the year-end. At such a threshold time in the organisation's history, it was decided to retain the existing board to oversee the transition phase and to prioritise board renewal during 2016. The Directors are committed to a process of rotation of directors with the longest serving members having completed three consecutive terms retiring in the second half of 2016. The board are committed to nominating and inducting up to three new directors during 2016.

The following comparative information offers some salient information about SERVE's funding base in the Republic of Ireland:

	31/01/2016	31/01/2015
Total Income	802,832	1,207,006
Total Restricted Income	507,115	1,012,897
Total Unrestricted Income	295,717	194,109
Grant Income	278,646	765,947
Voluntary Income	524,186	435,416
From the Irish Public	404,599	319,753
Unrestricted Reserves	68,954	90,370

The following ratios provide insightful content with regard to objective 6:

- The SERVE/ Irish Aid ratio is 66%/34% (2014 37%/63% (2013 49%/51%) (2012 39%/61%);
- Unrestricted Income is 37% (2014 17.5%) of total incoming resources ( 2013 11.5% (2012 18.2%)

When SERVE income in the North of Ireland is included, these ratios change and improve as follows:

- The SERVE/Irish Aid ratio is 69%/31% (2014 46%/56%)( 2013 53%/ 47%)( 2012 56%/44%);
- Unrestricted Income is 40% (2014 22.5% )of total incoming resources (2013 12.7%) (2012 20.6%);
- Total Unrestricted Reserves at year end between North and South €135, 303 (2014 €197,744) which is in excess of the minimum required;

The steps taken in 2014, to attract UK institutional funding, by dedicating a staff member to this task, did not yield the expected dividend. The Directors commissioned an external review of applications submitted to UK funders, and the feedback from this review, argued that SERVE needs to strengthen its theory of change, in order to be successful in obtaining UK institutional funding. The Directors incorporated this task into the Strategic Planning Terms of Reference during 2016.



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Steps were taken to maintain and boost unrestricted income in a difficult economic climate.

The directors note the fall in overall income, grant income and voluntary income. The 42% reduction in Total Income is due to (1) The absence of Misesan Cara funding €480,805 ; (2) The fall in Development Appeal Income of €16,639 and £62,159 due to fewer volunteering programmes and hence less fundraising activities through volunteers; (3) The fall in Irish Aid income of €6,497 ; (4) Reduction in interest income; (5) Reduction of €7,119 and £14,078 in Volunteer Contribution due to fewer volunteer programmes. The percentage change in income from fundraising activities was as follows: (1) Events based fundraising (+10.2%); (2) General Donations (+71%); (3) Standing Orders (-9.35%); (4) Flip Flop Friday Appeal (+2.49%); (5) Solidarity Gifts (+114%). The income from Third World Groups remained consistent.

The Board is committed to prioritising the generation of unrestricted income in 2016.

#### **4. OPERATIONAL SUMMARY**

##### *Development Programme*

Expenditure on development programmes amounted to €722,266 which compares to the €1,188,216 spent in 2014. 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 also during 2015 supported development projects in India, and the Philippines. These funds were channelled through SERVE partners implementing projects focused on income generation, disability, emergency rehabilitation, and primary education.

SERVE administered funding received from Misesan Cara for Redemptorist projects in Zimbabwe, India, Ghana, Mozambique, Angola, the Philippines. In Zimbabwe, grants were allocated to support Orphan and Vulnerable Children education programmes, and the construction of a primary school in a rural community. In Mozambique, a very impressive water programme for rural communities was supported, and funds were granted to an urban community development in the Philippines and a water project in Ghana, and a rural development project in Menongue, Angola. The breakdown of the development themes funded during 2015 is as follows: (1) TVET 43%; (2) OVC 16.5%; (3) Water 13.8%; (4) Primary Education 11.2%; (5) Capacity Building 9.8%; (6) Health 2.8%; (7) Disabilities 1.8%; (8) Rural Development .5%; (9) Urban Community Development .3%; (10) Rehabilitation .25%.

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*Volunteer Programme*

Expenditure on the Volunteer Programme amounted to €159,667 (2014 €227,624). The Volunteer to Build Capacity Programme 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, skills training, construction, healthcare and youth work. Since 2005, SERVE has placed a total of 1,102 volunteers with partners in the developing world.

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. In 2015, SERVE implemented 4 Volunteering Programmes, assigned 1 Long Term Volunteer, implemented 1 immersion programmes.

*Development Education and Global Citizenship and Advocacy*

SERVE place 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;
- Prior to departure and post-return, volunteers speak in local schools, colleges, universities, parishes and voluntary groups;
- 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 the Sustainable Development Goals.

2015 saw the seventh year of our Global Citizenship Programme whereby our Belfast office provided internship and development placement opportunities to young adults.

The SDP programme includes in its Results Framework targets relating to the strategic engagement with the Irish public. The planned for outcome is "increased awareness that leads to active participation amongst a targeted constituency in supporting development initiatives pivotal to reducing vulnerability and enhancing livelihood security". The programme is focused on achieving two results.

