

Registration Number 419696

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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY 2013

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

OFFICERS AND PROFESSIONAL ADVISORS

Directors	Fiona O'Malley - Resigned 06/11/2012 Jim Ryan John Gerard O'Connor Noel Gerard Kehoe Noreen Ryan - Resigned 06/11/2012 Diarmuid Ua Bruadair Brian Silke Greg Peter Devlin - Appointed 21/11/2012 Leanne Kelly - Appointed 21/11/2012 Kerri Smyth - Appointed 21/11/2012 Eoin Mac Aodha - Appointed 18/09/2013
Secretary	Noel Gerard Kehoe
Company Number	419696
Registered Office	Marianella 75, Orwell Road, Rathgar, Dublin 6.
Auditors	Hayden Brown Grafton Buildings, 34, Grafton Street, Dublin 2.
Principle Place of Business	Scala, Castle Road, Blackrock, Cork.
Bankers	Allied Irish bank 9, Terenure Road, Rathgar, Dublin 6.
Charity number	18154
Website	www.serve.ie

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CHAIRPERSON'S STATEMENT FOR THE YEAR ENDED 31ST JANUARY 2013

The disturbing image of malnourished children in Syria haunts the world. Syria has followed Kenya and Somalia in the long list of crisis zones that cry out for international aid. Meanwhile, economic turbulence is pervasive, impacting negatively on historically established economies as well as newer emerging economies. There is greater competition for funds, there is a more questioning climate focused on the effectiveness of charities and aid. In the midst of such a challenging context, it is my privilege to commend the efforts made by SERVE to implement programmes that deliver effective and meaningful solidarity to some of the poorest people on this planet.

SERVE successfully implemented during 2012 the first of a four year programme funded significantly by Irish Aid. 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 results for the first year are very encouraging and all involved in this programme can take great pride from the achievements and progress.

The partnership relationship with the Redemptorists with a specific focus on Africa and Madagascar strengthened during 2012. SERVE successfully sourced and reported on substantial grants for Redemptorist development projects as well as supporting the capacity development of the Redemptorists new Africa and Madagascar Conference Structure (COREAM).

The development of creative new models for volunteering and immersion programmes was notable during 2012. The successful engagement of the Ballinrobe Pastoral Area in a Solidarity project to the Philippines was an outstanding success. The energy and dynamic learning that emerged from the immersion programmes involving schools from Mayo and Dublin was encouraging.

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 2012. I would like to thank each of the board members for their dedication and commitment. Board members Fiona O'Malley and Noreen Ryan resigned in November 2012. The Board acknowledges the valued contribution made by both Fiona and Noreen. The Board welcomes three new members in Greg Devlin and Leanne Kelly and Kerri Smyth all appointed in November 2012. I would like to express my admiration and warm respect for the SERVE staff who display great energy and commitment working to achieve the high level goals promoted by our Strategic Plan. I also commend the commitment of the 125 SERVE volunteers who during 2012 displayed admirable enthusiasm, energy and goodwill. Their service and voluntary spirit is deeply valued. Their fundraising efforts are applauded and sincerely appreciated.

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

Irish Aid
Misean Cara
Redemptorists
Electric Aid
Edmund Rice Trust Fund
Mercy Ministry Support Fund
Galway County Council
Dublin City Council
SHARP
Trocaire

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I would also like to thank the students and staff and parents and families of Davitt College Castlebar, Co. Mayo and Kings Hospital, Dublin for their respective engagement, support, and passion for the SERVE supported projects in Zambia and Brazil. Davitt College completed a very successful immersion programme at Easter 2012 in Zambia and Kings Hospital, Dublin travelled to Brazil in July 2012 and through a partnership model completed with great dedication and energy and success a community based immersion programme.

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

SERVE have exciting and ambitious plans for 2013. They deserve support. I am honoured to be part of a movement dedicated to authentic solidarity in support of some of the poorest communities in the world.

John Gerard O'Connor
Chairperson
SERVE IN SOLIDARITY IRELAND

Date: 17th October 2013

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST JANUARY 2013

The directors present their report and the financial statements for the year ended 31st January 2013.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Status

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

Structure

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

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

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

Board of Directors

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

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

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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 2012.

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

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. Steps were taken during 2012 to strengthen the six pillars of the internal control system and this progress will be maintained in 2013. 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 that are reviewed bi-annually on a project by project 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. The Audit Committee 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 nine months during 2012.

There are currently four subcommittees of the board as follows:

- 1) The audit and risk committee which is responsible for: (a) Effective management of financial risk; (b) Reliable management and financial reporting; (c) Compliance with laws and regulations; (d) Maintenance of an effective and efficient audit function. There are three members of this committee, all of whom are board members. A fourth external member with relevant expertise was appointed in 2013.
- 2) The Human resources committee which provides the board with advice on HR matters. The committee comprises two board members and an external member engaged for specific professional input.
- 3) The SERVE Council committee established to explore proposals for the highest level of participation of SERVE Solidarity Groups in helping the organisation to achieve its goals. The committee consists of one board member, two staff members and a Solidarity Group representative.
- 4) The Child Safeguarding committee is primarily focused on advising the board about creating, maintaining and monitoring a safe environment for children in all aspects of SERVE's work and for advising on the human resources required for implementing best safeguarding practices. The committee comprises one board member and a staff member and an external representative.

