

THE SOCIAL INVESTMENT FUND

ESTABLISHED 1996

Social Investment: Supporting Communities & Creating Jobs

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MISSION STATEMENT

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.



A MESSAGE FROM OUR CHAIRPERSON

It gives me great pleasure to introduce Clann Credo's Annual Review for 2011.

In particular I am delighted to get the opportunity to thank the key groups whose ongoing support is vital; enabling us to continue to make a difference for the projects we support.

Firstly, I would like to mention our Investors whose steadfast commitment is the rock upon which Clann Credo has been built. The Social Finance Foundation is also a valued partner.

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, 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.

During 2011, we celebrated the fact that Clann Credo is 15 years in existence. In this review, the breadth of Clann Credo's activities can be seen from the summaries of the various projects we lend to; in each case a fundamental social need being met.

The financial review also confirms the steady growth of our activities and also the cumulative amount we have lent which is just short of €40m.

Finally, this review gives a brief overview of developments in the area of Social Finance in both Ireland and the EU.

We look to the future with confidence in our ability to grow our activities to meet the very real social needs all around us.



A handwritten signature in blue ink, appearing to read 'Tom Finlay', written in a cursive style.

Tom Finlay

Chairperson Clann Credo
- the Social Investment Fund

INTRODUCTION

The following pages provide an insight into how Clann Credo works to ensure that affordable loan finance is made available to community and voluntary organisations, community businesses and social enterprises, at home and abroad.

Clann Credo harnesses private capital to the task of enhancing lives and strengthening communities. By careful use and reuse, this capital promotes social justice and generates positive change many times over.

In the last two years, Clann Credo has issued €12.5 million in new loans to 134 organisations that were unable to access finance elsewhere.

Over €9.2 million in capital was repaid, which is put back to work again in local communities to support vital work.

Clann Credo supported organisations employ 1,500 people in Ireland.

The promoters, volunteers and staff in community-based projects play a crucial role in the delivery of Clann Credo's 'Social Dividend'.

We are also fortunate in having the support of our social investors, over 20 religious charities, and the banking sector through the Social Finance Foundation.

But our mission requires us to do more. It drives us to be innovative and creative, compelling us to seek new and better ways to support the people we work with.

We want to develop other ways for social investors to promote real transformation. Our pioneering work on Social Impact Investing has the potential to deliver systemic change by enabling early intervention to tackle deep seated social problems.

We outlined to policy makers how social enterprise can be harnessed to the task of national recovery. We see signs that policy at all levels, will soon begin to create the 'enabling environment' that social enterprise needs to thrive.

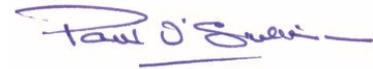
The Government is committed to the development of a vibrant and effective social enterprise sector and has asked Forfás to report on the potential.

The EU Social Business Initiative, will contribute to the creation of a favourable environment for the development of social business in Europe.

Our programme of work in Co. Longford aims to provide both learning and strategic assistance to foster local social enterprise across the county.

As the correct policy framework is gradually established, we are confident that local communities and groups will prove capable of grasping the many opportunities that will present as a result.

Since 1996, we have been working to develop new and ever more effective ways for private capital to respond to pressing social needs because we have the strong belief that finance can serve a positive social purpose.



Paul O'Sullivan

Chief Executive Officer

GENERATING INCLUSIVE PROSPERITY

€38,984,686

total value of loan finance provided over the past 15 years

83%

growth in loan book since 2008

€13,023,534

capital repaid since 2008

€115,000,000

total value of projects supported by Clann Credo over the past 15 years

JOBS

255 

number of new jobs directly created because of Clann Credo's support

820 

number of full-time jobs in Clann Credo supported organisations

670 

number of part-time jobs in Clann Credo supported organisations

3,010 

number of volunteers in Clann Credo supported organisations

2011 A
RECORD
YEAR

93

number of loans approved in 2011

€10.1m

value of loans approved in 2011

€4.6m

capital repaid in 2011

€6.1m

value of loans drawn down in 2011

FUELLING SOCIAL INNOVATION AND CREATING JOBS

Economic Impact of Social Enterprise Highlighted

A major new report has found that Clann Credo's support has been essential to the success of many projects and organisations nationwide, with a high proportion stating they would not exist without it.

The study of the impact of Clann Credo's work was carried out by DKM Economic Consultants. It specifically sought to "measure the contribution that Clann Credo has made to the economic and social fabric of Ireland."

Launching the Report, An Taoiseach, Enda Kenny TD said "This report is very timely ... job creation will be our top priority in the coming years."

Focussing on the extensive Clann Credo client base - built up over 15 years - the study found that 70% of respondents classified our support as "essential" to the overall success of their projects.

The remaining 30% rated Clann Credo's support as "very important." Remarkably, many organi-



Taoiseach Enda Kenny TD and Paul O' Sullivan, CEO of Clann Credo, launching the report on Clann Credo's economic and social contribution in December 2011.

sations responded by stating that they "would not now be in existence" without the support of Clann Credo.

As one respondent told researchers: "No other financial institution would have supported us the way Clann Credo have. They have been a pleasure to deal

with, both on a professional and a personal level."

Respondents were found to be involved in a wide range of social activities, with 'community facilities' and 'childcare' the two most important areas cited.

Wages and salaries along with spending on local goods and services accounted for the two highest categories of outgoings, indicating how vital these organisations are to the health of local and regional economies.

The report found that in 2011 Clann Credo assisted social enterprise and community businesses:

- Employed 820 full time and 670 part time workers.
- In addition, 3,100 volunteers donated their services to Clann Credo client companies, providing an estimated 261,000 hours voluntary labour, with a wages equivalent to €2.3 million a year.
- Community facilities and infrastructure, community care and education, employment and community enterprise were the most significant social dividend categories.

The study also provides, for the first time, a comprehensive overview of the Social Enterprise and Community Business Sector (SECB) in Ireland and an assessment of its contribution to job creation and economic growth.

In the UK social enterprises contribute some £24 billion annually to the economy and employ over 800,000 people. Across the European Union, some 10% of all businesses are social enterprises, employing in excess of 11 million people.