The first is to ensure that SERVE mainstreams development education into all stages of the Volunteer to Build Capacity Programme. It makes an important contribution towards increasing awareness of development issues amongst volunteers, inspiring people to think critically about development issues and become active citizens. The Board welcomes that in 2015, 89% of volunteers described the Development Education Programme as beneficial. The second targeted result centres on contributing to a momentum and movement for change in favour of the SDG's relevant to HIV/AIDS, OVC's and TVET and the role of the voluntary sector in the development process. 67% of returned volunteers, are providing financial support to NGO'S – this is the highest figure since 2012. In 2015, 34% of returned volunteers reported some form of active citizenship in favour of international development. This included media actions (e.g. blogs, interviews with local newspapers) and lifestyles actions (e.g. changing buying habits, changing behaviour related to environmental issues) or being involved in the campaigns and works of NGOs. The board is committed to working to channel returned volunteer goodwill into SERVE Solidarity Groups.

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The SERVE Focus On Newsletter is sent to almost 1,000 past volunteers and supporters and the read rate is above the industry average. Case studies are an effective way of telling the story of the SDP to the Irish public. In 2015, a case study about Giveth Mambo, a female Zimbabwean graduate now working as a mechanic, was featured in the Irish Times to mark the European Year of Development and was shared over 500 times on social media within Ireland and internationally.

SERVE is a member of Comhlamh's Development Education & Volunteering Working Group, Dochas' Development Education Group and Dochas' Images & Messages Code of Conduct Task Group. Since 2014, 17 SERVE volunteers have participated in the Global Citizen Awards which help raise awareness of global issues in Ireland. SERVE are also members of the Global Citizen Awards Committee.

SERVE's approach to advocacy is based on the premise that advocacy achieves results when organisations work within their circles of influence. In partner countries, SERVE's circle of influence is small, but we do support the advocacy initiative of our partners who advocate for policy change at local and/or national government levels. The Shared Learning Event in Harare engaging SERVE partners in August 2015 addressed the advocacy strategies and approaches of SDP partners. There was strong agreement that effective advocacy takes place at a number of levels- from government bodies down to beneficiary level- but that a focus on macro level advocacy was not always appropriate or feasible. SDP partners are strong advocates for their target groups. Examples, of advocacy initiatives led by our partners include:

- Drug abuse advocacy in Zimbabwe;
- Skills training opportunities for rural youth in Zimbabwe;
- Curriculum reform advocacy for TVET in Mozambique;
- The plight of squatter camp residents in South Africa;

The external evaluation of the SDP programme recommends that "SERVE should build up its advocacy relationship with the Embassy in South Africa, focussing on the situation of people living in squatter camps at mines, particularly at the plantium mines in Rustenburg where Tapologo and Tsholofelo work."

#### *Fair Trade*

SERVE is an advocate for 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 2015 achieved again the double dividend impact of supporting the income generation capacity of our partners in Thailand while also raising funds for SERVE. We remain convinced that this is a genuinely pro-poor initiative worthy of support.

#### *Fundraising*

Fundraising is the responsibility of the whole Board who oversee all aspects of SERVE's operation and performance to ensure short-term and long-term viability and adhere to the Statement of Guiding Principles for Fundraising.

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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

In 2015 our volunteers played a vital role in telling the SERVE story and attracting donations. We commend the commitment of our volunteer network. In 2015, our fundraising strategy placed a strong emphasis on achieving growth in the number of standing orders, and the implementation of new events based fundraising initiatives. In 2015, SERVE facilitated a raffle, 4 Peaks Challenge in Ireland, 3 Peaks Challenge in the UK, Flip Flop Friday and a standing order drive to generate funds. The organisations communication strategy has improved steadily with regular e-newsletters, improved profiling, and enhanced data gathering and an impressive presence on social media. 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. Like many other similar organisations, the challenge of raising unrestricted funding is daunting. The more cautious mood about giving to charities has impacted all charities. There are concrete plans to continue to develop the organisations fundraising function.

## **5. 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 23 which shows a deficit for the year amounted to €159,819(2014 €309,920) (2013-€258,652).

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 2016 reached €896,476 ( 2014 €1,402,231) (2013- €2,206,726) of which €802,832 ( 2014 €1,207,006) ( 2013- €2,028,609) was raised in the Republic of Ireland. This represents a 42% decrease in income when compared with the year ended 31st January 2015. The decrease in income in the Republic of Ireland was 33%. The decrease in the North of Ireland was 52%

Income Resources from Generated funds was 69% (2014 46%) (2013- 48% ) (2012 39%). Income Resources from Charitable Activities was 31% (2014 54%) (2013- 52% )(2012 61%). Grant income decreased by 63%. Voluntary income decreased by 3.3%. Income from the Irish public decreased by 4.8%. The falls in grant income is due to the exclusion of Misesan Cara grants referenced earlier. The result from Third World Groups during 2015 saw an increase of 4%.

Direct Charitable Expenditure was 98% (2014 99%) (2013 99%) of total expenditure. The costs of generating funds was 1.2% (2014 .6%) (2013 1.2%) of total expenditure. The governance costs were .8% ( 2014 .2%) (2013 .8%). €530,939 (or 55% of total expenditure) of total expenditure was on granted to 13 partners, with €391,676 on granted to 3 partners in South Africa, Mozambique and Zimbabwe.

