

SOCIAL DEMOCRATS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Kieran Ryan & Co.
Chartered Accountants and Statutory Audit Firm
20 Upper Mount Street
Dublin 2

SOCIAL DEMOCRATS

CONTENTS

	Page
Party Leadership and Other Information	3
Executive Committee Report	4 - 5
Independent Auditor's Report	6
Income and Expenditure Account	7
Balance Sheet	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 13

**SOCIAL DEMOCRATS
PARTY LEADERSHIP AND OTHER INFORMATION**

Party Leadership

Catherine Murphy TD
Róisín Shortall TD

Executive Committee 2017

Catherine Murphy TD
Róisín Shortall TD

Ex Officio

Jim Brophy (Treasurer)
Brian Sheehan (General Secretary)

The following were appointed to the National Executive Committee on 19th November 2016;

Sarah Jane Hennelly, Stephen O' Riordan, Noel Dempsey, Mark Khan, Peter Tanham, Sharon Nolan, Grainne Fallon, Catherine Stocker, Liz Carolan, Ciaran Nevin (resigned 20th August 2017), Lee Daly (resigned 25th March 2017), Glenna Lynch (resigned 27th March 2017)

Co-opted

Will Keane (co-opted 25th March 2017)
Geraldine Cunniffe (co-opted 14th October 2017)
Steven McAuliffe (co-opted 14th October 2017)

Appropriate Officer

Jim Brophy
20 Molesworth Street
Dublin 2
D02 T250
Email: jim.brophy@socialdemocrats.ie

Registered Office

20 Molesworth Street
Dublin 2
D02 T250

Auditors

Kieran Ryan & Co.
Chartered Accountants and Statutory Audit Firm
20 Upper Mount Street
Dublin 2
D02 WV56

Bankers

AIB Bank
1 Lower Baggot Street
Dublin 2
D02 X342

**SOCIAL DEMOCRATS
EXECUTIVE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Executive Committee present their report and the audited financial statements for the year ended 31 December 2017.

The Party was established on 15 July 2015.

Responsibilities of the Executive Committee

The provisions of the Electoral Act 1997 (as amended) and Guidelines issued by the Standard in Public Office Commission requires the executive committee to prepare financial statements for each financial year. Under the law the executive committee has elected to prepare the financial statements in accordance with the Electoral Act 1997 (as amended) and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. Under company law, the executive committee 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 party as at the financial year end date and of the surplus or deficit of the party for the financial year and otherwise comply with the Electoral Act 1997 (as amended).

In preparing these financial statements, the executive committee is required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 company will continue in business.

The Executive Committee is responsible for ensuring that the party keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the party, enable at any time the assets, liabilities, financial position and surplus or deficit of the party to be determined with reasonable accuracy and enable them to ensure that the financial statements and executive committees' report comply with the Electoral Act 1997 (as amended) and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To ensure that adequate accounting records are maintained, Jim Brophy was appointed treasurer.

Structure of the Party

The Party Constitution, approved at the first National Conference in November 2016, outlines a party structure of a membership, national executive, national council and certain committees.

Party members elect the National Executive at the annual Conference. The National Council is comprised of all public representatives, the National Executive and two members elected by each Constituency Branch, as provided for in the Constitution.

The National Conference has the power to change the Constitution, and is the main policy-making body for the Party.

The National Executive, elected by members at the National Conference, is the chief administrative body of the Party, subject only to the National Conference. The National Executive meets at least six times per year, and has responsibility for the oversight and management of the affairs of the Party, in particular for the oversight of all financial and legal affairs, and is the employer of all Party staff.

The National Council plays a key role in the development of party strategy and policy and in the coordination of all campaigns, including election campaigns. A Policy Committee, elected by the National Council progresses the development of policy across particular areas. The National Council meets at least three times per year.

**SOCIAL DEMOCRATS
EXECUTIVE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The National Conference also elects a Party Chair, and vice-Chair. The Party Chair chairs all meetings of the National Executive and Council. The Treasurer, responsible for ensuring all financial affairs are properly managed, is appointed by the National Executive.

The day-to-day administration of the Party is carried out by the General Secretary and party staff.

The Parliamentary Party oversee and manage all parliamentary affairs.