However, it has proved difficult to conduct a proper assessment of the sector's impact in Ireland due to a lack of data.

But as part of the DKM study, the first ever database on the SECB sector in Ireland has been compiled, including a full listing of all relevant groups. This was done through a specially commissioned interrogation of the Irish Nonprofits Knowledge Exchange



Ernestine Woelger, senior consultant with DKM Economic Consultants discusses the findings contained in the report *The Economic and Social Contribution of Clann Credo – the Social Investment Fund*.

(INKEx) database, which draws on the most recent returns filed with the Companies Registration Office.

It shows there were 1,420 social enterprise and community businesses operating in Ireland in 2009.

While Dublin accounted for one quarter of that number, the Border region and the South West accounted for 15 percent each.

The cumulative incoming resources of the sector in 2009 amounted to €1.4 billion, equivalent to 0.9% of GDP. The average turnover per listed enterprise was €1 million.

But the figures conceal widespread disparities; the top 40 enterprises accounted for some 58% of total income, while 60% of companies generated just 6% of the sector's total income.

Nationally, the sector makes a significant contribution to employment, with just under 30,000 full time and some 500 part time jobs, in 2009.

The study concluded that the overall economic impact of the sector on the Irish economy (2009) was valued at €1.9 billion, or 1.2% of GDP.

The full study is available on www.clanncredo.ie

EU Sees Major Role for Social Enterprise

Social enterprise is set to have a greater role across the European Union following the launch of the European Commission's Social Business Initiative.

Championed by Internal Markets Commissioner, Michel Barnier, it aims to "create a favourable environment for the development of social businesses in Europe, and the social economy at large."

The initiative is one of the 12 measures adopted in 2011 to give new momentum to the Single Market, the core economic driving force of the European Union.

Crucially, it will see social enterprise play a key role in future EU policy on job creation and service delivery.

Speaking at the launch of the Social Business Initiative, Commission President José Manuel Barroso stressed that "action at EU level can be an

accelerator for social business, by raising awareness of this sector and its huge potential".

He explained that the EU would "foster the sector's further development by reducing the complexities of its regulatory environment...as regards funding and access to markets".

Clann Credo's Chief Executive, Paul O'Sullivan described the Social Business Initiative as "a milestone in the evolution of the sector and represents a strong vote of confidence in its potential. It also presents huge opportunities and challenges as to how we organise and do our business".

The 'social economy' employs over 11 million people in the EU, and accounts for 6% of total employment.

The Commission defines a social enterprise as one where the "social or societal objective is the primary reason for the commercial activity" and where "profits are reinvested with a view to achieving this social objective."

The Commission also states that the 'organisational structure or ownership system' should reflect the enterprise's mission.

The Commission's initiative includes a commitment to revise public procurement procedures across Europe to ensure greater consideration is given to 'social and environmental criteria and the integration of vulnerable and disadvantaged persons'.

The proposals, when implemented, would see social enterprise enjoy greater access to the public procurement process.

In addition, the EU's Structural and Regional Funds will prioritise funding for 'social experimentation' and social enterprises, over the period 2014-2020 as part of plans to promote the social economy.

The Commission has also proposed a new regulatory regime to facilitate the development of private investment funds, specifically targeting social businesses.

Social Impact Investment - An Investment in a Better Society

Social Impact Investment¹(SII) is generating huge interest amongst policy makers and all those interested in promoting early intervention to achieve improved social outcomes, including community and voluntary organisations, governments and socially-motivated investors worldwide.

It is a novel means of financing the delivery of key social services early, in a cost-efficient and measurable manner.

Social Impact Investment 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 public sector agrees to repay the investors only if agreed outcomes are achieved. The interventions are delivered by experienced service providers in the charitable and voluntary sectors.

The private investors are only repaid if the intervention is successful and the required targets are met. In this manner, risk is shifted entirely to the private sector, guaranteeing that the taxpayer will not be billed for failed, or below par delivery.

The Programme for Government 2011 contains a commitment to “establish a new model of financing social interventions - Social Impact Bonds - that share audited exchequer savings with charitable and voluntary organisations”.

In 2011 Clann Credo in conjunction with The Atlantic Philanthropies and the Centre for Effective Services launched a research project to scope the Potential for SII in an Irish context. Technical advice is being given by Social Finance (UK) who developed the world's first in Peterborough prison.

The project will culminate in a report recommending two-to-three high-priority, high-potential areas for the first pilots of SII in Ireland.

Social Impact Investment represents an effective partnership between the State, private investors (initially philanthropic or charitable trusts) and the specialist voluntary sector service providers that carry out the actual work.

Uniquely, their structure means that the 'interventions' are managed by community and voluntary service providers and the focus shifts from the 'cost' of the service to rewarding clear and demonstrable outcomes.

Visit www.clanncredo.ie for more information of this project.



*Phil Hogan TD, Minister for the Environment, Community and Local Government, launching Clann Credo's report *From the Ground Up* at Kilkenny Castle in June 2011. The report outlines the potential of SII.*

¹Models of SII, including Social Impact Bonds, are being explored in the UK, USA, Canada, Australia, Israel and now, Ireland.

At the Heart of the Community

Built in the 1940s for the then Munster & Leinster Bank, it was a building that literally dominated life in Inchicore - an historic suburb of Dublin.

In some respects the story of Number 10 Grattan Crescent, is the story of banking and finance and its evolving role in Irish society.

That story details how the once dominant banks began a slow retreat from communities some three decades ago, leaving behind a physical and a financing deficit.

But it also details how those spaces have been ably filled and how new models of finance were developed to ensure communities could control and drive their own development.

Number 10 Grattan Crescent has long since been vacated by both the Munster & Leinster and, later, Allied Irish Bank.