The deficit of €159,819 for the year referenced on page 23 is largely due to expenditure related to Misesan Cara grants that were held as an opening balance at the beginning of the year, and during 2015, a significant percentage of these grants were spent while unlike other years, there were no new Misesan Cara grants during 2015. Many of the Expenditure patterns in 2015 resemble closely expenditure outcomes in 2014 with strident efforts made to stay within budget for all cost centres. The expenditure on the Volunteering Programme was lower by 29%% due to a 44% fall in the number of volunteers. The decrease of 38% in expenditure on Development Projects is due to reduced donor income and the absence of any significant humanitarian emergency.

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*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 etc.

There are cash reserves of €884,740 (2014 €1,062, 943) (2013 €1,372,465) along with debtors of €48,339 and creditors of €4,986 at the year-end January 31st 2016 held in the Republic of Ireland . The net reserves are €928,093. There are five important factors relevant to an analysis of these reserves: (1) €68,954 represents a prudent unrestricted reserve balance; (2) There is €120,440 that relates to a long term school development project in Haiti. (3) There is €76,656 .35 (2014 €300,103) (2012 €342,595) of Misesan Cara grant funding, which is a balance due to the timing of the receipt of funds from Misesan Cara. Misesan Cara funds are transferred to partners in instalments based on receipt of project narrative and financial reports. The reserves held relate to (i) Marongwe Education Project in Zimbabwe €45,355.25; (ii) Menongue Rural Development programme €31,301.10. Contributions of £31,792 and £6,952 towards Misesan Cara projects were funded from SERVE in the North of Ireland. (4) There are significant reserves held for long term development programmes in the Philippines. At the year end, there remained on reserve; (i) €33,094 of funding received from Better World Denmark; (ii) €1,300.15 related to solidarity gifts and (iii) €414,891.54 as a General Reserve for projects in the Philippines. (5) A combination of Irish Aid funds unspent 2015 €0 (2014 €3,644), and €52,157 of third world group funding unspent, and a prudent reserve of €160,600 in support of projects in priority countries, represents the balance of the reserves.

SERVE are committed to maintaining at a minimum €91,650 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 the 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 €68,954 at 31st January 2016 is down in comparison with 2014 (€90,370) and 2013 (€160,309) and when taken with the unrestricted reserves in the North of Ireland, the total unrestricted reserves is €135,303 and is the equivalent of approximately 7.3 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 updated its detailed partnership policy in 2015. 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.

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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

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.

Project contracts are central to all grant allocations. There are stringent reporting requirements, monitoring and audit demands relevant to all grants awarded.

*Pay policy for senior staff*

The Directors consider that the Board of Directors and the CEO, who is not a member of the Board, comprise the key management personnel of SERVE in charge of directing and controlling, running and operating the company on a day to day basis.

With the exception of the CEO, all Directors give of their time freely and no director received remuneration in the year. While the Directors are entitled to reimbursement for vouched expenditure incurred in the performance of their duties, no such amount was claimed in 2015 or 2014.

The pay of the CEO is reviewed annually by the Board while the pay of the other staff is reviewed by the CEO. Given the nature of the company, the Directors benchmark against pay levels in other non-profit organisations.

*Accounting Records*

The Directors acknowledge their responsibilities under Section 281 to 285 of the Companies Act 2014 to keep adequate accounting records for the company.

In order to comply with the requirements of the Act, appropriate personnel are employed. The accounting records of the company are kept at the principal place of business, Scala, Castle Road, Blackrock, Cork.

*Going Concern*

Given the level of reserves at the year end, the Directors have concluded that there are no material uncertainties about SERVE's ability to continue as a going concern.

*Statement On Relevant Audit Information*

In accordance with Section 330 of the Companies Act 2014, so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors, each director has taken all the steps he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of the information.

*Auditors*

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

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**DIRECTOR'S REPORT (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

*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.

*Political Donations*

The company made no significant donations

**6. EVENTS SINCE THE YEAR END**

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

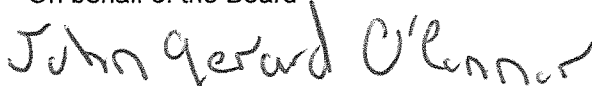
**7. PLANS FOR FUTURE PERIODS**

*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 2016 is based on six key objectives:

1. To implement the fifth year of the 5 year Irish Aid funded Programme in South Africa, Mozambique and Zimbabwe and to secure funding for a new Programme with Irish Aid;
2. To support the transition phase to a new strategic partnership with the Dublin Province of the Redemptorists;
3. To develop a new Strategic Plan for SERVE for the period 2017-2021;
4. To strengthen and develop SERVE volunteering and immersion programmes;
5. To centralise SERVE operations in Cork and to form a new strategic alliance with Young Africa International;
6. To prioritise raising unrestricted funds;

On behalf of the Board

  
John Gerard O'Connor (Chairperson)

  
Noel Gerard Kehoe

Date: 24th October 2016

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SERVE IN SOLIDARITY IRELAND  
YEAR ENDED 31ST JANUARY 2016**

We have audited the financial statements of Serve In Solidarity Ireland for the year ended 31st January 2016 which comprise the profit and loss account, balance sheet, statement of changes in equity, statement of cash flows and related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

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 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 auditor**

As explained more fully in the directors responsibilities statement set out on pages 5 and 6 , 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 Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in Note 18 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 31st January 2016 and of its loss for the year then ended; and
- have been properly prepared in accordance with the relevant reporting framework and, in particular 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.