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Decision Making and Management

The directors are responsible for the implementation of the strategic plan, ensuring the organisation is effective in the delivery of its activities and accountable for the resources under its control. The directors appoint the management team and have delegated the operational powers to the management team. The directors have appointed three key managers: (1) The Development Programme Manager; (2) The Mísean Cara Project Manager; (3) The Operations Manager with responsibility for Volunteering, Communications and Fundraising. These managers are supported by staff, interns and volunteers. The Chairperson of the Board coordinates a management structure involving the three principal managers that involves planning, implementation, operational and evaluation meetings. These three managers attend Board meetings for those parts of the meeting relevant to their area of responsibility and they communicate directly with the board on these issues. Responsibility for the implementation of the internal control systems is delegated to this management structure which is coordinated by the Chairperson of the Board. Matters reserved to the Board and those delegated to the Management Structure are outlined in the Organisation's Governance Manual.

Director's responsibilities in relation to the Financial Statements

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

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

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2012. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

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

The directors on 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 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:

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1. Financial Risk- The Board's appointment of an Audit Committee ensures that financial control procedures are in line with best kept practice and monitor them for accuracy and compliance;
2. Employee Risk- The Board constantly reviews the development of strategies to ensure the sustainability of the organisation and minimise any overdependence on any individual staff member;
3. Volunteering Risk- The Board is a signature to Comhlamh's Code of Best Practice and annually the Board reviews the organisation self-audit of our performance against the Code of Best Practice and every third year the board reviews an external audit of our volunteering practices;
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 SERVE. 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. Some examples of how the risk register informs programme planning at country level include:
 - Tsholofelo in South Africa is heavily reliant on SERVE funding to run its skills training programmes. This is a concern with regard to sustainability and exit strategies. SERVE is responding by supporting key staff to attend financial management training which helps develop fundraising ability;
 - The political environment in Zimbabwe remains uncertain due to the constitutional vote and upcoming elections. It mostly affects the work of the SERVE Long Term Volunteer who is based in Zimbabwe. During some field visits, the Long Term Volunteer has been shadowed by plain clothes police officers and the Central Intelligence Organisation. In response, meetings have being held with local officials to clarify the role of our Long Term Volunteer and contingency plans are being developed if there are disturbances during the elections;
5. Funding Risk- In the current economic recession SERVE faces challenges in the key area of fundraising. Pressure on income is likely to continue and SERVE is working to develop new sources of income. The Board monitors dependency on any one donor and is working to build up the current level of reserves as a protection against economic fluctuations.
6. Child Safeguarding Risk- SERVE IN SOLIDARITY IRELAND are committed to the safeguarding of children who benefit and interact with services and partners funded by SERVE. The organisation has developed a child protection policy. Proactive steps have been taken to engage, train and resource the organisation's partners to develop robust policies and procedures in pursuit of strengthened child safeguarding practices.
7. Reputational Risk- SERVE's reputation could be damaged due to fraud or other breakdowns in our own or partner financial controls. The Board monitors the quality and performance of staff and partners to ensure maintenance of a positive reputation and is satisfied that recent external monitoring and evaluation reports support this belief.

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

2. OBJECTIVES OF THE CHARITY

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

The SERVE mission is realised by:

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

3. REVIEW OF THE ACTIVITIES OF THE CHARITY

The Directors set four main objectives for 2012:

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

The progress made in 2012 in respect of the key objectives is detailed as follows:

Objective 1: To Successfully implement the first year of the 4 year Irish Aid funded Programme in South Africa, Mozambique and Zimbabwe;

Irish Aid are committed to supporting the SERVE Development Programme(SDP) in South Africa, Mozambique and Zimbabwe for the four year period 2012-2015 to the amount of €290,573 per annum. 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. 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.

A comprehensive report on the results and outcomes achieved in the first year of this four year programme are available on the SERVE website at <http://servecharity.squarespace.com/progress/>

The programme is focused on achieving three outcomes:

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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 programme is committed to the achievement of sixteen targeted results. The progress report referenced above shows that:

- A majority of the 16 Targeted Results are on track and a robust monitoring framework is in place at HQ and field level;
- The SERVE Volunteer to Build Capacity Programme successfully placed 28 short term volunteers and one long term volunteer in the Programme Countries in 2012. The Volunteer to Build Capacity Programme was externally audited by Comhlamh in December 2012 and the results were positive;
- The Long Term Volunteer placement has been a success and the volunteer has made a major contribution to the monitoring of the programme;
- The Sexual and Reproductive Health and Rights (SRHR) training programmes mainstreamed by our partners are leading to beneficiaries making "better choices" compared with control groups surveyed by our partners;
- The expansion of the Young Africa TVET Centre at Epworth, Zimbabwe is ahead of schedule;
- The ambitious Young Africa Agri Tech programme at Dondo, Mozambique is progressing well and on target to roll out training programmes in early 2014;

The principal programme failures and issues of concern include:

- Tapologo's Godisanang OVC programme in South Africa is struggling to meet beneficiary targets, mainly due to the underperformance of Child Care Workers;
- Tapologo's ART Programme is off target due to issues related to the ending of PEPFAR funding in May 2013;
- The research work into the GOVC Programme is behind schedule;
- It is still a challenge to quantify all the benefits of the Volunteer to Build Capacity Programme. Documenting of benefits remains mostly qualitative and anecdotal. Our monitoring structures did not capture the number of hours contributed by local volunteers.

The success of the SDP and our partner's programmes is dependent on maintaining good relationships with existing key donors and engaging with new donors. We regard the following donors as key donors for implementation of the SDP - Irish Aid, Royal Bafokeng Structures, including Royal Bafokeng Holdings, Royal Bafokeng Administration and the Impala Bafokeng Trust (Tapologo, GOVC Programme), PEPFAR (Tapologo ART Programme, RSA), the European Union (Young Africa Mozambique, Agri Tech) and Wilde Ganzen (Young Africa Zimbabwe).