Scope of the Financial Statements

The financial statements on pages 6 to 8 cover all the activities of the Social Democrats head office accounting unit only, which is based at 20 Molesworth Street, Dublin 2, D02 T250. There were some branches that have established bank accounts before the year end. They are not accounted for in these financial statements as the amounts are minimal.

Jim Brophy
Treasurer

Roisin Shortall
Executive Committee Member

Date: _____

**INDEPENDENT AUDITORS REPORT
TO THE EXECUTIVE COMMITTEE OF SOCIAL DEMOCRATS**

We have audited the financial statements of Social Democrats for the year ended 31 December 2017 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows, the Accounting Policies and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Electoral Act 1997 (as amended) and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

This report is made solely to the Party's Executive Committee, as a body, in accordance with the provisions of the Electoral Act 1997 (as amended). Our audit work has been undertaken so that we might state to the Executive Committee those matters we are required to state to them in an auditor's 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 executive committee for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Executive Committee Report, the Executive Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Electoral Act 1997 (as amended) and Guidelines issued by the Standards in Public Office Commission. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Party's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Executive Committee Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the party as at 31 December 2017 and of its results for the year then ended; and
- have been properly prepared in accordance with the provisions of the Electoral Act 1997 (as amended) and Guidelines issued by the Standards in Public Office Commission.

Other matters on which we are required to report.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.

The financial statements are in agreement with the accounting records.

In our opinion the information given in the Executive Committee Report is consistent with the financial statements.

Alice Barnes
for and on behalf of
Kieran Ryan & Co.
Chartered Accountants and Statutory Audit Firm
20 Upper Mount Street
Dublin 2

Date: _____

**SOCIAL DEMOCRATS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 €	2017 €	2016 €	2016 €
Income	2		612,015		503,904
Wages and salaries		275,694		80,097	
Employer's PRSI contributions		29,048		8,358	
Staff defined contribution pension costs		4,089		-	
Staff expenses		630		2,129	
Branch/Party development		63,157		2,619	
Web hosting and maintenance		9,025		5,160	
Rent paid		31,774		1,865	
Youth conferences		3,359		-	
Insurance		6,260		4,168	
Election posters		-		1,624	
Strategic communications		6,421		13,527	
Regional conferences and meetings		13,504		33,231	
Advertising		-		300	
General office costs		11,223		1,305	
Other election material		-		13,131	
Design and printing		23,502		14,968	
Communications		23,308		2,222	
Market research		-		205	
Travel expenses		8,370		1,335	
Entertaining		-		633	
PR services		-		5,825	
Professional fees		11,733		27,160	
Audit and accountancy fees		8,994		11,709	
Subscriptions		2,920		-	
Bank charges		741		1,000	
General expenses		253		1,872	
Administrative supports provided by the House of Oireachtas		79,040		43,600	
Depreciation of tangible assets		957		-	
			<u>(614,002)</u>		<u>(278,043)</u>
Interest payable and similar charges	4		-		(430)
Surplus for the year			<u>(2,716)</u>		<u>225,431</u>
Total Comprehensive Income			<u><u>(2,716)</u></u>		<u><u>225,431</u></u>

Approved by the Executive Committee on _____ and signed on its behalf by:

Jim Brophy
Treasurer

Roisin Shortall
Executive Committee Member

**SOCIAL DEMOCRATS
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 €	2016 €
Fixed Assets			
Tangible assets	6	3,827	-
Current Assets			
Debtors	7	77,880	77,019
Cash and cash equivalents		180,472	198,202
		<u>258,352</u>	<u>275,221</u>
Creditors: Amounts falling due within one year	8	(36,094)	(47,149)
Net Current Assets		<u>222,258</u>	<u>228,072</u>
Total Assets less Current Liabilities		<u>226,085</u>	<u>228,072</u>
Capital and Reserves			
Profit and Loss Account		<u>226,085</u>	<u>228,072</u>
Equity attributable to owners of the company		<u>226,085</u>	<u>228,072</u>