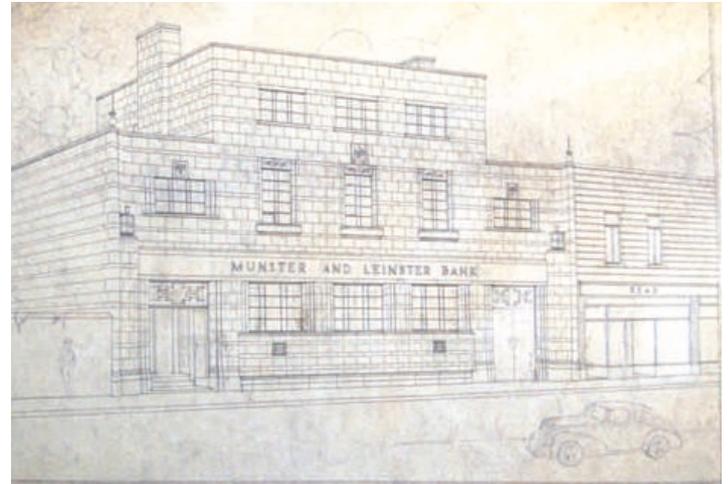
Today the ISFC (Irish Social Finance Centre) is the head quarters of Clann Credo.

And it is now set to recapture its central role in community life, albeit in a markedly different fashion.

Under Clann Credo's new Strategic Plan, the landmark building is to be restored and redeveloped as a 'national hub' for social enterprise activity and innovation.

The restoration of No. 10 Grattan Crescent specifically aims to open the building to the community in which is located, while providing the ISFC with a new public face.

The work will focus on restoring the building's original architectural features and character by stripping away some of the less necessary elements that were added over the years.



Internally, the original banking hall is set to be a hive of activity again, while the exterior will 'open up' to the surrounding streets, with the emphasis on accessibility and engagement with the surrounding community.

The ISFC is to be restored and redeveloped as a 'national hub' for social enterprise activity and innovation. This drawing of the building dates from 1941. Image: McDonnell & Dixon Collection, Irish Architectural Archive

THE SOCIAL ENTERPRISE CULTURE

Local Action

An ambitious new initiative in Longford could demonstrate how social enterprise could contribute to national recovery and create jobs where they are badly-needed.

Social Enterprise Longford (SEL) came about following a call by Longford Community Resources Limited (LCRL) for proposals to develop social enterprise capacity and projects throughout Co. Longford.

ISFC, Clann Credo and Longford Employment Development & Information Centre (EDI) submitted a successful joint proposal.

On a practical level this means local social enterprises being assisted with preparation of business plans, funding applications and business development.

Ideally, Longford will prove to be the first of many similar initiatives across the country and should testify to the contribution social enterprise can make to national recovery.

It represents the practical expression of Clann Credo's own contribution to the drive to create jobs.

National Policy

Clann Credo along with the Dublin Employment Pact established the Social Enterprise Task Force in 2009. The Task Force includes almost all the organisations with a meaningful stake in promoting social enterprise.

The first report in 2010, *Adding Value, Delivering Change*, highlighted how social enterprise in Ireland remains a relatively 'untapped' resource, in terms of jobs and wider economic development.

In 2011 - following on from the commitments contained in the Programme for Government - Clann Credo produced *From the Ground Up*, a detailed study on how the social economy could be harnessed for the task of national recovery. It outlined specific measures that could help communities regenerate and create thousands of jobs.

Clann Credo was invited to make a submission to Government on job creation, as part of a consultation process undertaken in advance of the publication of the national Jobs Plan.

The Government's Action Plan for Jobs, was published in February 2012. Forfás will now identify the actions required, in funding, procurement, etc, by Government and other relevant bodies and agencies to create jobs in this sector, with particular reference to the European Commission's Social Business Initiative and associated funding.



SocialEnterprise.ie

The Social Enterprise Task Force also led to the establishment of the Clann Credo supported network, SocialEnterprise.ie. Facilitated by WINSENT, it provides a space where people and organisations interested in social enterprise in Ireland can network, collaborate and share information and experiences.

ADDRESSING SPECIAL NEEDS

A Special Challenge

What once played host to visitors and tourists in Donegal Town, is now home to a specialised centre that offers vital services and support to families with special needs dependents.

Operating out of a converted B&B, the Bluestack Foundation has over 219 local families registered and works tirelessly to enhance the lives of those with special needs.

The Foundation grew organically from the remarkable fundraising activities of the local community, through the Magee Bluestack Challenge Committee. Inspired and led by Patrick McBrearty, they have raised hundreds of thousands of Euro over the last decade and provided crucial support for the Foundation's work.

In order to establish their specialised centre, the Foundation required longer-term financial support. This was provided by Clann Credo.



The families supported by the Bluestack Foundation have dependents with a diverse range of special needs.

Further support was provided when modifications to the centre led to unexpected extra costs.

The families supported by the Foundation have dependents with a diverse range of special needs, including: Autism, Down Syndrome, Asperger's, Developmental Delay, ADHD,

MS, Muscular Dystrophy and Spina Bifida.

In order to tailor the centre's services to the actual needs of the local community, the Foundation engaged in consultation through a series of 'family forums'.

This shaped the range and type of services offered in the centre today, including: Physiotherapy, Occupational Therapy, Speech Therapy, Music Therapy, a Buddy Programme, Parenting Classes; Reflexology, Counselling and drama.

The Foundation also offers a fully accessible transport service.

Time for Action

Nobody knows how many people are affected by Autism in Ireland. In other countries - such as the UK and the US - the prevalence rates for children with Autism are known and monitored.

But the absence of such basic information here makes it virtually impossible to provide for the needs of those with Autism, let alone build a clearer understanding of the condition and how it might be treated.

For affected families, it can be a frightening, isolating experience, particularly when there is nowhere to turn for support and information.

Into that vacuum stepped Irish Autism Action (IAA), set up in 2001 by parents of children with Autism. From day one, as the name indicates, the IAA has been an active and highly effective national campaign group.

It has successfully placed the needs of children and affected families on the public and policy agenda. Equally, it has provided crucial support to families, along with key diagnostic services, through its Solas centre.

The IAA has also developed a network of pioneering Applied Behaviour Analysis (ABA) schools.

And while it has a well-developed fundraising capacity and network, such is the level of need that the body requires support from other sources.

In 2010, the IAA approached Clann Credo seeking financial assistance for two key projects - a long overdue study on the rate of Autism in Ireland and the hosting of a major international conference in Dublin, aimed at developing a European plan for Autism.



IAA organises a wide range of supports and activities, including summer schools.