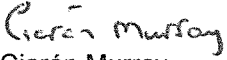


**SERVE IN SOLIDARITY IRELAND  
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SERVE IN SOLIDARITY IRELAND (CONTINUED)  
YEAR ENDED 31ST JANUARY 2016**

**Matters on which we are required to report by exception**

We have nothing to report in respect of our obligation under the Companies Act 2014 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.

  
Ciarán Murray

For and on behalf of  
Hayden Brown  
Chartered Accountants and Registered Auditors  
Grafton Buildings  
34 Grafton Street  
Dublin 2

24th October 2016

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST JANUARY 2016**

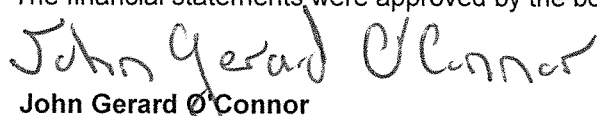
		Restricted Funds 2016	Unrestricted Funds 2016	Total Funds 2016	Total Funds Funds 2015
	Notes 1 & 2	€	€	€	€
<b>Incoming Resources</b>					
Income Resources From Generated Funds		228,469	295,717	524,186	435,416
Income Resources From Charitable Activities		278,646	-	278,646	765,948
Interest Income		-	-	-	5,642
Total Incoming Resources		<u>507,115</u>	<u>295,717</u>	<u>802,832</u>	<u>1,207,006</u>
<b>Resources Expended</b>					
Charitable Activities	6	(649,557)	(291,381)	(940,938)	(1,496,792)
Cost of Generating Funds	4		(12,228)	(12,228)	(10,899)
Governance Costs	5		(9,485)	(9,485)	(9,235)
Total Resources Expended		<u>(649,557)</u>	<u>(313,094)</u>	<u>(962,651)</u>	<u>(1,516,926)</u>
Net Outgoing Resources Before Transfers		(142,442)	(17,377)	(159,819)	(309,920)
<b>Transfers</b>					
Transfers Between Funds	8	4,039	(4,039)	-	-
Surplus/(deficit) for the year		<u>(138,403)</u>	<u>(21,416)</u>	<u>(159,819)</u>	<u>(309,920)</u>

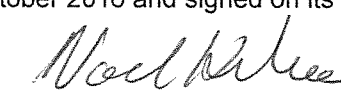
The statement of financial activities has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the statement of financial activities.

A detailed breakdown of the above items is included in supplementary information part of the notes to the financial statements.

The financial statements were approved by the board on 24th October 2016 and signed on its behalf by

  
**John Gerard O'Connor**  
 Director

  
**Noel Gerard Kehoe**  
 Director

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**BALANCE SHEET**  
**31ST JANUARY 2016**

	Note	2016 €	€	2015 €	€
<b>Current assets</b>					
Debtors	10	48,339		30,000	
Cash at bank and in hand		884,740		1,062,943	
		<u>933,079</u>		<u>1,092,943</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,986)</u>		<u>(5,031)</u>	
<b>Net current assets</b>		928,093		1,087,912	
<b>Total assets less current liabilities</b>		928,093		1,087,912	
<b>Net assets</b>		<u>928,093</u>		<u>1,087,912</u>	
<b>Contingency Reserve Fund</b>					
Restricted Funds		859,139		997,542	
Unrestricted Funds		68,954		90,370	
<b>Funds of the Charity</b>		<u>928,093</u>		<u>1,087,912</u>	

These financial statements were approved by the board of directors on 24th October 2016 and signed on behalf of the board by:



John Gerard O'Connor  
**Director**



Noel Gerard Kehoe  
**Director**

The notes on pages 27 to 36 form part of these financial statements.

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31ST JANUARY 2016**

	Funds of the Charity	Total
	€	€
<b>At 1st February 2014</b>	1,397,832	1,397,832
Deficit for the year	(309,920)	(309,920)
<b>Total comprehensive income for the year</b>	(309,920)	(309,920)
<b>At 31st January 2015</b>	1,087,912	1,087,912
Deficit for the year	(159,819)	(159,819)
<b>Total comprehensive income for the year</b>	(159,819)	(159,819)
<b>At 31st January 2016</b>	928,093	928,093

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31ST JANUARY 2016**

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
<b>Cash flows from operating activities</b>		
Deficit for the financial year	(159,819)	(309,920)
<i>Adjustments for:</i>		
Accrued expenses/(income)	1,562	-
<i>Changes in:</i>		
Trade and other debtors	(18,339)	-
Trade and other creditors	(1,607)	398
Cash generated from operations	<u>(178,203)</u>	<u>(309,522)</u>
Net cash used in operating activities	<u>(178,203)</u>	<u>(309,522)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(178,203)	(309,522)
<b>Cash and cash equivalents at beginning of year</b>	<u>1,062,943</u>	<u>1,372,465</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>884,740</u></u>	<u><u>1,062,943</u></u>

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST JANUARY 2016**

**1. Statement of compliance**

SERVE In Solidarity Ireland is constituted under Irish company law, being a company limited by guarantee and not having a share capital. Prior to the enactment of the Companies Act 2014, companies not trading for gain by the members were not within the scope of certain company law requirements that applies to for-profit companies. In particular, companies not trading for gain were exempt from applying specific requirements in respect of formats and content of financial statements thus permitting charities to adopt a financial statement format appropriate to the sector.