The loss of PEPFAR funding for the Tapologo ART Programme was a concern for Tapologo and SERVE but the continuation strategy agreed with the Department of Health is to be welcomed. The addition of EU funding to the Agri Tech project is a major achievement for Young Africa and provides significant multi-year funding that will develop infrastructure and allow for rollout of training programmes. Young Africa continues to explore DFID UK and USAID funding opportunities.

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

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SERVE acts as the development agent for the Redemptorists. We represent the Redemptorists at Misean Cara. This documented strategic partnership is a practical example of harmonisation and sharing of resources to achieve greater impact and economies of scale in a challenging time for many organisations. A total of €565,765 was received from Misean Cara in 2012/13 (2011/12 €687,972). The decline in grants received from Misean Cara is a function of timing. Project proposals are only submitted to Misean Cara when the preparation steps are complete and the project readiness is at the optimum time. Grants and capacity building support were provided to projects across the following sectors; (1) Basic Education (25%); (2) Water and Sanitation (15%); (3) Rural Community Development (15%); (4) Urban Community Development (12%); (5) Human Rights (10%); (6) Capacity Building (10%); (7) Emergency (2%); (8) Primary Health Care (8%); (9) Environment (3%). Additional information about the projects funded is available on the SERVE website at:

<http://servecharity.squarespace.com/sdp-reports/2012/>

SERVE supported the capacity building initiatives of the Redemptorists in Africa and Madagascar. The capacity building initiatives during 2012 included: (1) The training of Redemptorist finance personnel from seven Africa countries; (2) The training of Redemptorist leadership teams from eleven African countries in the area of Child Safeguarding; (3) The preparation, design and launch of a new website for the Redemptorist Conference for Africa and Madagascar- www.africaredeemtorists.com ; (4) The training of the leadership team of the Redemptorist Conference for Africa and Madagascar (COREAM) in the area of Strategic Planning; (5) The provision of technical input in the formulation of financial policies for COREAM.

The SERVE/ Redemptorist partnership worked well during 2012 with great progress being reported and key targets achieved. There is an ambitious plan of action for 2013 and it is expected that the partnership will be strengthened.

Objective 3: To expand the volunteering options to include 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 Millennium Development Goals. SERVE'S Volunteer to Build Capacity programme acts as a catalyst for voluntary involvement, mentoring, development education, mutual learning and establishing links and networks based on trust. In 2012, the organisation assigned 125 volunteers in six countries in comparison to 80 volunteers placed in 2011. The increase in volunteering numbers is due largely to the immersion programmes.

The SERVE volunteering programme was externally audited and evaluated by a consultant appointed by Comhlamh in 2012. The report was very positive and provided the Board with a strong framework by which it can efficiently evaluate and review and strengthen the volunteering programmes delivered by SERVE. 2012 was a very successful year in terms of implementing new volunteering and immersion programmes. The Ballinrobe Pastoral Area is a cluster of four parishes in Mayo. SERVE worked with these four parishes over a twelve month period, meeting with the local community, preparing young adults, engaging in development education and planning a partnership with an urban community regeneration project in Cebu, in the Philippines, which is dedicated to tackling the acute poverty experienced by the Badjao water tribe. This Solidarity Project involved several components including education, volunteering, fundraising and advocacy. It was a huge success and is an example of a creative approach to partnership and volunteering. Two very successful school immersion projects were also successfully implemented involving Davitt College Castlebar, Co. Mayo who partnered with St.Bakhita's development programme in Zambia and Kings Hospital Dublin who partnered with the Caritas Parnaiba Community Regeneration Initiative in the North East of Brazil. The directors welcome these new models of engaging people meaningfully in the development process.

The SERVE Volunteer to Build Capacity Programme makes a significant contribution to the infrastructure and service outcomes delivered by our partners. Twenty nine volunteers in total were placed in the SDP programme countries. Forty Two volunteers were placed in our other priority countries. A total of fifty four participants were engaged in the immersion initiatives.

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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 KPIs in Result 4.2 of the SDP programme attempt to quantify this value. However, it was difficult to quantify the combined economic value of international and local voluntary contribution as our monitoring template did not capture the total number of hours provided by local volunteers.

During 2012, SERVE deepened our understanding of the role of the voluntary sector in the projects and programmes of our partners involved in the SDP programme. There is a good representation of local community volunteers on the partner's Boards - which suggests strong local ownership. It was also possible to measure the percentage of the partners workforce contributed by volunteers - the average result was 29% which is a considerable contribution. The Tapologo OVC and ART Programmes are especially dependent on community volunteers but it is important to note that these people are compensated with stipends due to the time and level of effort they provide.

An important learning is that local and international volunteers make a significant contribution to the work of our partners and the SDP but this has never been quantified. There is a risk that the voluntary contribution can be taken for granted. Implementing a good monitoring system can acknowledge the power of volunteering and show appreciation for those who volunteer. SERVE is using the UN Statistics Division "Handbook on Non Profit Institution in the System of the National Accounts" and the International Labour Organisation's "Manual on the Measurement of Volunteer Work" as a guide.

SERVE believes that many of the impacts of our Volunteer to Build Capacity Programme, especially in the areas of social capital, cohesion, personal development and empowerment, are immeasurable. Nevertheless, SERVE does have a responsibility to "tell the story" of volunteerism through case studies, opinion pieces and anecdotal evidence.

The Youth Parliaments that Young Africa operates in Mozambique and Zimbabwe are a good expression of young people becoming empowered and contributing to improved social capital and cohesion. They provide young people with a formal structure to contribute to the running of Young Africa, and also encourage linkages with local communities, so that the benefits of Young Africa's work are not limited to the teaching campus. SDP funding contributed towards the running of the Youth Parliament at the Young Africa Zimbabwe campus at Chitungwiza.

