



THE SOCIAL INVESTMENT FUND

ESTABLISHED 1996

Social Investment in Ireland

ANNUAL REVIEW 2012

Contents

1. Message from our Chairperson
2. Introduction
3. 2012 in Numbers
4. Clann Credo Pioneers Social Impact
Investment in Ireland
10. Social Investment at Work
23. Financial Review
29. Our People

Clann Credo

- the Social Investment Fund

*designs and promotes innovative social
finance products and services,
contributing to inclusive prosperity and
developing social capital in a way that
benefits the whole community.*

Mission Statement

A Message from our Chairperson

It gives me great pleasure to introduce Clann Credo's annual review for 2012, *Social Investment in Ireland*.

During 2012 we have made significant progress in implementing the three key elements of our current strategy namely to:

- **grow our core activity of acting as a provider of Social Finance to community & voluntary organisations,**
- **develop further the innovative area of Social Impact Investing,**
- **establish a hub for Social Enterprise & Development at our head-office in Inchicore.**

Specific details of our progress are contained in this report as well as profiles of some of the projects we support and the social benefit of their activities.

In addition, I am delighted to get the opportunity to thank the key groups whose continued assistance is vital to enabling us to continue to make a difference through our activities to peoples' lives.

Firstly, I would like to mention our investors and the Social Finance Foundation whose on-going support is vital to us and is hugely appreciated.

I would also like to pay tribute to the wide group of volunteers who contribute so much of their time and professional expertise. This group includes the members of the Board and the Evaluation and Project Support committees and also the many individuals who act as advocates in supporting projects.

Finally I want to thank our CEO Paul O'Sullivan and his staff for their dedication hard work and huge commitment.



A handwritten signature in blue ink, consisting of stylized, overlapping loops and lines.

Tom Finlay

Chairperson Clann Credo

Investing in Hope

Clann Credo believes that social finance and social enterprise have an important contribution to make to economic and social recovery.

It is clear that we need to create a more sustainable, value-based financial system that will achieve a greater balance between the profit motive and the needs of wider society.

Social Finance offers an example of what that model might look like, of how social and financial concerns can be successfully married.

But in the short and medium term, we are confronted with pressing concerns.

The devastation wrought by this crisis has hurt families all over the country, as human, physical and financial resources are drained from their communities.

In that context, Clann Credo's role as the largest social finance provider in the country, acquires an even greater urgency and an even greater sense of mission.

As the pages of this report attest, our investment in people and communities has continually risen over the years of the crisis.

One hundred and thirty seven new loans were approved in 2012, which enabled people in communities all around Ireland to do today what might have been put off to sometime in the future or never undertaken at all.

We prioritise innovation as a means of delivering best practice and maximising the social impact of investments, as our pioneering of the Social Impact Investment model in Ireland demonstrates.



Similarly, the creation of the national hub for Social Enterprise and Entrepreneurship Development in Dublin's Inchicore signals a commitment to ensuring that Clann Credo maintains its position at the leading edge of the sector.

We deliver resources where they are most needed and where they will make the greatest difference to peoples' lives.

But above all Clann Credo – the Social Investment Fund brings hope, the one commodity without which no recovery will ever be possible. Hope and the promise of a brighter tomorrow.

A handwritten signature in blue ink that reads "Paul O'Sullivan". The signature is written in a cursive style and is underlined with a single horizontal line.

Paul O'Sullivan

Chief Executive Officer

CLANN CREDO

Generating Inclusive Prosperity

137

*number of new
loans approved
in 2012*



€120,000

*average value
of loans approved
in 2012*

€5,300,000

capital repaid in 2012

+6%

*increase
in fund
size in 2012*

**€44.7
MILLION**

*total value of loan
finance provided
since 1996*

€16,500,000
value of new loans approved in 2012

€734,000

SDI income in 2012

Clann Credo Pioneers Social Impact Investment in Ireland

Clann Credo, in collaboration with the Government and private investors, is promoting the introduction of a cutting edge social investment initiative in Ireland.

The new initiative - known as Social Impact Investing (SII) - entails private investors financing early intervention projects to tackle serious social problems, with the repayment to investors being related to the degree which the agreed targets are met.

It is an innovative financial tool that adapts new models of finance being developed internationally to Irish conditions. The UK was first to pilot Social Impact Bonds. Canada launched a call for ideas in 2012, the US introduced Pay for Success Bonds and Social Benefit Bonds have been developed in Australia.

SII promotes and encourages efficiency by transferring risk to private investors and ensuring payment is only made when agreed outcomes are achieved.

It works by identifying public sector benefits that can be achieved by tackling social problems early and raising private investment to fund these interventions up-front. The State agrees to repay the investors only if agreed outcomes are achieved.

Over the past two years, Clann Credo has conducted extensive research and analysis on how the concept could best be employed in an Irish context. A commitment on Social Impact Investment is included in the current Programme for Government as “a new model of financing social interventions.”

An Advisory Group was established in August 2011 to explore the potential for Social Impact Investing in Ireland and the Department of Public Expenditure & Reform is represented on the Advisory Group.

Clann Credo, in conjunction with the Atlantic Philanthropies and the Centre for Effective Services, conducted a scoping exercise on behalf of the advisory group. This followed on a wide call to Government Departments, State Agencies and the community and voluntary sector for ideas that might be suitable for Social Impact Investing.

The group reported to the Minister of Public Expenditure and Reform that Social Impact Investing is both desirable and feasible in Ireland subject to piloting some projects that have emerged from the scoping exercise as projects that are likely to provide improved social outcomes that can deliver social value and public sector benefits.