Accordingly, SERVE In Solidarity Ireland adopted and reported its performance in accordance with the format recommended by "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (Charities SORP (FRS 102)) developed jointly by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator. Specifically, SERVE In Solidarity Ireland reports its financial activities for the year in the format of the Charities SORP (FRS 102) Statement of Financial Activities (SoFA).

The Accounting Standards Body is the body responsible for developing accounting standards for the UK and Ireland. It recognises the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator as the SORP-making bodies for the charity sector. Heretofore, the SORP has been recognised as best practice for financial reporting by charities in Ireland.

The Companies Act 2014 became effective in law on 1 June 2015 and from that date its provisions in respect of the format and content of financial statements became applicable to companies not trading for gain such as SERVE In Solidarity Ireland. This would require SERVE In Solidarity Ireland, for example, to present a Profit and Loss Account and report on items such as turnover, costs of sales and profit or loss on ordinary activities before taxation along with related notes. In the view of the Directors, this is neither an appropriate presentation nor terminology for a not-for-profit organisation.

In order to provide information relevant to understanding the stewardship of the Directors and the financial activities and position of the company, SERVE In Solidarity Ireland has prepared its financial statements in accordance with the formats provided for in the SORP consistent with the prior year.

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

**2. Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with:

- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102));
- The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- Irish statute comprising the Companies Act 2014; and
- Department of Public Expenditure and Reform Circular 13/2014;

The requirements of the Companies Act 2014 have been modified to comply with the Charities SORP (FRS 102) developed by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator who are the joint SORP-making bodies recognised by the UK Accounting Standards Board as the appropriate parties to develop SORPS for the charity sector.

Financial reporting in line with the Charities SORP (FRS 102) is considered best practice for charities in Ireland. As noted above, the Directors consider the adoption of the Charities SORP (FRS 102) requirements as the most appropriate accounting practice and presentation to fairly reflect and disclose the activities of the company.

In preparing the financial statements, the Directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102), the restatement of comparative items was required.

At the date of transition, there were no material items that would give rise to a restatement.

**Transition to FRS 102**

The entity transitioned from previous ROI GAAP to FRS 102 as at 1st February 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 19.

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

**Incoming Resources**

Income is analysed according to the activity that produced the resources as follows:

**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.

**Charitable activities**

Grants from Governments and other large institutional donors; where related to performance and specific deliverables are accounted for as the Charity earns the right to consideration by its performance. It is accounted for when amounts receivable on grant and funding application are approved or paid.

**Investment**

Investment income is accounted for on a receipts basis.

**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 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.

**Resources Expended**

Resources expended are analysed between raising funds and expenditure on charitable activities. Raising funds and expenditure on charitable activities are accounted for on an accrual basis.

**Raising Funds**

Expenditure on raising funds includes all expenditure incurred by SERVE In Solidarity for its charitable activities;

**Charitable Activities**

Expenditure on charitable activities includes all costs incurred by SERVE In Solidarity in undertaking activities that further its charitable aims, including those support costs and costs relating to governance of the company.

**Support Costs**

Support costs are directly allocated to the related activity where possible. Otherwise support costs are allocated on the basis of staff time.



**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

**Contingency Reserve Fund**

The Contingency Reserve Fund is a restricted and unrestricted fund, which is designed for ongoing projects which the organisation is committed to. Unrestricted funds are funds, which are expended at the discretion of the directors in furtherance of the objects of the company. If a part of an unrestricted fund is earmarked for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the directors to apply the fund.

**Fund Accounting**

Unrestricted funds are general funds that are available for use at the boards discretion in furtherance of any objects of the organisation.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the funds can only be used for specific projects or activities.

**Foreign currencies**

Revenues and costs arising from transactions denominated in foreign currencies are translated into Euro at the rates of exchange ruling on the date on which the transaction occurred.

Assets and liabilities denominated in foreign currencies are translated into Euro at the rate of exchange ruling on the balance sheet date. The resulting surplus or deficit are dealt with in the statement of financial activities.

**Cash at bank and in hand**

Cash at bank and in hand comprises cash on deposit at banks with less than 24 hours' notice of withdrawal.

**Tangible assets**

Fixed Assets are recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office equipment	- 10%	straight line
Computer equipment	- 20%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

**Operating leases**

Annual operating leases are charged to the statement of financial activities in the year that they are paid.

**Going concern**

The company's activities, together with the factors likely to affect its future plans are set out in the director's report. SERVE In Solidarity Ireland meets its day to day working capital requirements through accumulated unrestricted reserves. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparation the annual financial statements.

**Financial instruments**

SERVE In Solidarity Ireland has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measures at their settlement value.

**Judgements and key sources of estimation uncertainty**

In the application of SERVE In Solidarity Ireland accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Given the scale of the company's activities and the quantum of the individual items contained within assets and liabilities, these judgements, estimates and assumptions are generally immaterial to the financial statement. Where such a judgement, estimation or assumption is material, it is disclosed in the notes to the financial statements.