It was clear that both projects would contribute enormously to the IAA's work. Equally, they would have a wider social benefit by allowing for better design of early interventions while learning from best practice elsewhere.

FIGHTING ADDICTION

Pilgrim's Progress

Named after the famous pilgrim's route in northern Spain, the St James' Camino Network (SJCN) was formed in 1997, in response to the drugs crisis in Dublin's inner city.

Borrowing from international best practice, the organisation has quietly established one of the most successful drug treatment programmes anywhere in the developed world.

Up to 60% of clients that enter the St. James' programme graduate successfully and remain drug free, a remarkable statistic.

Their treatment programme is designed to address the emotional, physical, psychological and spiritual well-being of its users. Those wishing to enter the full programme must first complete an initial six week course in Dublin.

Only then will they be considered for the 14 week residential treatment at the group's facility in Enfield, Co. Meath, from where

they have operated since 2002. A maximum of twelve clients are treated at any one time.

Formerly a private health club, the facility boasts a gymnasium, relaxation room, outdoor soccer area, large garden area and adequate bedroom accommodation.

When the opportunity arose to purchase the Enfield facility outright, the SJCN grasped it. Although the bulk of the required funding was secured from other sources, they still faced a significant shortfall.

And so they approached Clann Credo for support for their hugely valuable work. Following careful assessment of the group's finances and an in depth examination of the proposal, that support was forthcoming.

This allowed the St James' Camino Network to plan and build for the future on a more secure basis.

“Up to 60% of clients that enter the St. James' programme graduate successfully and remain drug free.”

A Second Chance

Beating an addiction to narcotics is just the start of the battle for some. Once they have quelled the addiction, they still face the struggle to rebuild their lives.

And establishing a foothold in everyday society can be the toughest battle of all, particularly as many attempt this with little support.

In the town of Drogheda, local businessman Billy Gavin saw how those who successfully complete treatment can quickly become 'invisible' and overlooked by service providers.

In response, he established Action Against Addiction North East Ltd (AAANE), in September 2010.

The overriding aim of the new body is to act as a bridge for the recovering addict, helping him or her to successfully negotiate a route back into employment and greater social participation.



AAANE is a fully-functioning social enterprise - employing recovering addicts in a second-hand clothes processing unit.

And rather than pointing people in the right direction, the plan was for AAANE itself to provide work opportunities in a fully-functioning social enterprise - employing the recovering addicts in a second hand clothes processing unit.

Utilising a network of collection banks around Drogheda, the group would collect the donated clothes, sort them according to quality and package them for dispatch to larger enterprises that buy up supplies of second hand clothing.

The recovering addicts would receive 'real time' training in all aspects of running a business and learn, or relearn about the world of work. And crucially, they would also get the chance to earn a wage and begin to support and organise their own lives.

Clann Credo agreed to support the AAANE project due to the strong social impact of its work, from the creation of up to 13 jobs, the training and upskilling of recovering addicts and the promotion of a local solution to a local problem.

SUPPORTING COMMUNITIES AND FAMILIES

Kid's Stuff

Not long after opening its doors the Poppintree Early Education Centre was experiencing difficulties. The problems were not of its making but, left unchecked, could have threatened the longer-term survival of this high quality community service.

The Poppintree Centre is an amalgamation of four existing community childcare services in Ballymun, north Dublin, which decided to pool talents and resources when some older premises were demolished as part of a regeneration programme.

The new, improved service began operations in February 2010. It provides a childcare service for parents engaged in training, further education or who are re-entering the workforce.

As such, it provides a vital bridge back into work, supporting parents who choose to upskill, or avail of job opportunities.



Too often the absence of such crucial services locks people into unemployment, even though they desperately want to work.

The Poppintree Centre caters for over 70 children aged from four months to five years. It also employs 15 staff, a key consideration in a time of record unemployment.

Poppintree offers a childcare service for parents engaged in training, further education or who are re-entering the workforce.

However resource problems dogged the centre from day one, with demand outstripping capacity and official funders underestimating the level of support required.

The Centre cut costs where it could and restructured services where possible.

But longterm financing was clearly required and an application was made to Clann Credo.

The project was assessed and found to be viable, whilst also delivering major benefits to the local community.

Sticking Together

It would be well-nigh impossible to place a monetary value on those physical structures known generically as 'community centres'.

Sometimes they are high-tech, state of the art developments, sometimes they are little more than a draughty hall or a simple portakabin. But without that physical space to call its own, many a community would simply disintegrate.

Often these places are the glue that helps hold a community together.

This is true of urban and rural Ireland, but especially true in more isolated rural areas where a focal point is necessary to deliver key services and bind communities.

The Caha Centre is just such a focal point, in Adrigole, West Cork. Established in 2004, it serves adjacent communities in both Cork and Kerry, providing social supports and family-related services.

The Centre runs groups for both men and women, after school activities for children, adult education services and offers parenting supports.

In more recent years, the Centre has upgraded facilities - including the addition of an all weather pitch - and expanded services to meet growing needs.



The centre plays host to groups like the Adrigole Men's Group, which provides activities and a social outlet for men who may be at risk of isolation.

This necessary expansion required funding and the Caha Centre approached Clann Credo for support. Following study and evaluation of the project, the enormous social benefit that was being delivered to the local community was obvious.

Hard to put a price on, perhaps, but 'invaluable' comes close.

A SPORTING CHANCE

Everyone for Tennis



A derelict sports facility has been resurrected and it is once again a focal-point for the community.

When Tullow Tennis Club closed its gates for the last time sixteen years ago, few were surprised.

Founded in 1950, the club had fallen into disuse and closure had become all but inevitable. It represented the loss of a sporting and community focal point for the Co. Carlow town.

But Tullow is the club that would not die, simply because the local community wouldn't allow it.

In recent years, former club members - led by Donnacha Harkin - began to explore how the community could develop a new, upgraded facility. A feasibility study outlined how a revived tennis club could be the 'anchor' for a new, all purpose sports centre.

No such facility existed in either the town, or surrounding areas.

The study pointed to the existence of similar, successful centres in towns with comparable populations.