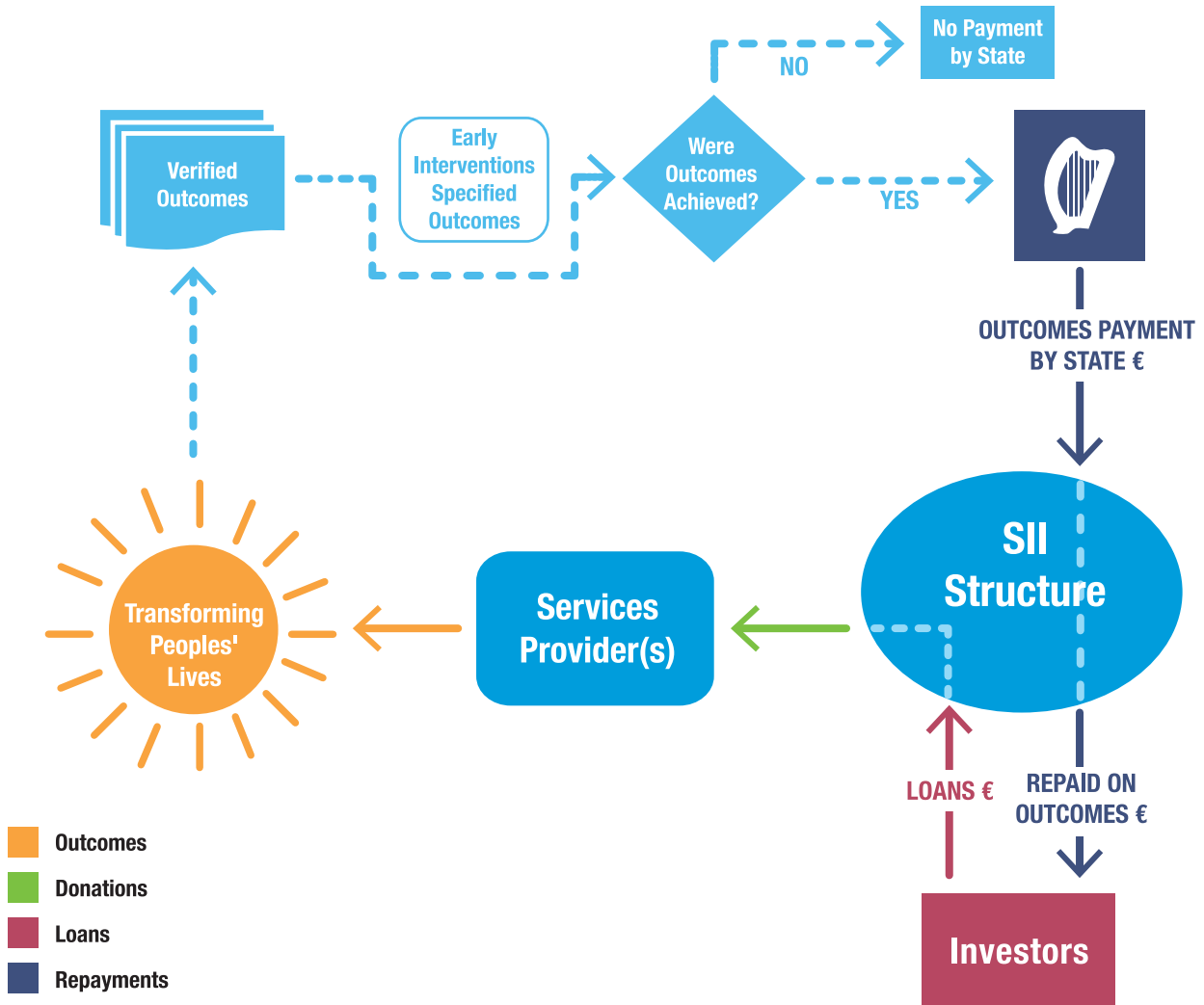
Minister Brendan Howlin said that the “scoping exercise undertaken by the Advisory Group is a welcome piece of work which has identified some opportunities which have the potential to progress to pilot social impact investment projects”.

He asked the senior management of the relevant government departments and agencies to carry out a full assessment of the proposals and recommend whether or not a project should proceed to a formal pilot phase.

An inter-departmental steering committee is overseeing the next stage of development; assessing the responses from departments and the organisational arrangements that are necessary to deliver social impact investment projects.

The Minister told the Dáil in October that he expects to receive the steering group's assessment of the opportunities identified along with recommendations as to whether or not a project should proceed to a formal pilot phase during the first quarter of 2013.

Social Impact Investing (SII)



Supporting Social Enterprise

A recent report by the Social Enterprise and Entrepreneurship Task Force (SEETF) stated that social enterprise has the potential to deliver thousands of new and sustainable jobs for communities.

To harness this potential, Clann Credo partnered with the Irish Social Finance Centre and Longford EDI in 2012 to help to establish Social Enterprise Longford (SEL) - a pilot initiative aimed at developing a social enterprise culture and the emergence of social enterprises in County Longford. It is funded by Longford Community Resources Limited under the Rural Development Programme.

There are seven phases to the programme. Phase 1 covered programme initiation and preliminary design and the establishment of an advisory group and project team.

Phase 2 involved promotion of the SEL programme through broadcast e-mails, flyers, local news articles, radio interviews and outreach to the community. Phase 3 then finalised the design of seminars and workshops.

Phase 4 involved the delivery of three public seminars in County Longford on the following topics: Recognising Opportunities for Social Enterprise, Business Planning for Social Enterprises, Measuring Social Impact.

Seventy people attended these seminars and from these 26 people applied to take part in the SEL workshops.

Phase 5 involved the delivery of five workshops that took participants through the feasibility and business planning process for their specific social enterprise ideas. Guest speakers involved in successful social enterprises spoke at these workshops.