**3. Operating loss**

Operating loss is stated after charging:

	<b>2016</b>	2015
	<b>€</b>	<b>€</b>
Fees payable for the audit of the financial statements	1,562	1,562
	<u>          </u>	<u>          </u>
and after (crediting):		
Government Grants		
Irish Aid	278,646	285,143
Misean Cara	-	480,805
	<u>          </u>	<u>          </u>

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

<b>4. Cost of Generating Funds</b>	<b>2016</b>	<b>2015</b>
	€	€
Fundraising Costs	10,759	6,095
Printing and Promotion	1,469	4,804
	<u>12,228</u>	<u>10,899</u>

These expenses are funded from unrestricted funds.

<b>5. Governance Costs</b>	<b>2016</b>	<b>2015</b>
	€	€
Professional Fees	1,845	-
Strategic Planning Costs	3,521	2,139
Motor expenses	246	458
Staff Training	2,311	5,076
Auditors remuneration	1,562	1,562
	<u>9,485</u>	<u>9,235</u>

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

<b>6. Direct Charitable Expenditure</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
<b>Direct Costs</b>	899,655	1,444,948
<b>Support Costs</b>		
Staff Costs	17,247	16,513
Computer bureau costs	1,442	4,435
Rent payable	5,977	6,678
Insurance	4,497	3,977
Telephone	2,295	1,726
Printing, Postage & Stationery	2,470	3,812
Subscriptions	4,438	3,221
Office Expenses	374	781
Bank charges	2,463	1,901
Miscellaneous Administrative Expenditure	80	8,800
	<u>940,938</u>	<u>1,496,792</u>

Direct costs are those incurred wholly and exclusively for the primary objectives of the charity. 40% of total salary costs relates to development programmes and is regarded as a direct cost. 40% of total salary costs relates to volunteering programmes and is regarded as direct cost. 10% of total salary costs relates to development education programmes and is regarded as a direct cost.

Support costs represent general expenditure which cannot be exactly split between the primary functions of the organisation at the time at which they are incurred but can be allocated on a reasonable basis after the event.

The breakdown of Charitable Expenditure was funded between restricted funding and unrestricted funding and is outlined on pages 39, 43, 44.

**7. Staff costs**

The aggregate payroll costs incurred during the year were:

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Wages and salaries	155,873	149,158
Social insurance costs	16,582	15,974
	<u>172,455</u>	<u>165,132</u>

There were no employees in 2015 (2014 nil) whose total employees benefits fall within the band €60,000 to €70,000.

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

**8. Transfer**

In 2015 / 2016 an amount of €16,723 from Irish Aid was transferred from restricted income to unrestricted income. In 2014 / 2015 this transfer was €17,108.

In 2015 / 2016 an amount of €20,762 from Zimbabwe was transferred from restricted income to unrestricted income. In 2014 / 2015 this transfer was nil.

**9. Taxation**

The company is exempt from corporation tax due to its charitable status.

**10. Debtors**

	<b>2016</b>	2015
	€	€
Other debtors	48,339	30,000
	<u>48,339</u>	<u>30,000</u>

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

	<b>2016</b>	2015
	€	€
Tax and social insurance:		
PAYE and social welfare	1,862	3,469
Accruals	3,124	1,562
	<u>4,986</u>	<u>5,031</u>

**12. Company Status**

The company is limited by guarantee not having a share capital. The liability of each member in the event of the company being wound up is €1.

**13. Statement of movements on statement of financial activities**

	<b>Statement of Financial Activities €</b>
<b>At 1st February 2015</b>	1,087,912
Surplus for the year	(159,819)
<b>At 31st January 2016</b>	<u>928,093</u>

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

**14. Reconciliation of movements in funds of the charity**

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
<b>Restricted Funds</b>		
Opening Balance	997,542	1,237,523
Net Movement After Taxation	(138,403)	(239,981)
	<u>859,139</u>	<u>997,542</u>
<b>Unrestricted Funds</b>		
Opening Balance	90,370	160,309
Net Movement After Taxation	(21,416)	(69,939)
	<u>68,954</u>	<u>90,370</u>
<b>Balance at year end</b>	<u><u>928,093</u></u>	<u><u>1,087,912</u></u>

**15. Capital commitments**

The company had no capital commitments at the 31st January 2016.

**16. Contingent liabilities**

The company had no contingent liabilities at the 31st January 2016.

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31ST JANUARY 2016**

**17. Financial instruments**

The carrying amount for each category of financial instruments is as follows:

	<b>2016</b>	2015
	€	€
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Other debtors	48,339	30,000
Cash at bank and in hand	884,740	1,062,943
	<u>933,079</u>	<u>1,092,943</u>
<b>Financial liabilities measured at amortised cost</b>		
Other creditors	<u>(4,986)</u>	<u>(5,031)</u>

**18. Ethical standard - provisions available for small entities**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements. We also use our auditors to provide tax advice and to represent us, as necessary, at tax tribunals.

**19. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st February 2014.

**Reconciliation of equity**

No transitional adjustments were required.

**Reconciliation of profit or loss for the year**

No transitional adjustments were required.

**20. Comparative Figures**

Comparative figures have been re-classified on the same basis as current year figures.

**21. Approval of financial statements**

The board of directors approved these financial statements for issue on 24 October 2016.