Plans were quickly drawn up and planning permission acquired for an ambitious new facility. It was to be located on the site of the old tennis club - close to several residential areas - and would include six all-weather flood-lit tennis courts and two indoor courts.

The indoor courts can be used for a variety of other sports, such as soccer, badminton, basketball and bowls.

And to emphasise the new centre's sustainable credentials, it draws energy from a number of 'green' sources, such as wind turbines and solar panels.

The entire project was designed to be community-focussed and community driven, catering for as many needs as possible.

This ambitious project was supported by Clann Credo and provided powerful evidence of how communities can rebuild and rejuvenate from within.

Field of Dreams

At least one half of this proud football club can trace its origins all the way back to a Saturday afternoon card game in the local pub.

Aisling FC was the brainchild of regulars of The Regal, in Limerick's Cecil Street, who formed the team in 1971 with the intention of playing teams from other local public houses.

Ten years later, the club was playing in Limerick's premier league. In 1988, it merged with the slightly older Annacotty FC - founded 1969 - to form the current Aisling Annacotty FC.

With the area experiencing major population expansion, it made sense to combine resources to cater for the growing need at schoolboy and junior levels. The wisdom of that decision has been amply vindicated over the years, with both schoolboy and schoolgirl teams winning a multitude of underage leagues and cups.



Aisling Annacotty FC is one of the leading soccer clubs in Munster, with some 550 juvenile and adult players.

Deeply embedded in the surrounding community, Aisling Annacotty FC is now one of the leading soccer clubs in Munster, with some 550 juvenile and adult players.

It fields a remarkable 20 competitive teams at Junior, Minor, schoolboy and schoolgirl level, along with under eight and under 10 teams.

But that puts pressure on existing training and playing facilities. More problematic is that the club's grass pitches become unplayable for long periods during wet weather.

It also meant training had to take place at different locations during the winter months, hampering the development of an integrated coaching structure at the club.

From these frustrations were born the plan to develop an all-weather, purpose built facility on the club grounds in Annacotty.

Designed to meet rigorous FAI and FIFA standards, the all-weather pitch would be available for use 12 months of the year and could be used as a full size pitch, or divided into sections for training.

BUILDING COMMUNITIES

New Lease of Life

For almost 70 years the Glenealy Village Hall has hosted every conceivable form of community activity, celebration and service. From sports to ballroom dancing, from drama classes to further education, card drives to childcare and, of course, birthday parties.

Since it opened in 1954, the hall has echoed almost nightly with the vibrant sound of a community living and growing together.

While the facilities were augmented with an extension in 1999 to house an IT Centre that helped to shift Glenealy Hall into the digital age, the years had taken their toll and it was clear an upgrade was required.

Of particular concern was the lack of adequate insulation and the absence of energy efficient windows and doors. While remedying the problem would require an investment, this would be repaid many times over in savings on heating costs and give the ageing hall a new lease of life.

There was also an obvious social dividend to this work, which was crucial in attracting Clann Credo's support for the project. This included the maintenance of local employment in the Hall and the increased functionality of this vital resource for all age groups across the community.

There's new life in the old hall.

“Since it opened in 1954, the hall has echoed almost nightly with the vibrant sound of a community living and growing together.”

Closing the Digital Divide

In the late 1970s community activists in Askamore purchased an old school for the considerable sum of £100,000 - all of it collected through local fundraising.

The premises was redeveloped as a Community Centre and is held in trust for the community, in perpetuity.

Some four decades later, the Centre remains the only community facility in the parish of Askamore, Co. Wexford, which is made up of some 500 households.

Not surprisingly, the Centre caters for a huge diversity of local groupings, from the 100-strong Squash Club, the Badminton Club, Macra na Feirme, Foróige, Askamore Vintage Club, Card Players, the Community Alert Group and the Community Development Association.

It boasts a large sports hall, two squash courts facilities for other indoor sports and a bar area which is leased out to a publican.

In recent years, the Community Development Association oversaw the addition of a childcare centre, which employs 10 people and caters for some 40 children.

Not content to sit on their laurels, the Association then turned their attention to the development of a new IT centre to allow people upgrade their technical skills.

The Association approached Clann Credo for assistance with short-term funding.

An assessment of their proposal showed that it would make a major contribution to the community, with people receiving training on Internet usage and specific services such as Skype.

Not only would this augment local skills but it would also serve to mitigate loneliness among older and more isolated members of the community.



The Askamore Community Centre helps to connect the residents of the Co. Wexford town to the wider world.

AN INTERNATIONAL REACH

Solidarity Lending

While the scale and scope of Clann Credo's work has expanded to include projects overseas, the core values and ethos remain unchanged.

A perfect example was our recent decision to support the work of one of Cambodia's most successful micro finance providers.

Angkor Mikroheranhvatho - or AMK for short - provides sustainable credit for some of Cambodia's poorest and most excluded people. It evolved from the 'micro-finance' work of Irish aid agency Concern in Cambodia, during the 1990s.

Denial of credit damages a community's capacity to develop and grow – be it in Ireland or Cambodia. Different country, same problem. And now we have similar solutions.



An AMK Client Officer disburse a new loan to a client in the Cambodian capital, Phnom Penh.

AMK set up as a separate entity in 2002 and is now the country's third largest Micro Finance Institution (MFI). It serves over 250,000 clients - 86% of whom are women - and has a staff of almost 850.

The history of Cambodia is scarred by conflict - it suffered heavily in the Vietnam War - and the unhinged tyranny of the Pol Pot regime. That it has recovered any semblance of normality is little short of a miracle.

And it is organisations like AMK that have made this miracle happen on a daily basis. In particular, it has pioneered the highly-successful 'solidarity group loan' in which credit is provided to a group or an association.

These 'village banks', as they are known, depend on local people cooperating and taking collective responsibility for any loans taken on. This allows for a more efficient use of the resource and ensures that its impact is maximised across the community.

CARING FOR OLDER PEOPLE

Better with Age

In 2001, concern about the needs of elderly people in the Mayo town of Newport prompted the formation of St Dominick's Housing Association.

One of its first acts was to carry out a survey to determine the precise level of need.

The first survey of its kind, it revealed that there were some 220 people aged over 65 in the immediate catchment area, with 85 of that number living alone.