The topics covered in the workshops were as follows:

- The Product/Service and Market
- Operations & Structures
- Financial Planning
- Marketing
- Human Resource Management and Good Governance

Phase 6 involved a review of the preliminary business plans by a panel of experts from Clann Credo, County Longford Enterprise Board and Longford Community Resources Limited. Ten business plans were put forward. The panel identified further support needs and areas that the participants needed to do more work on. One-to-one support helped participants firm up on their business plans. Workshops on how to make a pitch for investment are planned for late spring 2013 and participants will have an opportunity to represent their ideas to the panel of experts.

In between workshops, participants attended peer support sessions and retained one-to-one support to help them develop their social enterprises.

Phase 7 will include a showcase event in the summer of 2013 and will develop a plan for post programme support.

The social enterprise ideas being explored by participants include recycling, arts and crafts, tourism, home care, food services and sports activities.



Tánaiste, Eamon Gilmore TD, addressing Clann Credo's annual conference in March 2012 at the European Commission's Representation in Dublin. The conference focussed on the opportunities for social businesses and the unique potential of social enterprises and community businesses to promote growth, create jobs and address disadvantage.

Building Bridges



We believe that by building bridges with the business sector we can increase capacity and skills in the community and voluntary sector.

Clann Credo is currently involved in a number of initiatives designed to build capacity and skills in the community, voluntary and charity sector. We believe that building bridges with the business sector is one key to achieving this.

That's why in October 2012, Clann Credo, in partnership with Business in the Community, hosted a half-day focus group/workshop to help our borrowers build links with the business community.

The workshop was designed to equip participating organisations with the skills to work collaboratively with, and draw on the experience of established businesses.

The initiative also helped us deepen our understanding of the support needs of our borrowers as well as helping Business in the Community match the needs of the sector to the skills available from its business members.

Thirty-five organisations and businesses were represented at the workshop and the initiative has since led to a number of new collaborations.

Investing the in the Future

The Ray Murphy Memorial Bursary was established in 2009, with the aim of encouraging postgraduate research into philanthropy, social finance and the non-profit sector in Ireland. The Bursary was jointly launched by Clann Credo and Philanthropy Ireland with support from The Atlantic Philanthropies.

The Bursary is named after Ray Murphy (1952-2007), a founding member and former Chairman of Clann Credo. Ray was a pioneer of social finance and philanthropy and through his involvement with The Atlantic Philanthropies and the Charles Stewart Mott Foundation; he worked in Ireland and throughout the world supporting organisations working with disadvantaged and vulnerable people.

The Ray Murphy Bursary Committee is responsible for advertising, reviewing and selecting research proposals to support. The Committee has awarded €40,000 in Bursary funding with a further €5,000 to be paid in Spring 2013. The Committee also secured fee waivers from a number of universities, which have been honoured by each third-level institution that has hosted a Ray Murphy Scholar to date.

In 2012 the bursary was awarded to Karen Hand who is currently completing a PhD in Psychology and Global Health at Trinity College Dublin. Her research focuses on the role of brands and branding in non-profits.

Karen presented the key findings from her research and initial proposals of a theory for branding in non-profits at a seminar in Trinity College on 22nd March 2013 as part of the Trinity International Development Initiative (TIDI) series of seminars.

For more see www.raymurphybursary.org



Ray Murphy (1952-2007)

SOCIAL INVESTMENT AT WORK

Building Communities

GREEN TURNS GOLD

The small village of Abbeyshrule holds the rare distinction of winning multiple awards at both national and a European level. No town of comparable size has a better record in the national Tidy Towns competition and its European equivalent, the Entente Florale.

Located in the southeast of Longford - the 18th Century poet and novelist Oliver Goldsmith was born nearby - Abbeyshrule won three consecutive gold medals in 2009, 2010 and 2011. The following year they went one better and won the overall prize, along with being named as Ireland's Tidiest Village.

The same year, Abbeyshrule's charms also swayed judges in Europe's Entente Florale competition and the village was awarded a gold medal. Some 12 countries across Europe nominate towns and villages to participate in the prestigious Entente Florale.

This remarkable record of achievement is testament to the hard work and commitment of the local community, particularly its very dedicated Tidy Village Committee.

Clann Credo is proud to be associated with their work, having agreed to support the Committee when they approached us in 2011. It was abundantly clear the enormous benefit their work was delivering to the community - socially, economically and environmentally.

Not only are jobs created and local services utilised, but the improvement works carried out for the competitions benefits the wider community and maintains a resource that will be passed on to future generations.



Abbeyshrule: no town of comparable size has a better record in the national Tidy Towns competition and its European equivalent, the Entente Florale.

COMMUNITY CENTRED

The Westmeath town of Multyfarnham was hard hit by the closure of its well-known Agricultural College, which had been run by the Franciscan Order.

When the college closed, the community found it no longer had access to a whole range of services and facilities on which it had come to rely. Community meeting rooms, sports pitches and a handball alley were no longer available to the residents of Multyfarnham when the former college premises were taken over by a private concern.

Undeterred, the community set about developing its own amenities. Beginning in 2005 a coalition of local groups set about the task of creating a wide range of tailor-made sporting and community facilities.



The Multyfarnham Community Centre looks certain to be at the heart of this community for many years to come.

And, over the years, in a methodical, planned fashion the community coalition has delivered on its goals. Dressing rooms were built, drainage installed on pitches, fences and lighting erected and landscaping carried out. In fact, their work proved so successful that the town dramatically improved its score in the National Tidy Towns competition.

The final phase of this grand plan was the construction of an entirely new Community Centre and Sports Hall. The intention is not only to restore all that was lost when the Agricultural College closed, but to add much more.

It was this element of the plan that was supported by Clann Credo, as the benefit to both local economy and society was evident.

The centre includes meeting rooms, a handball alley, indoor sports and drama facilities, a fully-equipped kitchen and space for a crèche.