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**THE FOLLOWING PAGES DO NOT FORM PART OF THE STATUTORY ACCOUNTS.**



**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**RESTRICTED AND UNRESTRICTED FUNDS**  
**YEAR ENDED 31ST JANUARY 2016**

	2016 €	2015 €
<b>INCOME</b>		
<b>Restricted Funds</b>		
Irish Aid	278,646	285,143
Thailand	28	(1,294)
Brazil	1,743	38,540
Philippines	14,905	50,978
India	9,872	667
South Africa	47,497	13,267
Zimbabwe	-	4,626
Zambia	24,020	2,975
Kenya	-	1,294
Mozambique	9,372	14,178
Misean Cara	-	480,805
Third World Groups	119,587	121,306
Haiti	1,385	230
Philippines - Solidarity Gift	-	48
India - Solidarity Gift	60	96
Zimbabwe - Solidarity Gift	-	38
	<u>507,115</u>	<u>1,012,897</u>
<b>Unrestricted Funds</b>		
Donations and Standing Order	94,619	65,970
Comhlamh	-	1,500
Volunteer Contribution	72,903	80,022
Redemptorists Ireland	30,000	30,000
Redemptorist International Solidarity	18,339	-
Flip Flop Friday	11,136	10,865
Other Income	68,720	5,752
	<u>295,717</u>	<u>194,109</u>
<b>Total Income</b>	802,832	1,207,006

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**RESTRICTED AND UNRESTRICTED FUNDS**  
**YEAR ENDED 31ST JANUARY 2016**

	2016 €	2015 €
<b>EXPENDITURE</b>		
<b>From Restricted Funds</b>		
Irish Aid	265,568	289,533
Misean Cara	184,683	494,450
Third World Groups	102,599	111,474
Development Appeal	95,682	311,466
Solidarity Gifts	1,025	-
Misean Cara Admin for Dev Salary	-	28,847
	<u>649,557</u>	<u>1,235,770</u>
<b>From Unrestricted Funds</b>		
Development Programme Salaries	68,980	37,047
Serve Funded Development Projects	39,634	-
Volunteering Programmes	123,765	143,063
Development Education	17,629	21,668
Global Citizenship	90	2,331
Fair Trade	-	5,069
	<u>250,098</u>	<u>209,178</u>
<b>Total Project Assistance</b>	899,655	1,444,948
<b>(Deficit) / Surplus Funds before Administration Expenditure</b>	(96,823)	237,942

**SERVE IN SOLIDARITY IRELAND**  
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31ST JANUARY 2016**

		2016 €	2015 €
<b>Income</b>			
<b>Donations and Standing Orders</b>			
Serve	58,549	38,027	
Fundraising Evenets	36,070	29,443	
	<u>94,619</u>		67,470
<b>Volunteers Contribution</b>	72,903		80,022
<b>Flip Flop Friday</b>	11,136		10,865
<b>Development Appeal</b>			
Thailand	28	(1,294)	
Brazil	1,743	38,540	
Philippines	14,905	50,978	
India	9,872	667	
South Africa	47,497	13,267	
Zimbabwe	-	4,626	
Zambia	24,020	2,975	
Kenya	-	1,294	
Mozambique	9,372	14,178	
Haiti	1,385	230	
	<u>108,822</u>		125,461
<b>Solidarity Gifts</b>			
Philippines - Solidarity Gift	-	48	
India - Solidarity Gift	60	96	
Zimbabwe - Solidarity Gift	-	38	
	<u>60</u>		182
<b>Other Income</b>	68,720		5,752
<b>Irish Aid</b>	278,646		285,143
<b>Misean Cara</b>	-		480,805
<b>Third World Groups</b>	119,587		121,306
<b>Redemptorists Ireland</b>	30,000		30,000
<b>Redemptorist International Solidarity</b>	18,339		-
<b>Total Income</b>	<u><u>802,832</u></u>		<u><u>1,207,006</u></u>

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31ST JANUARY 2016**

		2016 €	2015 €
<b>Expenditure</b>			
<b>Volunteering Programme</b>			
Wages and salaries	62,347	59,663	
Employers PRSI contributions	6,633	6,390	
Overseas	63,881	99,409	
Immersion Programme	12,435	50,228	
Training	10,351	10,100	
Recruitment and Promotion	4,020	1,834	
	<hr/>	<hr/>	
	159,667		227,624
<b>Development Projects</b>			
Wages and salaries	62,347	59,663	
Employer's PRSI contributions	6,633	6,390	
Brazil	-	50,178	
India	11,851	14,531	
Philippines	33,061	114,167	
South Africa / Muvamba	119,077	111,026	
Mozambique	148,756	200,288	
Zimbabwe	239,366	264,875	
Zambia	-	6,335	
Haiti	(7,636)	243,129	
Burkina Faso	-	22,009	
Congo	2,406	47,015	
Kenya	106,405	48,610	
	<hr/>	<hr/>	
	722,266		1,188,216
<b>Development Education</b>			
Wages and Salaries	15,589	14,916	
Employer's PRSI Contributions	1,658	1,597	
Development Ed / Global Citizenship	385	5,195	
	<hr/>	<hr/>	
	17,632		21,708
<b>Shared Advocacy</b>	<hr/>	<hr/>	
	-		-
<b>Global Citizenship</b>	<hr/>	<hr/>	
	90		2,331