SERVE explored the role of employment and accessible TVET in reducing violence and anti-social behaviour in South African squatter camps, and looked at the impact of a community campaign focused on access to ABET that was inspired by local volunteer and helped by SERVE volunteers. These case studies document some of the "immeasurable" change that can be associated with volunteering and are available here - <http://www.serve.ie/public-engagement-campaigns/>

Objective 4: To implement the Organisational Strategic Plan 2012-2014 and to support capacity building of the organisation;

The organisation finalised a Strategic Plan with seven high level goals for the period 2012-2014. The following operational changes were made in 2012 in pursuit of the seven high level goals:

- The management of the Volunteer to Build Capacity Programme was moved from the Cork office to the Belfast office. This involved some Human Resources changes including the relocation of a senior staff member from the volunteer programme to the 'Projects' desk to boost SERVE's institutional fundraising capacity. A Communications Officer was also added to the staff;
- The SERVE Board in the Republic of Ireland was revamped. Two members left the Board and three new appointments were made - broadening the skills and experience base of the Board;
- The Board approved a strategy for preparing the Financial Statements in accordance with Charities SORP;
- The SERVE Board supported the theory of change process and managing for results model encompassed in the SDP;

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The SDP application process to Irish Aid , with the aligned strategic planning process, in late 2011/early 2012 proved to be very beneficial for SERVE. It provided an opportunity to reflect on and refocus our goals and targets at an organisational level. The issue of "vulnerability", as defined by the World Bank, emerged as a common theme across our partner countries. We also recognised common themes across our key target group (young people) and the importance and potential of Technical Vocational Education & Training (TVET) in responding to the immediate needs of vulnerable young people. At an organisational level, we worked with our partners to capture the pathways of change, so we can deliver good development programmes for our target beneficiaries and learn from successes and failures. SERVE implemented a model of managing for results, which is also strengthening our work with non-SDP partners.

Outside of the SDP, SERVE made a decision to discontinue the Volunteer Programme to Thailand, where we had worked with partners since 2005. As of 2013, SERVE continues to send volunteers to seven countries (South Africa, Mozambique, Zimbabwe {long term only}, Zambia, India, the Philippines and Brazil). SERVE now works with a total of twelve partners in these countries.

In the last quarter of 2012, SERVE began a process of strengthening its governance policy. Work commenced on the preparation of a new Governance Manual which is also expected to provide a template for replication with partners. It is intended to trial during 2013 a collaborative approach to capacitating our partners to prepare a governance manual with our partner Tapologo in South Africa.

It is planned to complete a significant review of the progress and rate of implementation of the Strategic Plan in September 2013.

Objective 5: To support the expansion of SERVE's funding base (restricted and unrestricted);

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

	31/01/2013	31/01/2012
Total Income	1,403,648	1,286,744
Total Restricted Income	1,148,018	996,970
Total Unrestricted Income	255,630	287,774
Grant Income	856,338	753,254
Voluntary Income	547,310	533,490
From the Irish Public	492,901	460,613
Unrestricted Reserves	160,963	165,812

The following ratios provide insightful content with regard to objective 5:

- The SERVE/ Irish Aid ratio is 39%/61% (2011/12 42%/ 58%);
- Unrestricted Income is 18.2% of total incoming resources (2011/12 22.5%)

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

- The SERVE/Irish Aid ratio is 44%/ 56%(2011/12 45%/55%);
- Unrestricted Income is 20.6% of total incoming resources (2011/12 23.7%);

The organisation also successfully organised in excess of €150,000 in grants that were transferred directly to partners in the field from the institutional funders. These funds are not reflected in the accounts.

SERVE IN SOLIDARITY IRELAND

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 2013

The Board approved during 2012 initiatives to broaden our institutional funding base. It may take a number of years for these initiatives to deliver concrete and tangible results. Steps were taken to maintain and boost unrestricted income in a difficult economic climate.

The directors are satisfied with the strengthening institutional funding base and view the performance in raising unrestricted income as moderately successful. The Board are pleased that just over 20% of income is unrestricted but disappointed in the fall from 23.7% achieved in 2011/12. The Board is committed to prioritising the generation of unrestricted income in 2013/14.

4. OPERATIONAL SUMMARY

Development Programme

Expenditure on development programmes amounted to €889,274 which compares to the €32,888 spent in 2011/12. 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 supported development projects in India, and Zambia. These funds were channelled through SERVE partners implementing projects focused on income generation, gender, disability and youth leadership training. Funding was secured from Misesan Cara for Redemptorist projects in Brazil, Zimbabwe, Mozambique, India, Kenya, Zambia, Burkina Faso, The Philippines.

Volunteer Programme

Expenditure on the Volunteer Programme amounted to €25,602 (2011/12 €72,922). The costs for 2011 are inflated as they include international flights purchased in 2011/12 for the 2012/13 Brazil volunteer programme. The Volunteer to Build Capacity Programme which assigns groups of volunteers to South Africa, Mozambique, Zambia, Brazil, India, Thailand and the Philippines for 4-6 weeks periods each summer. These volunteers work in a variety of sectors including education, childcare, house-building, healthcare and youth work. Since 2005, SERVE has placed a total of 755 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. SERVE are signatories to Comhlamh's Code of Good Practice and have submitted self-appraisal audits to Comhlamh for a number of years. In December 2012, SERVE took part in an external audit by Comhlamh of our compliance to the Code and the results of this were largely positive. In 2013, SERVE is committed to working to improve the areas of weakness highlighted in this audit.