The involvement of a wide range of local groups in the development of this initiative meant there was input from across the whole community - and the centre was designed with their needs in mind.

It looks certain to be at the heart of community life for many years to come.

Supporting the Arts

SOUND PROOF

There is history attached to the Abbey Arts & Cultural Centre, in the town of Ballyshannon.

The very building from which a hugely diverse programme of arts activities is overseen and run has been a location for cultural pursuits for over 50 years. In 1959, the current centre opened its doors as a cinema and continued in that role until the 1980s, when it was taken into the ownership of the Town Council.

It was fitting that the Abbey Arts and Cultural Centre was conceived and developed within this same physical space.

Such was their success that, in 2005, the Centre was awarded Community Arts Status and it now functions as the Community Arts Centre for South Donegal, on behalf of Donegal County Council.

It serves a large and geographically diverse population across South and West Donegal, Leitrim, North Sligo, Fermanagh and into Tyrone. The centre operates a broad-based programme that encompasses local theatre, music and music education, comedy, visual arts and, of course, film. The facility contains three theatres, along with exhibition & gallery space.

It is no less than the beating artistic heart of southern Donegal and surrounding communities.

In order to keep pace with technology and improve the experience of users, the Centre decided to upgrade its audio systems and sought Clann Credo's support for the initiative.

Given its key role in the wider community and the role of the arts in enriching people's lives, it was an initiative we were more than happy to support.



The cast of the play 'Snake in the Grass' show off some of their awards. The Abbey Arts & Cultural Centre has hosted many award-winning performances over the years.

Caring for Children and Young People

CHILD'S PLAY

When the people of Castledaly required short-term financial assistance, they turned to Clann Credo.

The community of this small Westmeath village near the town of Moate had embarked on a project to develop a playground for the young children in the locality. They organised a successful fundraising drive to raise money towards the overall cost.

The community also secured grant funding for the project from the local LEADER company, along with a commitment from the town's GAA club to contribute towards on-going maintenance costs of the playground, on completion.

However, a shortfall in funding and timing issues with regard to the grant presented a problem and Clann Credo's assistance was sought.

The town has a relatively large young population - with almost 90 children attending the local national school and a further 35 under five years of age - and it was clear that the proposed facility added enormously to the town's social infrastructure.

It has enhanced the living environment for young families and could help attract others with children to settle in the area.



The new playground will help to attract families to the village.

MAKING WAVES

Thirty years ago, marine archaeologists working near Rosses Point uncovered the wrecked remains of vessels from the ill-fated Spanish Armada that had run aground in storms 500 years previously.

The discovery served to underline the closeness of the relationship between the community of Rosses Point and the surrounding sea.

Today, that tradition is kept alive by the Rosses Point Sea Scouts. For over 40 years the group has passed on the skills and secrets of seafaring to younger generations, even as the passage of time has gently eroded much of the town's traditional seagoing activity.

They engage in on-going fundraising to try and ensure that the cost of their activity can be kept to a minimum for the families of members and that no children are excluded.

In recent year, the Sea Scouts have expanded to accommodate a wider membership - opening their doors to girls in the early 1980s - and it was clear the group's original premises were no longer suitable.

Clann Credo's financial support was required to help upgrade their original premises to ensure they could continue with their invaluable work. The refurbished centre also benefited the wider community and other active groups as the town had no hall or community centre of its own.



For over 40 years, the 3rd Rosses Point Sea Scouts have been passing on skills and the secrets of seafaring to younger generations.

A Sporting Chance



ON TARGET

Sport has a remarkable capacity to break down barriers and diminish the differences between people. As such it is powerful force for integration and inclusion.

These qualities are fully evident in the work of Athboy Archery Club, in County Meath.

Established in 2009, the club consciously uses the sport to involve sectors of the community that might often be excluded from such activity: those with physical or intellectual disabilities or the elderly.

Their approach proved remarkably successful and the club grew to almost 60 full time members. However, lack of equipment and resources soon hampered the club's future growth potential.

Support was sought from Clann Credo to enable the purchase of specialised archery equipment to help the Club operate to a more professional standard, participate in a greater number of events - local fairs and festivals - and attract new members from across the community.

Athboy Archery Club is now well-positioned to make a major, on-going contribution to the life of the community and help fashion a more inclusive environment for all.

Athboy Archery Club actively involve sectors of the community that have been excluded from many sports.

Connecting Communities

ON THE ROAD

Clare Accessible Transport aims to do more than simply move people from place to place.

Instead, it sees rural transport as a means of promoting social inclusion and strengthening community links. Its services focus on those that tend to suffer greatest when transport links are weak: people with disabilities, older people and those with mental health difficulties.

The service began life in the late 1990s as East Clare Accessible Transport, but quickly broadened its scope to include all parts of the county.

The group now employs 17 people and runs a full schedule of affordable services across the community. Thus, it helps people access essential health and social services, post offices and other retail outlets.

In addition, it provides vital connections between existing local and national bus and rail services.

The services are tailored to community need and responsive to community demand.

And usage figures demonstrate it is meeting those demands: within a short time of setting up CAT had attracted over 2,500 registered users and conducted some 3,000 passenger trips per month. A significant proportion of those users were disabled and wheelchair users utilised the service daily.

In order to expand and respond to a growing demand across the county, CAT required significant financial support in order to purchase two new, purpose-built buses.



The new buses help people access essential health and social services, post offices and local shops.

Clann Credo provided the support as it was clear that CAT delivered major social and economic benefits to community life in Clare, providing greater opportunities for people with mobility difficulties and assisting their access to key services.

The project also provided good employment opportunities and was a model of how the 'market' can be fashioned to meet wider social needs.

Protecting our Heritage

THE COPPER TRAIL

Waterford's Copper Coast is just one of 53 sites worldwide that are officially recognised as containing a geological heritage of global significance.

