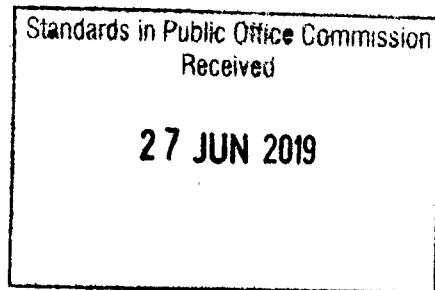


SOCIAL DEMOCRATS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



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

SOCIAL DEMOCRATS

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**SOCIAL DEMOCRATS
PARTY LEADERSHIP AND OTHER INFORMATION**

Party Leadership

Catherine Murphy TD
Róisín Shortall TD

National Executive 2018

Catherine Murphy TD
Róisín Shortall TD

Ex Officio

Jim Brophy (Treasurer)
Brian Sheehan (General Secretary - non-voting)

The following were appointed/re-appointed to the National Executive on 27th January 2018;

Joe O' Connor (Party Chair), Carly Bailey (Party Vice-Chair), Sally Aquilina, Chris Bond, Jan Bosch, Geraldine Cunniffe, Noel Dempsey, Tom Heneghan, Síle Ní Dhubhghaill, Catherine Stocker, Peter Tanham, Kieran Walsh.

Gavin Elliott was appointed on 22 July and Linda Hayden was appointed on 8th November 2018.

The following resigned from the National Executive on 26th January 2018;

Sarah Jane Hennelly, Stephen O' Riordan, Noel Dempsey, Mark Khan, Peter Tanham, Sharon Nolan, Grainne Fallon, Catherine Stocker, Liz Carolan, Lee Daly.

Tom Heneghan resigned on 22nd July 2018 and Catherine Stocker resigned on 8th November 2018.

Appropriate Officer

Jim Brophy
28 South Fredrick Street
Dublin 2
D02 YW57
Email: jim.brophy@socialdemocrats.ie

Registered Office

28 South Fredrick Street
Dublin 2
D02 YW57

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
NATIONAL EXECUTIVE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

The Party was established on 15 July 2015.

Responsibilities of the National Executive

The provisions of the Electoral Act 1997 (as amended) and Guidelines issued by the Standard in Public Office Commission requires the National Executive to prepare financial statements for each financial year. Under the law the National Executive 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 law, the National Executive 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 National Executive are required to:

- select suitable accounting policies for the party financial statements and then apply them consistently;
- make judgements 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 party will continue in business.

The National Executive are 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 profit or loss of the party to be determined with reasonable accuracy and enable them to ensure that the financial statements and National Executives' Report comply with the Electoral Act 1997 (as amended) and enable the financial statements to be readily and properly 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.

The National Executive are responsible for the maintenance and integrity of the corporate and financial information included on the party's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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
NATIONAL EXECUTIVE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

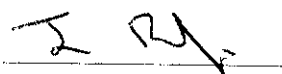
The National Conference also elects a Party Chair, and vice-Chair. The Party Chair chairs all meetings of the National Executive and Council. The Treasurer, responsible for ensuring all financial affairs are properly managed, is appointed by the National Executive.

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 28 South Frederick Street, Dublin 2, D02 YW57. There were some branches that have established bank accounts. They are not accounted for in these financial statements.



Jim Brophy
Treasurer



Roisin Shortall
National Executive Member

Date: 25/6/19

**INDEPENDENT AUDITOR'S REPORT
TO THE NATIONAL EXECUTIVE OF SOCIAL DEMOCRATS**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Social Democrats ('the party') for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The 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".

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 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the party in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) 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 National Executives' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the National Executives have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the party'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 National Executive committee is responsible for the other information. The other information comprises the information included in the annual 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.

Opinion on other matters

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the National Executives' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 party were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

**INDEPENDENT AUDITOR'S REPORT
TO THE NATIONAL EXECUTIVE OF SOCIAL DEMOCRATS**

Matters on which we are required to report by exception

Based on the knowledge and understanding of the party and its environment obtained in the course of the audit, we have not identified any material misstatements in the National Executive Report.