Development Education and Global Citizenship

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

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 2013

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

2012 saw the fourth year of our Global Citizenship Programme whereby our Belfast office provided internship and development placement opportunities to young adults including volunteers from Asia, Africa and other European countries.

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 result 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 volunteers who went to South Africa and Mozambique focused on issues related to HIV and AIDS, and were informed about the SDP, their role within the SDP and the work of Irish Aid in these countries. A very high proportion of volunteers (91%) rated the SERVE development education programme as "beneficial" or "very beneficial". Of more interest and importance was the impact of the SERVE development education programme on volunteers post placement. A new monitoring template focused on awareness levels, critical thinking and active citizenship, and showed generally positive results. Awareness of development issues rose from 45% pre placement to 73% post placement. A baseline for critical thinking was set (no pre placement data was available) - 75% said they think critically about development issues post placement, and this will be tracked in 2013-2015. A baseline for active citizenship was also set (63%) and this covers those who are actively involved in campaigns or spoke formally about their experiences. We estimate that 6,000 people benefitted from this degree of "active citizenship". One expression of Active Citizenship is involvement in SERVE Solidarity Groups, which are regional groups in Ireland working to build SERVE'S profile. Overall, there is an 8% participation rate amongst all past SERVE volunteers. A 20% participation rate amongst 2012 volunteers suggests that involvement is higher in the year immediately post placement and reduces as past volunteers secure employment or relocate. The challenge for SERVE is to try and retain people on Solidarity Groups for as long as possible.

The second result is focused on Advocacy, engagement of SERVE volunteers and stakeholders, mainstreaming of the MDG agenda and the impact of volunteering on the development process and how they contribute towards change in favour of the MDGs and role of the voluntary sector on the development process. In 2012, SERVE'S advocacy campaign on HIV and AIDS focused on raising awareness amongst volunteers and young people in the Republic of Ireland and Northern Ireland. Young people in Northern Ireland were challenged to live the life of a person with HIV for a day as part of the "£1.27 Challenge". Increased awareness of HIV and AIDS issues amongst participants and a wider audience was the major change achieved.

SERVE'S "Focus On" newsletter engages with our volunteer network and supporters on development issues. It is sent to 750 people each quarter and a special edition in 2013 reviewed the 2012 MDG Report as relevant to the SDP. There were a number of interesting learnings, with similar indicators being used to track youth unemployment, child nutrition and HIV transmission. This is available at www.serve.ie/sdp

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Finally, SERVE also prepared a case study to discuss the "Impact of Volunteering on the Development Process" focused on South Africa and Mozambique. The case study reflects on perceptions of volunteering and the impact it can have from an African perspective. Vernam Timbini, who has worked with SERVE in Zimbabwe and Mozambique for a number of years highlights the impact of volunteering on breaking down gender stereotypes. "I appreciate [SERVE] sending volunteers down to Africa. In Africa, men aren't supposed to do this, women aren't supposed to do that." He points out the benefits of male and female volunteers working together on building projects in Mozambique, with female volunteers "moulding bricks, painting and mixing mortar. Here they say a woman can't do that... it's strengthening the idea of gender that we're all equal." The case study is available here - http://www.serve.ie/storage/sdp-2012-15/Impact_Volunteering_Development.pdf

In order to boost engagement with the Irish public and provide transparency around the SDP, SERVE added a page to our website dedicated to the SDP. The SERVE website had approximately 120,000 views in 2012.

Fair Trade

SERVE is an advocate of the perspective that trade is as important as aid. The SERVE volunteer network provides strategic business advice that helps build the capacity of our partners to find new markets. Flip flop Friday in 2012 achieved again the double dividend impact of supporting the income generation capacity of our Thai partners while also raising funds for SERVE. We remain convinced that this is a genuinely pro-poor initiative worthy of support.

Fundraising

In 2012 our volunteers played a vital role in telling the SERVE story and attracting donations. We commend the commitment of our volunteer network. The SERVE Solidarity Gift initiative was implemented for the fourth year with modest results. In September 2010, we launched a communication and fundraising strategic plan with a strong emphasis on achieving growth in the number of standing orders, the implementation of new events based fundraising initiatives with increased emphasis on working with established groups such as schools, colleges, parishes, parish clusters etc. There were positive outcomes from these initiatives. There was a very welcome increase in income from standing orders and three events based fundraising initiatives were started which have the potential to become flagship annual fundraising events. The employment of an extra staff member in September 2010 to develop SERVE on the western seaboard began to pay dividend towards the end of 2011 and during 2012. We also enhanced our capacity to raise funds through the internet. The organisations communication strategy has improved steadily with regular e-newsletters, improved profiling, and enhanced data gathering. The organisation has become less reliant on a number of large individual donors and is now attracting funds from a greater number of smaller stakeholders. There are concrete plans to continue to develop the organisations fundraising function.

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST JANUARY 2013

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 19 which shows a surplus for the year amounted to €202,984 (2011/12-€15,197).

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 2013 reached €1,511,338 (2011/12- €1,362,333) of which €1,403,648 was raised in the Republic of Ireland. This represents an 11% increase in income when compared with the year ended 31st January 2012. The increase in income in the Republic of Ireland was 9%. Income Resources from Generated funds was 39% (2011/12 41%). Income Resources from Charitable Activities was 61% (2011/12 59%). Grant income increased by 13.6%. Voluntary income increased by 2.6%. Income from the Irish public increased by 6.8%. While these are excellent results, there was a 11.7% decline in uncommitted voluntary income following a 30% decline in uncommitted voluntary income in the previous year. The result from Third World Groups during 2012 was a disappointing fall by 25%.