Known as geoparks, these sites are designated and supported by UNESCO. There are 32 geoparks across Europe, but just two in Ireland: the Copper Coast and the Marble Arch Caves, in Fermanagh and Cavan.

Stretched over 25 kilometres of coastline between Tramore and Dungarvan the Copper Coast is a massive outdoor geology museum into which is etched the history of the region over the last 460 million years.

It takes its name from the extensive copper mining that occurred in the area during the 19th century and that story is well documented in the geopark. But this remarkable site also tells stories from other ages and eras, boasting Neolithic dolmens, Iron Age forts, pre-Christian ceremonial stones and ruined medieval churches.

This is the story of Ireland through the ages, a story that would probably never have been told had it not been for the ceaseless work of the six local communities in the area who have moved heaven and earth since 1997, to develop the park as an historical, cultural and tourist amenity.

Their efforts bore significant fruit with the award of the UNESCO geopark designation, in 2004.

Today they offer educational programmes for all levels, heritage activities, tourist facilities and a huge array of publications on the geology and natural life of the area.



Waterford's breathtaking Copper Coast is one of 32 UNESCO designated Geo-Parks in Europe.

This community-developed resource is now a world-class amenity and clearly of immense value to the towns that surround it. Clann Credo assisted with the development of a new centre to act as a hub for the entire park.

This includes an interactive visitor experience and additional community facilities.

REBUILDING HOPE

In the early hours of Christmas Day 2009, disaster struck in Longford town, when the historic St Mel's Cathedral was extensively damaged by fire. Sub-zero temperatures hampered the fire-fighting effort as crucial water pipes were frozen solid.

The historic cathedral was quickly destroyed - including the 1,000 year old St Mel's Crozier - and parishioners were forced to attend Christmas mass in a nearby hall.

Completed in 1856, St Mel's was widely regarded as a landmark in the Irish midlands and had been described as "one of Ireland's finest Catholic churches".

The cost of the damage was estimated at €10 million. But neither the damage nor huge repair bill could lessen the resolve of the local community to rebuild and restore St Mel's. A restoration committee was soon established. This was very well supported despite the downturn in the Irish economy.

Many locals were employed in construction during the property boom and in its aftermath Longford was scarred by high unemployment and half-finished housing estates.

Longford EDI saw an opportunity to get people back to work through the St Mel's restoration project. However, they faced a major problem: most of the jobless construction workers did not have the specialised skills needed for the restoration project.

EDI responded by forming partnership with Longford Revamp Homes Limited, and together they devised a specialised training programme to help up-skill unemployed construction workers participate in the restoration work.

Given the substantial social impact that this project will have on the town of Longford, Clann Credo provided bridging finance to get this initiative off the ground. We look forward to seeing St Mel's and the town of Longford, restored to their former glory.



The renovation project at St Mel's Cathedral will create dozens of jobs in a town blighted by unemployment.

HARD TIMES

Bawnboy sits close to Cavan's border with Fermanagh. In the 1850s - as Ireland struggled with hunger and acute poverty - the town was chosen as the location for a workhouse, a place where the poorest were sent to end their days.

These often wretched institutions represented Victorian England's official response to widespread deprivation.

In keeping with that era's notion of 'deserving' and 'undeserving poor', the workhouses more often resembled prisons than places of care and comfort.

Bawnboy was just one of 163 workhouses built in Ireland between 1840 and 1854, an indication of the deeply impoverished nature of Irish society at the time. When opened, it housed 52 people.

It ceased to function as a workhouse in 1921, but remained open in a variety of guises until 1981.

Over two decades later, in 2010, the local development association turned its attention to the old workhouse premises, drawn by its huge potential as a tourist amenity and attraction.

The project found strong support in the local community and with the local agencies. Clann Credo provided financial assistance as the project was delivering an excellent resource to the community and rescuing a key part of our collective history from oblivion.



The restoration works at Bawnboy Workhouse has helped to preserve an important chapter in our history, while stimulating tourism and supporting employment in the area.

Green Spaces

SMALL SEEDS

Some 50 million people worldwide suffer from epilepsy, a condition that can be controlled but never cured.

It remains poorly-understood and some residual stigma still attaches to those afflicted with it.

In addition, the condition can have serious adverse effects on people's daily lives, particularly in terms of employment and social activity.

There are over 40,000 people with the condition in Ireland.

The Epilepsy Care Foundation aims to build awareness of the condition and help create a greater understanding among the wider community.

They provide lifestyle support and skills training to those who have the condition.

This work is crucial in assisting epilepsy sufferers overcome barriers to fuller participation in work or social life, including their own understandable reticence or lack of confidence.

In 2011 the Foundation began work on the development of a series of 300 allotments at a site in Malahide, a portion of which would be used for skills and behavioural training for those suffering from epilepsy.

The remainder were to be rented to the general public to ensure the overall project could become self-financing and sustainable.

The Foundation's own research indicated huge demand in the north Dublin area for allotments, with waiting lists and backlogs in many districts.

The social and economic benefits of the project were clear and Clann Credo provided finance to carry out initial essential works and assist with set up costs.

The public allotments opened on schedule in February 2012.



A proportion of the allotments will be used for skills and behavioural training for those suffering from epilepsy.

THE SUN GARDEN

History is all around you on the Hook Head peninsula. Every visitor, guest and unwelcome invader left traces of their passage through this gateway to southeast Ireland, over the years.

Colclough Walled Garden at Tintern Abbey, in Saltmills is but one example.

Founded by the Cistercians in c1200, the Abbey eventually made its way into the ownership of the Colclough family in 1552. The walled garden was fashioned by their 18th Century heirs.

It was taken into the ownership of the Irish state in 1963 and the remarkable walled garden was quietly overtaken by nature.