**SOCIAL DEMOCRATS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 €	2016 €
Cash flows from operating activities			
Surplus for the year		(1,987)	225,431
Adjustments for:			
Interest payable and similar charges		-	430
Depreciation		957	-
		<u>(1,030)</u>	<u>225,861</u>
Movements in working capital:			
Movement in debtors		(861)	(77,019)
Movement in creditors		(11,055)	35,045
		<u>(12,946)</u>	<u>183,887</u>
Cash generated from operations		(12,946)	183,887
Interest paid		-	(430)
		<u>(12,946)</u>	<u>183,457</u>
Net cash generated from operating activities		<u>(12,946)</u>	<u>183,457</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(4,784)	(4,784)
		<u>(4,784)</u>	<u>(4,784)</u>
Cash flows from financing activities			
Repayment of short term loan			(16,000)
		-	<u>(16,000)</u>
Net cash (used in)/generated from financing activities		-	(16,000)
		<u>-</u>	<u>(16,000)</u>
Net increase in cash and cash equivalents		(17,730)	167,457
Cash and cash equivalents at beginning of financial year		198,202	30,745
		<u>198,202</u>	<u>30,745</u>
Cash and cash equivalents at end of financial year	13	180,472	198,202
		<u>180,472</u>	<u>198,202</u>

SOCIAL DEMOCRATS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the party's financial statements.

Statement of compliance

The financial statements of the party for the year ended 31 December 2017 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Electoral Act 1997 (as amended) and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

Income

Income is recognised in the year in which it falls due.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Fixtures, fittings and equipment	-	15% Straight line
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The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

The party operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

**SOCIAL DEMOCRATS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Income

The income for the year has been derived from:-

	2017 €	2016 €
Donations/memberships	14,906	31,381
Fundraising	16,886	-
Electoral act funding	308,079	260,599
Parliamentary activities allowance	193,104	165,152
Administrative supports provided by the Houses of the Oireachtas (Note 14)	79,040	43,600
National conference income	-	3,172
	<u>612,015</u>	<u>503,904</u>

3. Operating (Loss)/Profit

Operating (loss)/profit is stated after charging:

Depreciation of tangible fixed assets

2017 €	2016 €
957	-
<u>957</u>	<u>-</u>

4. Interest Payable and Similar Charges

On loans and overdrafts

2017 €	2016 €
-	430
<u>-</u>	<u>430</u>

5. Employees and Remuneration

The staff costs comprise:

	2017 €	2016 €
Wages and salaries	275,378	80,097
Social welfare costs	29,048	8,358
Pension costs	4,089	-
	<u>304,426</u>	<u>88,455</u>

The aggregate wages and salaries to key management personnel included within the financial statements is €73,336.

The average monthly number of employees, including management during the year was 7.

SOCIAL DEMOCRATS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Tangible Fixed Assets	Fixtures, fittings and equipment €	Total €
Cost or Valuation		
Additions	4,784	4,784
At 31 December 2017	<u>4,784</u>	<u>4,784</u>
Depreciation		
Charge for the year	957	957
At 31 December 2017	<u>957</u>	<u>957</u>
Net book value		
At 31 December 2017	<u><u>3,827</u></u>	<u><u>3,827</u></u>
7. Debtors	2017 €	2016 €
Exchequer funding	<u>77,880</u>	<u>77,019</u>
8. Creditors	2017 €	2016 €
Amounts falling due within one year		
Taxation	15,310	28,390
Party leadership loan	5,000	5,000
Other creditors	7,987	4,847
Accruals	<u>7,797</u>	<u>8,912</u>
	<u><u>36,094</u></u>	<u><u>47,149</u></u>
9. Taxation	2017 €	2016 €
Creditors:		
PAYE	<u><u>15,310</u></u>	<u><u>28,390</u></u>
10. Capital Commitments		

The party had no material capital commitments at the year-ended 31 December 2017.

**SOCIAL DEMOCRATS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

continued

11. Contingent Liabilities

The Party could be liable to make a redundancy payment to an employee arising from work for the Oireachtas prior to becoming a member of The Party. It is estimated that the potential liability could be €5,000.

12. Post-Balance Sheet Events

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

13. Cash and Cash Equivalents

	2017	2016
	€	€
Cash and bank balances	180,472	198,202
	<u>180,472</u>	<u>198,202</u>

14. Administrative supports provided by the Houses of the Oireachtas

	2017	2016
	€	€
Staff	55,347	23,000
Notional staff pension costs	11,175	5,000
Suites of computer equipment	487	600
Associated accommodation	12,030	15,000
	<u>79,040</u>	<u>43,600</u>

15. Approval of Financial Statements

The financial statements were approved and authorised for issue by the executive committee on _____.