Direct Charitable Expenditure was 98% (2011/12 98%) of total expenditure. The costs of generating funds was 1.2% (2011/12 1.4%) of total expenditure. The governance costs were 0.8% (2011/12 0.6%).

The surplus of €202,984 for the year referenced on page 19 is largely due to a combination of grants received before the year-end but not spent until 2013. Expenditure patterns in 2012/13 resemble closely expenditure outcomes in 2011/12 with strident efforts made to stay within budget for all cost centres. The increased expenditure in Development Projects is due to increased grants and the increase in Development Education is due to an additional staff cost in this area. The 15% increase in salary costs is due to the employment of an additional staff member in September 2012.

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 close to €1.2m between the South of Ireland and the North of Ireland as at January 31st 2013. There are four important factors relevant to an analysis of these reserves: (1) €10,679 represents a prudent unrestricted reserve balance; (2) There is €420,000 that relates to a long term school development in Haiti, delayed due to planning and legal issues related to the burial of earthquake victims. Some progress on the legal front is reported in the last four weeks; (3) There is €47,606 of Misesan Cara grant funding, which is a balance that is uncharacteristically high, due to the timing of the receipt of funds from Misesan Cara. Funding was received in January 2013, which is the last month of our financial year. These funds were not transferred before the end of the financial year but have been transferred in the new financial year; (4) The remaining reserves of approximately €20,000 represent a combination of €16,638 of Irish Aid funds unspent, €19,198 of third world group funding unspent and a prudent reserve of restricted funding spread between and in support of the projects in our priority countries.

SERVE IN SOLIDARITY IRELAND

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 2013

SERVE are committed to maintaining at a minimum €65,000 in unrestricted reserves to cover at least five months of organisational running costs. The minimum reserve will be increased proportionally if running costs increase. Amounts over and beyond 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 €160,963 at Jan 31st 2013 represents a 3% decrease on the previous year and is the equivalent of approximately eleven months of the running costs of the organisation.

Grant Awarding Policy

The SERVE partnership approach is based on accountability and acknowledges the potential for power imbalances and is rooted in a set of core values. SERVE approved a partnership policy in May 2010. We engage with partners who are committed to working with the most vulnerable and marginalised and who share both a passion and competency for delivering positive development outcomes for children, young people and women. Contact with partners emerges from referrals from older and existing partners, direct applications, and through proactive initiatives by SERVE to work with partners who share our convictions and aims. Any initial assessment about advancing to a partnership arrangement focuses on (a) Matching values and ethos; (b) Considering the geographical focus, development themes, scale of activity etc.; (c) Agreement on the building blocks and possible intervention strategies for supporting children, young people and women; (d) Suitability to engage in long term capacity building work and partnership arrangements.

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

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

Books of Account

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

Auditors

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

Taxation Status

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

6. EVENTS SINCE THE YEAR END

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

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST JANUARY 2013

7. PLANS FOR FUTURE PERIODS

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 2013 is based on six key objectives:

1. To implement the second year of the 4 year Irish Aid funded Programme in South Africa, Mozambique and Zimbabwe;
2. To support the capacity building of the Redemptorist Development Programmes with particular emphasis on Africa and Madagascar;
3. To consolidate the volunteering options;
4. To ensure that the work and projects of SERVE and its partners deliver clear and demonstrable results for poor, vulnerable and marginalised people;
5. To develop the organisational capacity of SERVE itself further;
6. To support the expansion of SERVE's funding base (restricted and unrestricted);

On behalf of the Board

John Gerard O'Connor (Chairperson)

Noel Gerard Kehoe

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

We have audited the financial statements of Serve In Solidarity Ireland for the year ended 31st January 2013 on pages 19 to 25. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at the 31st January 2013 and of its surplus for the year then ended and have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

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

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

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

Chartered Accountants and
Registered Auditors

17th October 2013

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

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 2013**

		Restricted Funds 2013	Unrestricted Funds 2013	Total Funds 2013	Total Funds 2012
Incoming Resources	Notes	€	€	€	€
Income Resources From Generated Funds	1	291,680	255,630	547,310	533,490
Income Resources From Charitable Activities		856,338	-	856,338	753,254
Interest Income		-	-	-	
Total Incoming Resources		1,148,018	255,630	1,403,648	1,286,744
Resources Expended					
Direct Charitable Expenditure	5	(923,325)	(254,777)	(1,178,102)	(1,050,738)
Cost of Generating Funds	3	-	(14,781)	(14,781)	(15,267)
Governance Costs	4	-	(7,781)	(7,781)	(5,542)
Total Resources Expended		(923,325)	(277,339)	(1,200,664)	(1,071,547)
Net Outgoing Resources Before Transfers		224,693	(21,709)	202,984	215,197
Transfers					
Transfers Between Funds	7	(17,435)	17,435	-	-
Net Movement In Funds		207,258	(4,274)	202,984	215,197

The financial statements were approved by the board on 17th October 2013 and signed on its behalf by

John Gerard O'Connor
Director

Noel Gerard Kehoe
Director

SERVE IN SOLIDARITY IRELAND
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BALANCE SHEET
AS AT 31ST JANUARY 2013

	Notes	€	2013 €	€	2012 €
Current Assets					
Debtors	8	30,000		95,282	
Cash at bank and in hand		1,113,612		844,784	
		<u>1,143,612</u>		<u>940,066</u>	
Creditors: amounts falling due within one year					
	9	(4,432)		(3,870)	
Net Current Assets			<u>1,139,180</u>		<u>936,196</u>
Total Assets Less Current Liabilities			<u><u>1,139,180</u></u>		<u><u>936,196</u></u>
Represented By					
Restricted Funds	10		978,217		770,384
Unrestricted Funds	10		160,963		165,812
			<u>1,139,180</u>		<u>936,196</u>