By the time Hook Rural Tourism had signed a deal with Coillte to restore the garden to its former glory, it was overgrown with nettles and the surrounding broadleaf forest.

But early work revealed the gem hidden underneath.

The 2.5 acre walled garden actually tilts toward the sun, with the north wall rising higher than the southern boundary. A redirected river flowed through it, splitting the garden into east and west sections.

The restoration project will see this magical walled garden reopen as an organic fruit and vegetable garden, which will be open to the public.

Apples, pears, plums, nectarines, peaches, cherries and apricots will be grown as 'wall fruit', while a number of original fruit specimens that have survived the ravages of time will be nurtured.



The historic walled garden tilts toward the sun, with the north wall rising higher than the southern boundary. It will be transformed into a organic garden that will be open to the public.

The restoration of the walled garden complements work undertaken across Tintern Abbey estate and its overall development as a local amenity and heritage site.

A Sense of Belonging

SHED SPACE

Every crisis throws up at least one clever, innovative idea. The Men's Shed movement began life in Australia but gained huge traction internationally with the 2008 global downturn.

As with all good ideas, it is a simple concept at heart. The Men's Shed provides a space where men from all walks of life can work with tools on a project of their own choice. Younger men can learn from older and more skilled members, while those out of work can pick up new skills and stay active.

Some make household implements, some fashion toys. The shed provides the physical space where they hone their physical skills. Crucially it also provides space where the men can talk openly about problems or worries and receive support from the other members.

Skills training, social inclusion and potential mental health issues are all addressed under the one corrugated roof.

The Kenmare Men's Shed was set up in October 2011 and already boasts a membership of over 20. As the project has developed so has the output, with repairs carried out to wooden estuary boats and a canvas Currach built from scratch.

That success brought its own pressures and meant the group required a larger premises and better equipment. A bigger premises would allow members more space to pursue more diverse projects and help broaden the group's appeal.

Clann Credo supported the Kenmare Men's Shed in its move to the new premises as the group was meeting a very obvious social and vocational need in the Kenmare area of Kerry.



Kenmare Men's Shed provides skills training and helps to prevent social isolation in a rural community.

Financial Review

Despite continued weak macro-economic conditions in Ireland during 2012, with reduced levels of demand for credit in other sectors, the demand for social finance has increased substantially. This has enabled Clann Credo further pursue its objectives through prudent socially directed investments (SDI) tackling exclusion, disadvantage and generating financial returns.

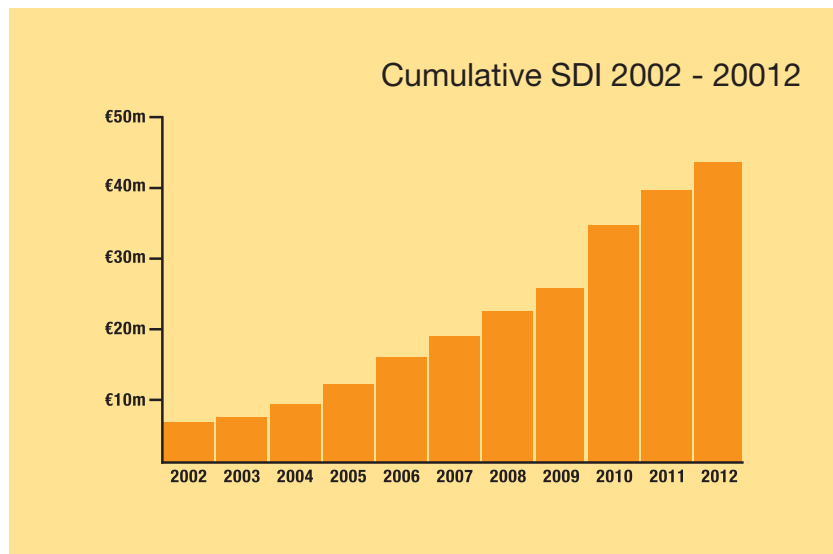
137 new loans were approved totalling €16.5 million, up from 93 (€10.1 million) in 2011. Over 300 loans, with a value of over €36 million, were approved in the last three years.

Total investments (cumulatively) made since 1996 now stand at just under €45 million. The bar chart shows the growth from 2002 - 2012.

Most new lending demand in the last three years is for bridging finance to enable communities access funding under the part EU financed Rural Development Program (RDP).

Short-term bridging loans allow them to complete their project and subsequently draw down the grants (and repay their loans). The high level of demand has been maintained into 2013, but is expected to ease towards the end of the current year when the current RDP round ends.

Repayments on the loan portfolio remain relatively solid. The portfolio is under constant review and monitoring. Additional operational resources were committed, including new staff. Our Project Support Committee works closely with staff on projects that have run into difficulty. Whilst the level of provisions for bad debt has been increasing and now stands at €1.7 million, it should be adequate to meet loan losses.



Income & Expenditure Account

CLANN CREDO CONSOLIDATED INCOME STATEMENT

For the year to 31st December 2012

INCOME	2012	2011	%
	€000	€000	Change
SDI Income	734	672	9%
Bank Deposit Interest	109	111	-2%
Fee Income	76	85	-12%
Other Income	8	39	-80%
	927	907	2%
Funding Costs	59	50	18%
General Overheads			
Office Overheads	58	61	-5%
Staff and Contractor Costs	536	476	13%
Professional Fees	29	46	-37%
Promotional Costs	27	45	-40%
	650	628	3%
OPERATING SURPLUS	218	229	-5%
General Provision for Losses on SDI	(23)	(78)	-71%
Specific Provision for Losses on SDI	(199)	(115)	73%
NET INCOME	(4)	36	-113%

Note: The consolidated income statement is a consolidation of the financial statements of Clann Credo Limited and The Clann Credo Fund for the year ended 31st December 2012.