Yet the nearest day-care centre was located some 10 miles away in Westport and struggled to cope with the level of need in its immediate area.

It was clear that a local solution was required and the Association set about the arduous task of securing a site and funds to make their vision a reality.

Soon after, they acquired land, complete with an old convent, courtesy of the Mercy Sisters.

The plan was to build nine houses, four apartments and a daycare centre with kitchen, recreational and limited medical facilities. It would provide direct accommodation for 18 elderly people, while providing care and other services for considerably more.

Clann Credo supported the project due to the Association's sound financial structures and the clear social benefit it would deliver to the community, particularly its more vulnerable citizens.



Dr Brian Lennon, Chairperson of St Dominick's Housing Association, (left) and Tracey Hannon from Clann Credo, welcomes An Taoiseach Enda Kenny during a recent visit to the centre in Newport Co. Mayo.

SUPPORTING THE ARTS

The Big Picture

The Irish film industry has grown hugely over the last decade and, to quote from a recent article in Variety" ...the industry is now achieving critical mass of film making talent to match the kind of influence, disproportionate to its small size, "that it has always enjoyed in the fields of literature and theatre".

It is an industry in which Filmbase plays a key role, on many levels. The centre provides practical support for the indigenous film infrastructure through assistance for low budget film-makers, the facilitation of training and the provision of post-production facilities for hire.

But Filmbase also operates as an advocacy network for Irish film, lobbying and representing the sector in political and official circles, whilst also engaging in information and promotional work.

For example, the organisation publishes and distributes Film Ireland - the country's only film magazine and website.

It also administers key RTÉ and Arts Council projects aimed at developing the sector. It is a big remit.

Filmbase was founded as a non-profit entity in 1986. Since then, it has grown exponentially to occupy a very central space in the world of Irish film.

It delivers a very clear social dividend by facilitating and assisting those who wish to develop their skills in film.

Equally, if Irish film is to realise its full potential key organisations like Filmbase must be able to operate to their full capacity.

It is on that basis, Clann Credo was happy to offer its support.



Filmbase nurtures new talent and provides vital supports for Ireland's burgeoning film industry.

TO THE RESCUE

No Mountain too High



IMRA volunteers provide an emergency response service across the country 24 hours a day, 365 days a year.

Despite our often rugged landscape, it wasn't until 1965 that organised mountain rescue came to this island. Prior to that date, climbers and walkers depended on the goodwill of local farmers or, in rare cases, the existence of a local mountaineering club.

But that year saw the formation of the Irish Mountain Rescue Association (IMRA) and first efforts to build a coherent national service. Over the next two decades, growth was swift, and by 1986 the mountain rescue service was judged to be of a sufficiently high quality to become an official part of the emergency services.

There are now 12 fully-fledged mountain rescue teams in Ireland, operated by some 350 people. All are volunteers and they provide emergency response cover across the country 24 hours a day, 365 days a year.

All twelve teams are registered charities and IMRA acts as their national representative body. Fundraising is a constant consideration.

In 2008, IMRA launched a national three-year fundraising initiative which also raised awareness of the teams' work and the public profile of the association.

One key element involved the production of a unique, mountain rescue collection box similar to those used by the RNLI. The boxes would be used for local 'flag days' with monies raised going directly to the local team.

Clann Credo immediately saw the benefits that support for this project would bring: enhancing a valuable, life-saving service, building its profile nationally and creating greater local capacity to raise money directly from the community.

Lives on the Line

Sometimes access to funding can literally be a matter of life and death. In 1986, two Ballybunion natives - Mike Flahive and TJ McCarron - were called to assist with the rescue of two people lost in caves close to the town's main beach.

Both men were keen divers and knew the area well. While the rescue ultimately proved successful, lives had been in danger, highlighting the absence of a dedicated local rescue service.

Shortly afterwards, Flahive and McCarron established Ballybunion Sea & Cliff Rescue.

Over the intervening years, this vital lifesaving service has grown into a 24 hour, 365 day enterprise, operated by a complement of 32 volunteer staff from a base on Ballybunion's beachfront.

To date they have been involved in over 250 rescue missions and are involved in some 25 new missions each year.

In March 2010, the service took delivery of a newer lifeboat from the RNLI to replace a 30 year old model they had been using. It cost €163,000 and a loan had been agreed with one of the main banks.

But difficulties arose when they tried to draw down the loan and members were forced to put in place temporary financing, which placed the service in difficulty.

However, following the intervention of Clann Credo, the newer lifeboat has been secured and the finances for this vital service is now back on a sound footing.

This leaves them free to concentrate what they are best at: saving lives and rescuing people in difficulty.



The team from Ballybunion Sea & Cliff Rescue conducts an average of 25 rescues per year.

CELEBRATING 15 YEARS



To celebrate our 15th anniversary Clann Credo hosted and participated in a number of events across the country in 2011.

OUR PEOPLE

Driven by people



Dr Emer Ní Bhrádaigh, member of Clann Credo's Project Support Committee and Lecturer in Entrepreneurship at Dublin City University (DCU)

Dr Emer Ní Bhrádaigh

"I sit on the Project Support Committee where we provide Clann Credo staff with advice on how to support projects encountering problems with their repayment schedules. While Clann Credo staff have great expertise and experience dealing with the various social enterprises they invest in, they cannot be expected to have all the solutions.

The Project Support Committee gives them a forum to discuss projects with a panel of people with complementary expertise and experience. Some decisions are best made jointly – a practice facilitated by the discussion forum.

As an academic specialising in entrepreneurship I bring a particular perspective to these discussions and decisions.



Martin Coggins, member of Clann Credo's Evaluation Committee and owner of Coggins & Company Chartered Accountants

Martin Coggins

"I originally got involved with Clann Credo through its association with the Western Development Commission some years ago. When the Western Development Commission ceased its involvement in the social finance area I continued to work with the Evaluation Committee.

In that time the range and number of projects coming before us has greatly increased. I continue to be surprised by the ingenuity and diversity of social enterprises where people give free time contributing in so many ways to the betterment of their communities and society as a whole.