The financial statements were approved by the Board on 17th October 2013 and signed on its behalf by

John Gerard O'Connor

Director

Noel Gerard Kehoe

Director

SERVE IN SOLIDARITY IRELAND
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2013

	Notes	2013 €	2012 €
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating surplus		202,984	215,197
Decrease in debtors		65,282	(53,582)
Increase / (decrease) in creditors		562	15
Net cash inflow from operating activities		<u>268,828</u>	<u>161,630</u>
 Cash Flow Statement			
Increase in cash in the year		<u>268,828</u>	<u>161,630</u>
 Reconciliation of net cash flow to movement in net funds (Note 11)			
Increase in cash in the year		268,828	161,630
Net funds at 1st February 2012		<u>844,784</u>	<u>683,154</u>
Net funds at 31st January 2013		<u>1,113,612</u>	<u>844,784</u>

SERVE IN SOLIDARITY IRELAND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2013**

1. Basis of Accounting and Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

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

1.2. Income

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

Voluntary Income

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

Restricted Income

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

Unrestricted Income

Other income, apart from restricted income, is used by the company in the furtherance of 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.

2. Operating surplus

	2013	2012
	€	€
Operating surplus is stated after charging:		
Auditors' remuneration	1,496	1,496
	<u> </u>	<u> </u>
and after crediting:		
Government grants		
Irish Aid	290,573	65,282
Misean Cara	565,765	687,972
	<u> </u>	<u> </u>

SERVE IN SOLIDARITY IRELAND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2013**

..... continued

3. Cost of Generating Funds	2013	2012
	€	€
Fundraising Costs	13,058	15,267
Printing and Promotion	1,723	-
	<u>14,781</u>	<u>15,267</u>
4. Governance Costs	2013	2012
	€	€
Professional Fees	2,601	658
Strategic Planning Costs	1,086	-
Motor expenses	566	932
Staff Training	2,032	2,456
Audit	1,496	1,496
	<u>7,781</u>	<u>5,542</u>
5. Direct Charitable Expenditure	2013	2012
	€	€
Direct Costs	1,135,237	1,014,688
Support Costs		
Staff Costs	14,124	12,198
Computer costs	3,005	2,319
Rent payable	6,326	4,786
Insurance	4,717	4,835
Telephone	1,365	2,664
Printing, postage & stationery	5,727	2,912
Subscriptions	2,991	-
Office expenses	969	4,929
Bank charges	2,211	-
Miscellaneous Administrative Expenditure	1,430	1,407
	<u>1,178,102</u>	<u>1,050,738</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2013**

..... continued

6. Employees

Number of employees

The average monthly numbers of employees were:

	2013	2012
	Number	Number
Administration	4	4
Employment costs	2013	2012
	€	€
Wages and salaries	127,532	110,773
Social welfare costs	13,710	11,864
	141,242	122,637

7. Transfer

In 2013 an amount of €17,435 from Irish Aid was transferred from restricted income to unrestricted income. In 2012 this transfer was €12,000.

8. Debtors

	2013	2012
	€	€
Other debtors	30,000	95,282

9. Creditors: amounts falling due within one year

	2013	2012
	€	€
PAYE/PRSI	2,936	2,374
Accruals	1,496	1,496
	4,432	3,870

SERVE IN SOLIDARITY IRELAND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2013**

..... continued

10. Reconciliation of movements in reserves

	2013	2012
	€	€
Restricted Funds		
Opening Balance	770,384	569,615
Net Movement After Taxation	207,833	200,769
	<u>978,217</u>	<u>770,384</u>
Unrestricted Funds		
Opening Balance	165,812	151,384
Net Movement After Taxation	(4,849)	14,428
	<u>160,963</u>	<u>165,812</u>
Total Reserves	1,139,180	936,196

11. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	844,784	268,828	1,113,612
Net funds	<u>844,784</u>	<u>268,828</u>	<u>1,113,612</u>

12. Approval of financial statements

The financial statements were approved by the Board on 17th October 2013 and signed on its behalf by

John Gerard O'Connor
Director

Noel Gerard Kehoe
Director

SERVE IN SOLIDARITY IRELAND

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

**THE FOLLOWING PAGE CONTAINS
SUPPLEMENTARY MANAGEMENT INFORMATION**

SERVE IN SOLIDARITY IRELAND

RESTRICTED AND UNRESTRICTED FUNDS

FOR THE YEAR ENDED 31ST JANUARY 2013

	2013	2012
	€	€
INCOME		
Restricted Funds		
Irish Aid	290,573	53,282
Thailand	-	7,610
Brazil	91,565	35,379
Philippines	49,774	-
India	15,237	17,034
South Africa	25,135	18,243
Zambia	17,987	8,845
Kenya	-	34,972
Mozambique	32,045	14,605
Misean Cara	565,765	680,043
Third World Groups	54,409	72,877
Haiti	3,848	50,591
Thailand - Solidarity gift	67	180
Brazil - Solidarity gift	90	136
Philippines - Solidarity gift	36	487
India - Solidarity gift	614	865
South Africa - Solidarity gift	493	1,685
Mozambique - Solidarity gift	324	-
Zimbabwe - Solidarity gift	56	136
	<u>1,148,018</u>	<u>996,970</u>
Unrestricted Funds		
Donations and Standing Orders	116,873	78,301
Reclassification of donations received	-	9,473
Misean Cara	-	7,929
Irish Aid	-	12,000
Comhlanh	-	1,900
Volunteer Contribution	95,133	135,266
Redemptorists Ireland	30,000	30,000
Flip Flop Friday	13,624	13,205
Other	-	1,700
	<u>255,630</u>	<u>289,774</u>
Total Income	1,403,648	1,286,744