These were audited by RSMFarrellGrantSparks Chartered Accountants and approved by the board of directors on 16th April 2013. The individual audited financial statements are available upon request.

Balance Sheet

CONSOLIDATED BALANCE SHEET

At 31st December 2012

ASSETS	31st Dec 2012 €000	31st Dec 2011 €000	% Change
FIXED ASSETS			
Tangible Assets	2	2	0%
CURRENT ASSETS			
SDI – Equity	30	30	0%
SDI - Loans	17,467	17,006	3%
SDI – Cash	46	46	0%
General Reserve	(1,698)	(1,530)	11%
	15,845	15,552	2%
Debtors & Prepayments	185	181	2%
Bank Balances	4,758	3,820	25%
	20,790	19,555	6%
CAPITAL & LIABILITIES			
CURRENT LIABILITIES			
Creditors & Deferred Income	582	271	115%
LONG TERM LIABILITIES			
Bank of Ireland Loan	138	322	-57%
Social Finance Foundation Loans	10,348	9,227	12%
CAPITAL			
INVESTOR FUNDS - Net	9,722	9,735	0%
	20,790	19,555	6%

Note: The balance sheet is a consolidation of the financial statements of Clann Credo Limited and The Clann Credo Fund as at 31st December 2012. These were audited by RSMFarrellGrantSparks Chartered Accountants and approved by the board of directors on 16th April 2013. The individual audited financial statements are available upon request.

INCOME & EXPENDITURE ACCOUNT

The financial result for the year shows a small deficit of €4,000 compared with a surplus of €36,000 in 2011. Overall income has increased by 2% to €927,000 due mostly to the additional interest earned with an increasing loan book. However the overheads have increased by 3% to €650,000 due to an additional Social Finance Executive recruited and costs allocated to managing the increasing number of projects. This additional investment is expected to positively affect the results in subsequent years. As noted above, the level of bad debt provision has also been increased to €199,000 leaving the small deficit for the year.

Income was €927,000 which is 2% above 2011.

SDI Income at €734,000 is up 9% on 2011 due to a larger loan portfolio compared with the previous year.

Bank Deposit income is 2% below 2011 at €109,000 mostly due to slightly lower interest rates secured on deposits. The rates have reduced substantially towards year end and into 2013 which is expected to reduce returns in future years.

Fee income at €76,000 represents fees on new loans disbursed in the year.

Other income of €8,000 relates mostly to conference income and a donation of €5,000 secured in the year. The reduction from €39,000 in 2011 reflects ad-hoc income in that year.

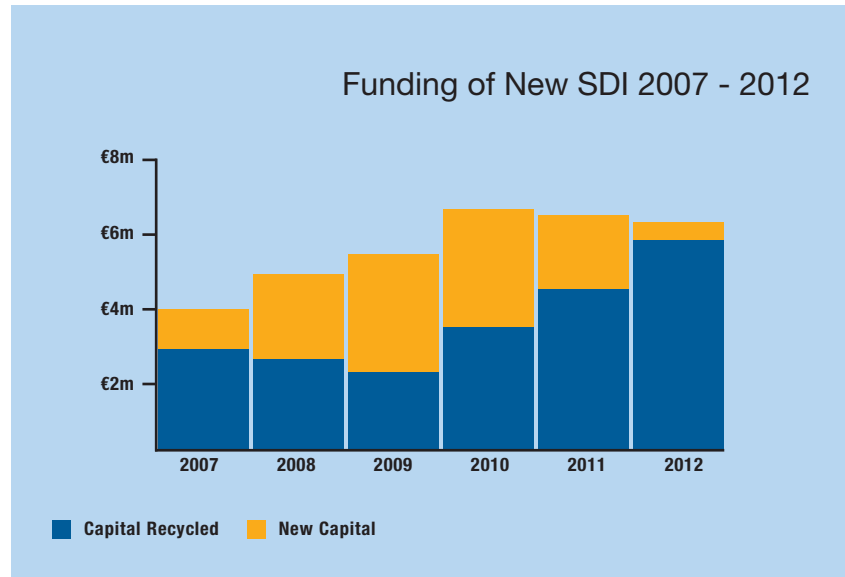
Funding costs represents interest on loans to the Social Finance Foundation and Bank of Ireland. The higher charge of €59,000 represents the higher level of loans outstanding to the Foundation compared with the previous year.

Expenditure was up 3% on 2011 to €650,000 and is in line with expectations.

This leaves an operational surplus of €218,000 for the year.

The charge to the general bad debt provision was €23,000 calculated as 5% of the increase in the net value of SDI loans and equity between 2011 and 2012. There was specific bad debt charge of €199,000 (2011 - €115,000)

After these provisions a net deficit of €4,000 results for the year compared to a surplus of €36,000 in 2011.



BALANCE SHEET

The balance sheet shows an increase in the total fund size of 6% to €20.8 million from €19.5 million in 2011.

The loan portfolio increased by 3% to €17.5 million. New drawdowns in the year were €5.8 million and capital repaid was €5.3 million due to the high level of bridging loans currently being financed.

The graph shows the recycling effect of the fund from 2007 to 2012. Despite large increases in new loan disbursements from 2009 onwards, much of this has been met from recycling of the existing capital in the fund. This shows the value of the social impact that investment in the fund makes, as funds are reused continually.

The total number of new loans disbursed was 82 with an average value of just over €70,000.