Respective responsibilities

Responsibilities of National Executive for the financial statements

As explained more fully in the National Executive Report, the National Executive is 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 National Executive are responsible for assessing the party's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the National Executive either intends to liquidate the party or to cease operation, or has no realistic alternative but to do so.

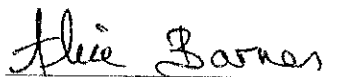
Auditor's responsibilities for the audit of the financial statements

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 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 contained in the appendix to this report, located at page 1, which is to be read as an integral part of our report.

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

Our report is made solely to the party's National Executive, as a body, in accordance with section 391 of the Electoral Act 1997 (as amended). Our audit work has been undertaken so that we might state to the party's National Executive 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 any responsibility to anyone other than the party and the party's National Executive, as a body, for our audit work, for this report, or for the opinions we have formed.



Alice Barnes

for and on behalf of

Kieran Ryan & Co.

Chartered Accountants and Statutory Audit Firm and Statutory Audit Firm

20 Upper Mount Street

Dublin 2

Date: 25th June 2019

SOCIAL DEMOCRATS
APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

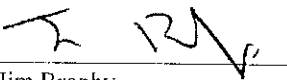
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Executive.
- Conclude on the appropriateness of the National Executives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the party's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the party to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

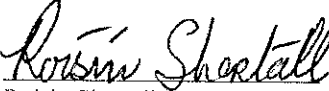
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**SOCIAL DEMOCRATS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 €	2017 €
Income	2	649,936	612,015
Administrative expenses			
Wages and salaries	4	372,909	331,041
Social welfare costs		32,285	29,048
Staff defined contribution pension costs	4	16,443	15,264
Staff expenses		-	630
Branch/Party development		42,891	63,157
Web hosting and maintenance		9,235	9,512
Rent including notional support		73,271	43,804
Youth conferences		-	3,359
Insurance		7,042	6,260
Strategic communications		8,937	6,421
Regional conferences and meetings		41,405	13,504
Advertising		1,830	-
General office costs		17,553	11,478
Design and printing		30,948	23,502
Communications		19,329	23,308
Travel expenses		5,794	8,370
Professional fees		5,153	11,733
Audit and accountancy fees		9,539	8,994
Subscriptions		2,452	2,920
Bank charges		1,667	741
Campaign and election costs	5	36,113	-
Fundraising costs		354	-
Market research		3,037	-
Depreciation of tangible assets		957	957
		<u>739,144</u>	<u>614,002</u>
Net loss		<u>(89,208)</u>	<u>(1,987)</u>

Approved by the National Executive on 25/6/19 and signed on its behalf by:


Jim Brophy
Treasurer


Roisin Shortall
National Executive Member

**SOCIAL DEMOCRATS
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 €	2017 €
Fixed Assets			
Tangible assets	6	<u>2,870</u>	<u>3,827</u>
Current Assets			
Debtors	7	93,545	77,880
Cash and cash equivalents		<u>63,859</u>	<u>180,472</u>
		157,404	258,353
Creditors: Amounts falling due within one year	8	<u>(23,397)</u>	<u>(36,094)</u>
Net Current Assets		<u>134,007</u>	<u>222,258</u>
Total Assets less Current Liabilities		<u><u>136,877</u></u>	<u><u>226,085</u></u>
Capital and Reserves			
Income and Expenditure Account		<u>136,877</u>	<u>226,085</u>
Equity attributable to the party		<u><u>136,877</u></u>	<u><u>226,085</u></u>

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018**

	Retained earnings	Total
	€	€
At 1 January 2017	228,072	228,072
Loss for the period	<u>(1,987)</u>	<u>(1,987)</u>
At 31 December 2017	226,085	226,085
Loss for the year	<u>(89,208)</u>	<u>(89,208)</u>
At 31 December 2018	<u><u>136,877</u></u>	<u><u>136,877</u></u>

**SOCIAL DEMOCRATS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 €	2017 €
Cash flows from operating activities			
Loss for the year		(89,208)	(1,987)
Adjustments for:			
Depreciation		957	957
		<u>(88,251)</u>	<u>(1,030)</u>
Movements in working capital:			
Movement in debtors		(15,665)	(861)
Movement in creditors		(12,697)	(11,055)
		<u>(116,613)</u>	<u>(12,946)</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		-	(4,784)
		<u>-</u>	<u>(4,784)</u>
Net decrease in cash and cash equivalents		(116,613)	(17,730)
Cash and cash equivalents at beginning of financial year		180,472	198,202
Cash and cash equivalents at end of financial year	13	<u>63,859</u>	<u>180,472</u>

**SOCIAL DEMOCRATS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

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 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.

