

Managers' Report and Financial Statements

The Clann Credo Fund

For the financial year ended 31 December 2018

GENERAL INFORMATION

Trustees

Erin Executor & Trustee Co. Limited
56 St Stephens Green
Dublin 2
D02 H489

Managers of the fund

Clann Credo Company Limited By Guarantee
Irish Social Finance Centre
10 Grattan Crescent
Inchicore
Dublin 8
D08 R240

Independent auditors

Mazars
Chartered Accountants & Statutory Audit Firm
Block 3, Harcourt Centre
Harcourt Road
Dublin 2

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Managers' report

For the financial year ended 31 December 2018

The managers present their annual report and the audited financial statements for the financial year ended 31 December 2018.

Fund activities

The Clann Credo Fund was established to contribute to a sustained reduction of poverty and social disadvantage, promotion of social inclusion and nurturing civil society organisations through a sustainable, alternative finance model serving communities and organisations that may have difficulty securing finance on reasonable terms from the mainstream financial institutions. It makes socially directed investments solely for charitable and /or public purposes at rates of interest and other terms which are more favourable than those that are currently available commercially.

Results and dividends

The surplus for the financial year amounted to €14,196 (2017: (€13,181)).

Statement on relevant audit information

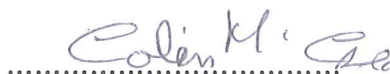
Each of the persons who are managers at the time when this manager's report is approved has confirmed that:

- there is no relevant audit information of which the Fund's auditors are unaware; and
- the managers have taken all the steps that ought to have been taken as a manager in order to be aware of any relevant audit information and to establish that the Fund's auditors are aware of that information.

Auditors

The auditors, Mazars, have expressed their willingness to continue in office.

This report was approved by the Managers and signed on their behalf.


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Date: 16 April 2019

Managers' responsibilities statement

For the financial year ended 31 December 2018

The managers are responsible for preparing the Managers' report and the financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland.

The managers must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Fund as at the financial year end date and of the surplus or deficit of the Fund for that financial year.

In preparing these financial statements, the managers are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in business.

The managers are responsible for ensuring that the Fund keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Fund to enable at any time the assets, liabilities, financial position and surplus or deficit of the Fund to be determined with reasonable accuracy and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Managers:



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Date: 16 April 2019

Independent auditors' report to the members of The Clann Credo Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Clann Credo Fund ('the Fund') for the year ended 31 December 2018, which comprise the statement of comprehensive income, the balance sheet and the related notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Fund as at 31 December 2018 and of its surplus for the year then ended; and
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)). Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the fund in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the managers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the managers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The managers are responsible for the other information. The other information comprises the information included in the Managers' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the members of The Clann Credo Fund (continued)

Respective responsibilities

Responsibilities of managers for the financial statements

As explained more fully in the managers' responsibilities statement set on page 3, the managers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the managers are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the fund's members. Our audit work has been undertaken so that we might state to the fund'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 fund and the fund's members for our audit work, for this report, or for the opinions we have formed.



Michael Tuohy
For and on behalf of Mazars

Chartered Accountants & Statutory Audit Firm
Block 3, Harcourt Centre
Harcourt Road
Dublin 2

Date: 16 April 2019

Statement of comprehensive income

For the financial year ended 31 December 2018

	Note	2018 €	2017 €
Equalisation fee		17,196	(10,181)
Administrative expenses		<u>(3,000)</u>	<u>(3,000)</u>
Surplus/ (Deficit) for the financial year	4	<u>14,196</u>	<u>(13,181)</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income or cash flows arising for 2018 (2017: €NIL).

The notes on pages 8 to 10 form part of these financial statements.

All amounts relate to continuing operations.

Balance sheet

As at 31 December 2018

	Note	2018 €	2018 €	2017 €	2017 €
Current assets					
Debtors: amounts falling due within one year	5	<u>2,420,871</u>		<u>2,406,675</u>	
		2,420,871		2,406,675	
Current liabilities					
Creditors: amounts falling due within one year	6	<u>(13,000)</u>		<u>(13,000)</u>	
Net current assets			<u>2,407,871</u>		<u>2,393,675</u>
Capital and reserves					
Investors	8		2,961,193		2,961,193
Accumulated deficit	8		<u>(553,322)</u>		<u>(567,518)</u>
Investors' fund			<u>2,407,871</u>		<u>2,393,675</u>

The financial statements were approved and authorised for issue by the Managers:




Date: 16 April 2019

The notes on pages 8 to 10 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102 ('FRS 102'), the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The Clann Credo Fund is not a corporate body and does not hold any equity capital, likewise, the Fund has not traded during the current or previous financial period nor has it generated cashflows. On this basis, the managers have elected for a departure from the presentation of a statement of changes in equity and statement of cashflows.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in Euro which is the functional currency of the company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

1.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.4 Financial instruments

The Fund only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, loans related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

Notes to the financial statements

For the financial year ended 31 December 2018

1. Accounting policies (continued)

1.4 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Fund would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset, and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumption about the recognition and measurement of assets, liabilities and expenses. As the Fund has not traded during the financial year under review, no accounting policies or key sources of estimation have been identified by management.

3 Taxation

No taxation is chargeable as The Clann Credo Fund is exempt from taxation on the basis that each of its investors have been granted charitable tax exemption.

4 Surplus/ (Deficit) for the financial year

The Surplus/ (Deficit) is stated after charging:

	2018	2017
	€	€
Audit fees (inclusive of VAT)	<u>3,000</u>	<u>3,000</u>

Notes to the financial statements

For the financial year ended 31 December 2018

5. Debtors

	2018	2017
	€	€
Clann Credo Company Limited by Guarantee	<u>2,420,871</u>	<u>2,406,675</u>

Amounts due from Clann Credo Company Limited by Guarantee are interest-free, unsecured and repayable on demand.

6. Creditors: amounts falling due within one year

	2018	2017
	€	€
Accruals	<u>13,000</u>	<u>13,000</u>
	<u>13,000</u>	<u>13,000</u>

7. Financial instruments

Financial assets

	2018	2017
	€	€
Financial assets - debt instruments measured at amortised cost	<u>2,420,871</u>	<u>2,406,675</u>
	<u>2,420,871</u>	<u>2,406,675</u>

Financial liabilities

	2018	2017
	€	€
Financial liabilities measured at amortised cost	<u>(13,000)</u>	<u>(13,000)</u>
	<u>(13,000)</u>	<u>(13,000)</u>

Financial assets measured at amortised cost comprise of amounts due from related parties (see note 9).

Financial liabilities measured at amortised cost comprise of accruals.

8. Reserves

Accumulated deficit includes all current and prior year retained profits and losses.

9. Related parties and related party transactions

The ultimate controlling party of the Fund is Clann Credo Company Limited by Guarantee.

Equalisation income of €17,196 (2017: fee of €10,181) was given to The Clann Credo Fund during the year from the managers of the Fund, Clann Credo Company Limited by Guarantee.

A balance of €2,420,871 (2017: €2,406,675) included in debtors at the year-end is receivable from Clann Credo Company Limited by Guarantee.

10. Approval of financial statements

The managers approved these financial statements for issue on 16 April 2019.