The provision for bad debt stands at €1,698,000 and it

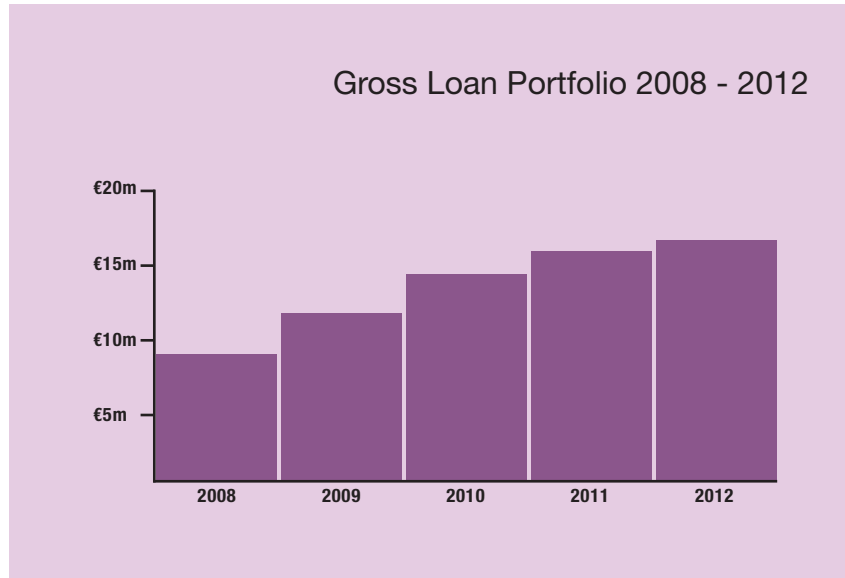
represents 9.7% of gross investments (up from 9.0% in 2011).

The increase in provisions reflects the current economic environment within which Clann Credo is operating. The directors believe that the provision is adequate to meet any future loan losses.

Cash balances of €4.7 million represents 23% of the total assets in the fund and is adequate to meet any liquidity requirements.

The increase in the fund size has been financed through additional capital from the Social Finance Foundation. The total outstanding at the end of 2012 was €10.3 million which is a 12% increase on 2011. The total credit limit currently in place with the Foundation is €15 million.

Investors' funds remain at similar levels to 2011 and now stand at €9.7 million.



LOOKING FORWARD

The demand for social finance remains high and the level of expected new loan proposals from Rural Development Program funded projects should continue up until mid / late 2013. The credit risk associated with this type of lending is normally at the lower end but is very resource intensive from a staffing perspective.

However there is a natural caution in terms of the potential for deterioration in loan repayment rates, due to the prevailing economic conditions. Additional evaluation checks are in place prior to approval of all new lending and as noted above the provision for bad debt has been increasing.

Overall there is still a general optimism that Clann Credo should continue to grow, due to the greater awareness of the availability of social finance, reduction in bank lending and greater focus towards community activity during difficult economic times.

Our People

BOARD OF DIRECTORS

Tom Finlay (Chairperson) - Company Director and Business Coach

Jerry Butler (Vice - Chairperson) - Retired from Trust Services, Bank of Ireland

Peter Cassells - Executive Director The Edward M Kennedy Institute for Conflict Intervention at NUIM

Magdalen Fogarty - Clann Credo's Founder and former Bursar General, Presentation Sisters

Teresa Harrington - Partner, PwC Dublin and Leader of its Charity and Not-For-Profit Division

Gerry Kearney - Former Secretary General of the Department of Community, Rural and Gaeltacht Affairs (resigned Oct 2012)

Maurice O'Connell - Former Governor of the Central Bank of Ireland

Grace Redmond - Former Congregational Bursar, Presentation Sisters

Paul Sullivan - Formerly NTMA (National Treasury Management Agency)

EVALUATION COMMITTEE

Jerry Butler and **Magdalen Fogarty** from the Board are joined by:

Martin Coggins - Principal, Coggins & Company, Chartered Accountants, Sligo

Sheila Fox - Bursar, Presentation Sisters, South Eastern Province, Ireland

Jerry Kivlehan - Treasurer, Oblate Fathers and formerly Director of the London Irish Centre

Philip O'Connor - former Executive Director, Dublin Employment Pact

The Board of Directors, Evaluation and Project Support Committees meet regularly and the members give their time voluntarily and without remuneration.

***Hugh Quigley**, Former Deputy Director, Food & Veterinary office, European Union, advises on pro-bono basis on EU Policy & Strategy.*

PROJECT SUPPORT COMMITTEE

Tom Finlay and **Paul Sullivan** from the Board are joined by

Dr Emer Ní Bhrádaigh - Lecturer in Entrepreneurship & Social Entrepreneurship Champion, Dublin City University

Ann Clarke - Eustace Patterson

Pat Leogue - Social Inclusion Manager, Kildare LEADER Partnership

Jim Rourke - Former Head of Strategy and Public Policy, Bank of Scotland (Ireland)

STAFF

Jim Boyle - Head of Finance & Operations

Susan Gallagher - Social Finance Executive

Tracey Hannon - Social Finance Executive

Angie Healy - Administration, ISFC

Jennifer Hennessy - Social Finance Executive

Paul O'Sullivan - Chief Executive Officer

Anne-Marie Woodfull - Administration

GENERAL INFORMATION

Registered Office

Irish Social Finance Centre
10 Grattan Crescent
Inchicore
Dublin 8

Registered Number

253147

Charity Number

CHY13308

Auditors

RSM Farrell Grant Sparks
Molyneux House
Bride Street
Dublin 8

Solicitors

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2

Bankers

Bank of Ireland
Tyrconnell Road
Inchicore
Dublin 8



THE SOCIAL INVESTMENT FUND

ESTABLISHED 1996

Irish Social Finance Centre, 10 Grattan Crescent, Inchicore, Dublin 8.

Tel: +353 (0)1 400 2100 Fax: +353 (0)1 453 1862 Email: info@clanncredo.ie www.clanncredo.ie

Find us on:



Clann Credo Limited, a company limited by guarantee not having share capital with charitable status,
CHY13308: Registered in Dublin, Ireland, No: 253147.
Registered Office: Irish Social Finance Centre, 10 Grattan Crescent, Inchicore, Dublin 8.