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 estimated residual value, over their expected useful lives as follows:

Fixtures, fittings and equipment	- 15% Straight line
----------------------------------	---------------------

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 party in an independently administered fund.

**SOCIAL DEMOCRATS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Income

The income for the year has been derived from:-

	2018	2017
	€	€
Donations	40,985	14,906
Fundraising/memberships	7,435	16,886
Electoral act funding	308,078	308,079
Parliamentary activities allowance	193,104	193,104
Administrative supports provided by the Houses of the Oireachtas	100,334	79,040
	<u>649,936</u>	<u>612,015</u>

3. Operating (Loss)/Profit

	2018	2017
	€	€
Operating (loss)/profit is stated after charging:		
Depreciation of tangible fixed assets	<u>957</u>	<u>957</u>

4. Employees and Remuneration

The staff costs comprise:

	2018	2017
	€	€
Wages and salaries	372,909	331,041
Social welfare costs	32,285	29,048
Pension costs	16,443	15,264
	<u>421,637</u>	<u>375,353</u>

Staff costs include €70,855 in respect of salaries (2017: €55,347) and €11,192 in respect of pension costs of staff (2017: €11,175) provided without charge by the Houses of the Oireachtas Commission as administrative support. The aggregate wages and salaries to key management personnel included within the financial statements is €80,000 (2017: €73,336).

The average monthly number of employees, including management during the year was 8 (2017: 7).

**SOCIAL DEMOCRATS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Campaign and election costs

Campaign costs include election expenses (as defined under Section 31 of the Electoral Act 1997 (as amended)) and other expenses incurred in relation to elections or referendum campaigns and comprise:

	2018 €	2017 €
General election		
Election preparation costs	22,573	-
Referendum		
Recall campaign expenses	13,540	-
	36,113	-
	36,113	-

6. Tangible Fixed Assets

	Fixtures, fittings and equipment €	Total €
Cost or Valuation		
At 31 December 2018	4,784	4,784
Depreciation		
At 1 January 2018	957	957
Charge for the year	957	957
At 31 December 2018	1,914	1,914
Net book value		
At 31 December 2018	2,870	2,870
At 31 December 2017	3,827	3,827

7. Debtors

	2018 €	2017 €
Exchequer funding	77,019	77,019
Other debtors	16,526	861
	93,545	77,880
	93,545	77,880

**SOCIAL DEMOCRATS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Creditors	2018	2017
Amounts falling due within one year	€	€
Taxation	9,237	15,310
Party leadership loan (Note 11)	5,000	5,000
Other creditors	6,160	7,987
Accruals	3,000	7,797
	<u>23,397</u>	<u>36,094</u>

9. Taxation	2018	2017
	€	€
Creditors:		
PAYE	<u>9,237</u>	<u>15,310</u>

10. Capital Commitments

The party had no material capital commitments at the year-ended 31 December 2018.

11. Related party transactions

Both Roisin Shorthall and Catherine Murphy made a loan of €2,500 each to the Party in 2016. These loans are still due as at 31 December 2018 (2017: €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	2018	2017
	€	€
Cash and bank balances	<u>63,859</u>	<u>180,472</u>

14. Restricted funding	2018	2017
	€	€
Exchequer funding	<u>31,769</u>	<u>141,833</u>

Funding received under the Electoral Act 1997 and the Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 2014 may only be used for the purposes in those Acts. The total amount of funding received under those Acts but not yet expended at the year-end for the specified purposes was €31,769 (2017: €141,833).

15. Approval of Financial Statements

The financial statements were approved and authorised for issue by the National Executive on

25/6/19