SERVE IN SOLIDARITY IRELAND

RESTRICTED AND UNRESTRICTED FUNDS

FOR THE YEAR ENDED 31ST JANUARY 2013

	2013	2012
	€	€
EXPENDITURE		
From Restricted Funds		
Irish Aid	256,500	118,043
Misean Cara	388,796	462,625
Third World Groups	54,211	64,410
Development Appeal	188,416	121,149
Solidarity Gifts	2,593	-
Misean Cara Admin for Dev Salary	32,809	29,974
	<u>923,325</u>	<u>796,201</u>
From Unrestricted Funds		
Development Programme Salaries	23,968	-
Serve Funded Development Projects	47,620	-
Volunteering Programmes	120,019	145,221
Development Education	16,256	922
Global Citizenship	-	-
Fair Trade	4,080	7,150
Immersion Programme	-	62,891
Shared Advocacy	25	-
Philippines Solidarity Project	-	2,303
	<u>211,968</u>	<u>218,487</u>
Total Project Assistance	1,135,293	1,014,688
Surplus Funds before Administration Expenditure	268,355	272,056

SERVE IN SOLIDARITY IRELAND

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST JANUARY 2013

	2013		2012	
	€	€	€	€
Income				
Donations and Standing Orders				
Serve		91,737		73,249
Fundraising Events		25,136		14,525
Misean Cara Admin Income		-		7,929
Irish Aid Admin Income		-		12,000
Comhlamh Income		-		1,900
Other Income		-		-
		<hr/>		<hr/>
		116,873		109,603
Volunteers Contribution			95,133	135,266
Flip Flop Friday			13,624	13,205
Development Appeal				
Thailand		-		7,610
Brazil		91,565		35,379
Philippines		49,774		-
India		15,237		17,034
South Africa		25,135		18,243
Zambia		17,987		8,845
Kenya		-		34,972
Mozambique		32,045		14,605
Haiti		3,848		50,591
		<hr/>		<hr/>
		235,591		187,279
Solidarity Gifts				
Thailand - Solidarity gift		67		180
Brazil - Solidarity gift		90		136
Philippines - Solidarity gift		36		487
India - Solidarity gift		614		865
South Africa - Solidarity gift		493		1,685
Mozambique - Solidarity gift		324		-
Zimbabwe - Solidarity gift		56		136
		<hr/>		<hr/>
		1,680		3,489
Other Income		-		1,700
Irish Aid			290,573	53,282
Misean Cara			565,765	680,043
Third World Groups			54,409	72,877
Redemptorists Ireland			30,000	30,000
Total Income		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		1,403,648		1,286,744

SERVE IN SOLIDARITY IRELAND

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST JANUARY 2013

	2013		2012	
	€	€	€	€
Expenditure				
Volunteering Programme				
Wages and Salaries		51,013		48,454
Employers PRSI contribution		5,484		7,668
Overseas Programme Costs		70,210		131,849
Immersion Program		58,962		62,891
Solidarity Programme		19,022		-
Training Programme		11,908		15,997
Recruitment and Promotion		7,573		4,747
Belfast Volunteering Programme		1,430		1,316
		<hr/>		<hr/>
			225,602	272,922
Development Projects				
Wages and salaries (excl. PRSI)		51,013		27,974
Employer's PRSI contributions		5,484		3,010
Brazil		40,164		73,944
India		93,565		24,225
Philippines		127,068		23,902
Thailand		1,984		19,227
South Africa / Muvamba		124,998		76,659
Mozambique		221,346		178,161
Zimbabwe		179,390		183,481
Zambia		4,888		7,931
Haiti		11,686		9,405
Niger		-		24,390
Congo		-		26,010
Kenya		27,688		54,569
		<hr/>		<hr/>
			889,274	732,888
Development Education				
Wages and Salaries		12,753		
Employer's PRSI Contributions		1,371		
Development Ed/Global Citizenship		2,132		1,728
		<hr/>		<hr/>
			16,256	1,728
Shared Advocacy				
Shared Advocacy		25		-
		<hr/>		<hr/>
			25	-
Global Citizenship				
		<hr/>		<hr/>
			-	-

SERVE IN SOLIDARITY IRELAND

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST JANUARY 2013

	2013		2012	
	€	€	€	€
Fair Trade				
Fair Trade		4,080		7,150
			4,080	7,150
Administration				
Wages and Salaries		12,753		11,012
Employers PRSI Contribution		1,371		1,186
<u>Office Administration Expenses</u>				
Rent payable	6,326		4,786	
Computer costs	3,005		2,319	
Insurance	4,717		4,835	
Professional Fees	2,601		658	
Strategic Planning Costs	1,086		-	
Telephone	1,365		2,664	
Printing, postage & stationery	5,727		2,912	
Motor expenses	566		932	
Subscriptions	2,991		-	
Office expenses	969		4,929	
		29,353		24,035
<u>Fundraising</u>				
Fundraising Costs	13,058		15,267	
Printing and Promotion	1,723		-	
		14,781		15,267
<u>Capacity Building</u>				
Staff Training	2,032		2,456	
		2,032		2,456
Audit		1,496		1,496
Bank Charges		2,211		-
Miscellaneous Administration Expenses		1,430		1,407
		65,427		56,859
Total Expenditure		1,200,664		1,071,547
Operating surplus		202,984		215,197