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31ST JANUARY 2016**

			<b>2016</b>	2015
			€	€
<b>Fair Trade</b>				
Fair Trade	-		5,069	
	-			5,069
<b>Administration</b>				
Admin Wage	15,589		14,916	
Admin Prsi	1,658		1,597	
<u>Office Administration Expenses</u>				
Rent payable	5,977	6,678		
Computer bureau costs	1,442	4,435		
Insurance	4,497	3,977		
Professional Fees	1,845	-		
Strategic Planning Costs	3,521	2,139		
Telephone	2,295	1,726		
Printing, Postage & Stationery	2,470	3,812		
Motor expenses	246	458		
Subscriptions	4,438	3,221		
Office Expenses	374	781		
	27,105	27,227		
<u>Fundraising</u>				
Fundraising Costs	10,759	6,095		
Printing and Promotion	1,469	4,804		
	12,228	10,899		
<u>Capacity Building</u>				
Staff Training	2,311	5,076		
	2,311	5,076		
Audit	1,562	1,562		
Bank Charges	2,463	1,901		
Miscellaneous Administration Expenses	80	8,800		
	62,996	71,978		
Total Expenditure	962,651	1,516,926		
<b>Operating loss</b>	<b>(159,819)</b>	<b>(309,920)</b>		

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**CHARITABLE ACTIVITIES - IRISH AID**  
**FOR THE YEAR ENDED 31ST JANUARY 2016**

	Restricted Funds 2016 €	Unrestricted Funds 2016 €	Total Funds 2016 €	Total Funds 2015 €
The grant from Irish Aid has been allocated to the following				
Irish Aid				
South Africa - Health	16,000	-	16,000	18,500
South Africa - OVC	24,000	-	24,000	24,000
South Africa - Skills Training	42,313	-	42,313	43,756
South Africa - Capacity Building	10,350	-	10,350	12,350
Mozambique - HIV / AIDS	3,000	-	3,000	-
Mozambique - TVET	75,542	-	75,542	79,790
Mozambique - Capacity Building	9,000	-	9,000	9,000
Zimbabwe - TVET	55,000	-	55,000	55,000
Zimbabwe - Capacity Building	10,000	-	10,000	9,000
Programme Quality	16,718	-	16,718	17,108
Programme Support	16,723	-	16,723	16,638
Misean Cara	-	-	-	480,805
	<u>278,646</u>	<u>-</u>	<u>278,646</u>	<u>765,947</u>

The grant from Irish Aid has been allocated to the following partners

Tapologo (South Africa)	45,175	-	45,175	48,675
Tsholofelo (South Africa)	47,488	-	47,488	49,931
Young Africa (Mozambique)	87,542	-	87,542	88,790
Young Africa (Zimbabwe)	65,000	-	65,000	64,000
Programme Quality	16,718	-	16,718	16,638
Programme Support	16,723	-	16,723	17,108
Chiweshe Education Programme (Zimbabwe)	-	-	-	76,762
Muvamba Water for All (Mozambique)	-	-	-	94,000
Saint Gerard's School Build (Haiti)	-	-	-	94,000
APD Disability Programme (India)	-	-	-	19,984
Peace Building Training Initiative (Kenya)	-	-	-	14,280
Pease Water Project (Ghana)	-	-	-	40,132
Tacloban School Build (Philippines)	-	-	-	18,800
Misean Cara Programme Support	-	-	-	28,847
Mavambo Trust (Zimbabwe)	-	-	-	94,000
	<u>278,646</u>	<u>-</u>	<u>278,646</u>	<u>765,947</u>

**SERVE IN SOLIDARITY IRELAND**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**

**INCOME RESOURCES FROM GENERATED FUNDS**  
**FOR THE YEAR ENDED 31ST JANUARY 2016**

	Restricted Funds 2016	Unrestricted Funds 2016	Total Funds 2016	Total Funds 2015
	€	€	€	€
Restricted Income from Generated Funds				
Grants below represent income from groups and agencies and appeals				
Electric Aid	50,889	-	50,889	45,816
Galway County Council	3,000	-	3,000	1,500
Mercy Fund	3,000	-	3,000	-
McManus Trust	5,000	-	5,000	-
COREAM	57,698	-	57,698	35,795
Eli Lilly	-	-	-	3,000
Congregation Jesus M	-	-	-	30,039
TUI	-	-	-	1,000
Sharp	-	-	-	4,156
Solidarity Gifts	-	-	-	412
Development Appeal	108,822	-	108,822	125,231
	<u>228,409</u>	<u>-</u>	<u>228,409</u>	<u>246,949</u>

Grants noted above have been allocated to the following partners

Young Africa (Zimbabwe)	11,852	-	11,852	10,000
Kimpese Health Zone (Congo)	16,000	-	16,000	-
Muvamba Mission	12,037	-	12,037	4,656
Young Africa (Mozambique)	12,000	-	12,000	16,000
Young Africa (Namibia)	-	-	-	10,600
Sumanhalli (India)	8,000	-	8,000	-
Redemptorists (Ghana)	-	-	-	9,216
Congregation Jesus M (Zimbabwe)	-	-	-	30,039
Redemptorists (Cebu)	-	-	-	3,000
COREAM capacity building	57,698	-	57,698	35,795
Tapologo (South Africa)	-	-	-	2,000
Tsholofelo Skills Training (South Africa)	2,000	-	2,000	-
Development Appeal Fund	108,822	-	108,822	125,231
Solidarity Gift Fund	-	-	-	412
	<u>228,409</u>	<u>-</u>	<u>228,409</u>	<u>246,949</u>