In these straitened economic times it is particularly satisfying to be able to assist worthwhile projects which might not otherwise have access to finance. "



Teresa Harrington - Partner, PwC Dublin and Leader of its Charity and Not-For-Profit Division and Member of the Board of Clann Credo

Teresa Harrington

"My role as a member of the Board of Directors is two-fold firstly to comply with Company Law requirements and secondly to share experiences from other areas of responsibility with Clann Credo.

The role involves working as part of the team of directors and management to ensure that the resources of the company are applied in the most effective way to benefit local communities.

I believe Clann Credo's work is important because it benefits local communities and creates local employment which is critical in this time of economic recession."



Jennifer Hennessy, Social Finance Executive, Clann Credo

Jennifer Hennessy

"I am a Social Finance Executive with Clann Credo, responsible for the East Region of the country. I meet with Projects that apply for Social Finance, we discuss their needs and how Clann Credo can help.

My role is important as I work closely with the customer to help them to progress their application for finance with Clann Credo. I need to make sure that groups that want to borrow from Clann Credo can demonstrate the capacity to repay the loan.

Clann Credo enables the development of many Social and Community Projects around Ireland. They in turn improve the lives of people including long term unemployed, people suffering from ill health, people living in isolation or suffering from homelessness and general society."

BOARD OF DIRECTORS

Tom Finlay (Chairperson) - Company Director and Business Coach

Jerry Butler - Retired from Trust Services, Bank of Ireland

Peter Cassells - Executive Director Designate of the Edward M Kennedy Institute for Conflict Intervention, National University of Ireland, Maynooth

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

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

Grace Redmond - Former Congregational Bursar, Presentation Sisters

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

EVALUATION COMMITTEE

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

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

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

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

Philip O'Connor - 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.

PROJECT SUPPORT COMMITTEE

Tom Finlay - Board Clann Credo

Dr Emer Ní Bhrádaigh - Lecturer, Fiontar, Dublin City University

Ann Clarke - Eustace Patterson

Paul Sullivan - Formerly NTMA (National Treasury Management Agency)

STAFF

Jim Boyle - Finance and Operations Officer

Tracey Hannon - Social Finance Executive

Angie Healy - Administration, ISFC

Jennifer Hennessy - Social Finance Executive

Paul O'Sullivan - Chief Executive Officer

Anne-Marie Woodfull - Administration

FINANCIAL REVIEW

Against a background of continued weak economic conditions, 2011 was a solid year for Clann Credo. Our ethical, alternative financial model continues to make prudent socially directed investments (SDI) that tackle exclusion and disadvantage while generating financial returns.

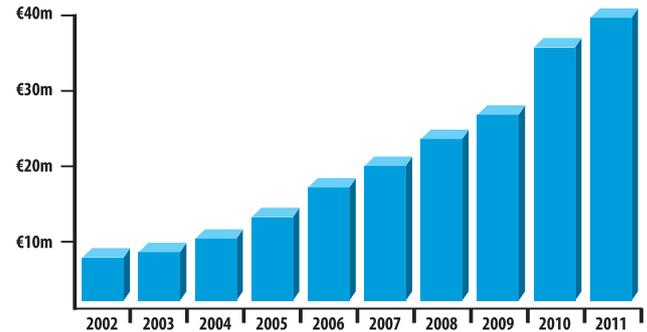
Demand for social finance remains very strong with increasing social dividend from the investments made. Ninety three new loans were approved (totalling €10.1 million) and seventy three disbursed (totalling €6.1 million) a record number for a fifth consecutive year.

Total investments (cumulatively) made since 1996 now stand at just under €39 million.

Over the last two years, much of the new demand for lending has been short term bridging finance. Local community groups are required to spend the funds prior to receiving grants from the EU financed Rural Development Programme. In many instances if they cannot raise bridging loans they are unable to proceed with the projects. Clann Credo loans allow them to borrow to meet their project expenditure and subsequently draw down the grants (and repay their loans).

The repayment level on the loan portfolio remains good. It is kept under constant review and monitoring. The levels of general provision for bad debt appear adequate to meet unforeseen loan losses.

Cumulative SDI 2002-2011



Income & Expenditure Account

CLANN CREDO CONSOLIDATED INCOME STATEMENT

For the year to 31st December 2011

| INCOME | 2011 €000 | 2010 €000 | % Change |
|--------------------------------------|--------------|--------------|-------------|
| SDI Income | 672 | 749 | -10% |
| Bank Deposit Interest | 110 | 87 | 27% |
| Fee Income | 86 | 93 | -8% |
| Other Income | 39 | 10 | 312% |
| | 907 | 939 | -3% |
| Funding Costs | 50 | 28 | 100% |
| General Overheads | | | |
| Office Overheads | 61 | 55 | 9% |
| Staff and Contractor Costs | 476 | 452 | 5% |
| Professional Fees | 46 | 46 | -1% |
| Promotional Costs | 45 | 46 | -1% |
| | 628 | 599 | 5% |
| OPERATING SURPLUS | 229 | 312 | -27% |
| General Provision for Losses on SDI | (78) | (105) | -26% |
| Specific Provision for Losses on SDI | (115) | (199) | -42% |
| NET INCOME | 36 | 8 | 326% |

Note:The income & expenditure account presented is a consolidation of the financial statements of Clann Credo Limited and The Clann Credo Fund for the year ended 31st December 2011.

These were audited by RSM Farrell Grant Sparks Chartered Accountants and approved by the board of directors of Clann Credo Ltd on 6th March 2012. The full audited financial statements are available upon request.

Balance Sheet

CLANN CREDO CONSOLIDATED BALANCE SHEET At 31 December 2011

| ASSETS | 31st Dec 2011 €000 | 31st Dec 2010 €000 | % Change |
|----------------------------------|--------------------------|--------------------------|-------------|
| FIXED ASSETS | | | |
| Tangible Assets | 2 | 4 | -47% |
| CURRENT ASSETS | | | |
| SDI – Equity | 30 | 30 | 0% |
| SDI - Loans | 17,007 | 15,450 | 10% |
| SDI – Cash | 46 | 46 | 0% |
| General Reserve | (1,530) | (1,337) | 14% |
| | 15,553 | 14,189 | 10% |
| Debtors & Prepayments | 181 | 174 | 4% |
| Bank Balances | 3,820 | 3,781 | 1% |
| | 19,556 | 18,148 | 8% |
| CAPITAL & LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Creditors & Deferred Income | 271 | 297 | -9% |
| LONG TERM LIABILITIES | | | |
| Bank of Ireland Loan | 322 | 481 | -33% |
| Social Finance Foundation Loans | 9,228 | 7,781 | 19% |
| CAPITAL | | | |
| INVESTOR FUNDS - Net | 9,735 | 9,589 | 2% |
| | 19,556 | 18,148 | 8% |

Note:The balance sheet presented is a consolidation of the financial statements of Clann Credo Limited and The Clann Credo Fund as at 31st December 2009. These were audited by RSM Farrell Grant Sparks Chartered Accountants and approved by the board of directors of Clann Credo Ltd on 6th March 2012. The full audited financial statements are available upon request.

Overall income was €907,000 which was down 3% from 2010.

SDI income at €672,000 is down 10% on 2010 due to an exceptional receipt in that year. A large loan had been outstanding for four years and all the interest was accounted for in 2010 when it was repaid. Excluding that item income has increased by 8% in the year due to a larger loan portfolio outstanding compared with the prior period.

Bank Deposit income is 27% ahead of 2010 at €110,000 mostly due to higher interest rates secured on deposits.

Fee income at €86,000 represents arrangement fees on new loans and fees on new capital received in the year.

Other income relates mostly to conference income and release of deferred income on new projects identified.

Funding costs represents interest on loans from the Social Finance Foundation and Bank of Ireland. The higher charge of €50,000 (2010 - €28,000) represents the higher level of loans outstanding in the year compared with the previous year.

Expenditure was up 5% on 2010 to €628,000 and is in line with expectations.

This leaves an **operational surplus** of €229,000 for the year.

The charge to the **general bad debt provision** was €78,000 calculated as 5% of the increase in the net value of SDI loans and equity between 2010 and 2011. There was **specific bad debt provision** of €115,000 (2010 - €199,000)

After these provisions a **net surplus** of €36,000 results for the year. This represents a **gross return to investors of just over 0.25%**. This is the first, albeit small, positive return to the original social investors.

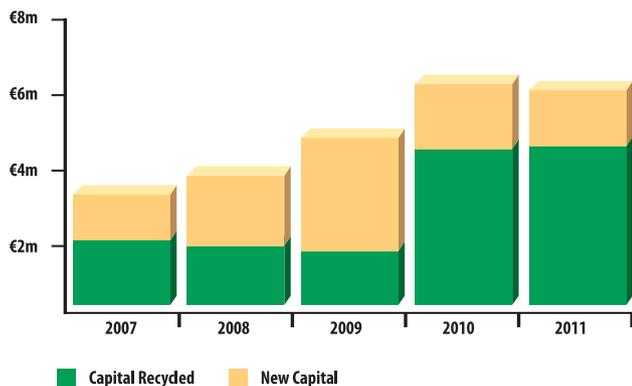
The balance sheet shows an increase in the **total fund** size of 8% to €19.5 million from €18.1 million.

The **loan portfolio** increased by 10% to €17 million. New drawdowns in the year were €6.1 million and capital repaid was €4.6 million.

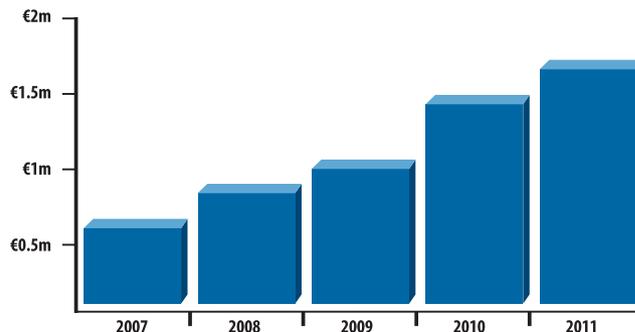
The graph below shows the recycling effect of the fund from 2007 to 2011. Despite large increases in new loan disbursements from 2009 onwards, much of this has been funded through recycling of the existing capital in the fund. This demonstrates how social finance is a philanthropic option that secures positive social gain again, and again, and again.

The average value of new loans disbursed in the year was €84,000 (2010 - €104,000).

Funding of New SDI 2007-2011



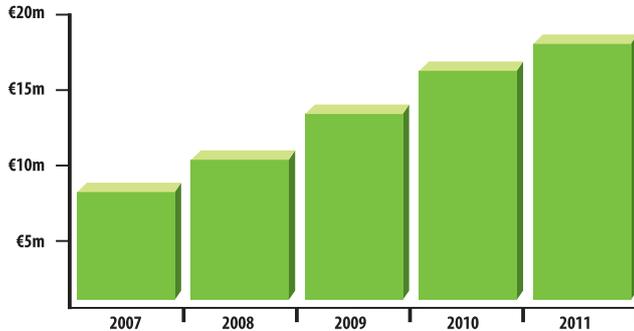
The **Increase in Provision for Bad Debt**



provision for bad debt stands at €1,530,000 and it represents 9% of gross investments (up from 8.6% in 2010). The directors believe it is adequate to meet any unforeseen future loan losses.

Looking Forward

Gross Loan Portfolio from 2007-2011



Cash balances of €3.8 million represents 19.5% 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 balance outstanding at the end of 2011 was €9.2 million which is a 19% increase on 2010. The total credit limit currently in place with the Foundation is €15 million.

Investors' funds remain at similar levels to 2010 and now stand at €9.7 million.

The demand for social finance remains high and the level of expected new loan proposals from 'LEADER' funded projects should continue at this level throughout 2012 and into Q1 2013 at the earliest. The credit risk associated with this type of lending is normally at the lower end but is very resource intensive from a staffing perspective.

A new Strategic Plan developed in 2011 has targeted an increase in the loan portfolio to approximately €25 million within the next five years.

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.

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

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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.
Directors: Jerry Butler, Peter Cassells, Tom Finlay, Magdalen Fogarty, Teresa Harrington,
Gerry Kearney, Maurice O'Connell and Grace Redmond.