

Company Registration No 06433321 (England and Wales)

EUCLID NETWORK
(LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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**EUCLID NETWORK
(LIMITED BY GUARANTEE)
COMPANY INFORMATION**

Directors

P Adamson
Sir S Bubb
J Hoxha
D Lopez
J Low CBE
C Southcombe
M Traversi
C Sigaloff
T Weishaupt
S Lovgren (Appointed 18 June 2012)
C Azevedo

Secretary

F Addani

Company number

06433321

Registered office

Society Building
8 All Saints Street
London
N1 9RL

Auditors

Glazers
843 Finchley Road
London
NW11 8NA

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EUCLID NETWORK (LIMITED BY GUARANTEE) DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013

Principal activities

The principal activity of the company continued to be that of developing, connecting and supporting third sector leaders in Europe

The company is a non profit making organisation limited by guarantee without share capital

Impact in 2012-2013

1) Peer-Learning and Knowledge Sharing

This year Euclid Network (EN) delivered 50 exchanges through its Erasmus for Young Entrepreneurs bursary programme

In the CONSIDER project, EN has successfully run two workshops (in Porto and Prague) that contributed to the development of the network of associates, aiming to ensure civil society engagement in research projects

In the INSITE project, EN convened a group of high profile academics, journalists and policy makers to explore the use and role of narratives in tackling global challenges

2) Sustainable Funding

EN has continued to deliver practical support on how to access European funding, through the funding helpdesk

In the policy arena, EN has lead on the campaign for European funding reform EN also started a campaign aimed at making the Practical Guide (PRAG) - the guide for regulating external EU grants - more effective and transparent for civil society

In partnership with ACEVO and Network for Europe, EN continues to be a strategic partner with the British Office for Civil Society (OCS) to support UK civil society with information and guidance on EU funding and policy

With the social investment task force, EN has been working to unlock new funding sources for the civil society sector The aim is to promote social investment and catalyse an integrated capital market for social investment across Europe

In partnership with Cenzura Plus (Croatia), EN has organised a study visit to the UK in order to share knowledge about how to absorb structural funds

EUCLID NETWORK (LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

3) Social Innovation

Throughout 2012 to 2013 EN continued to run the first international social innovation competition aimed at mobilising citizens across the world to find solutions for symbolic and persistent challenges in Naples, Italy. EN supported the winners of the Naples 2.0 competition in order to transform their idea into a sustainable social enterprise. The European Commission launched a publication, which summarises the Naples competition.

EN is involved in a project that looks at innovative ways of financing new large scale social innovation projects, which respond to emerging social needs. The project is led by Denoklnn in Bilbao (Spain) with partners in Hungary and Italy. The project also examines how to replicate an infrastructure that is able to identify and create solutions for emerging social problems throughout Europe.

EN is part of the advisory experts' panel in the European Social Innovation Prize Competition in Memory of Diogo Vasconcelos, advising the Commission on design, mentoring and social innovation aspects.

EN has been strongly involved in the policy dialogue at a European level (through the Expert Group (GECES) set up within the European Commission (DG Market)) and at a national level (mainly Italy and the United Kingdom) to advise on social innovation, investment and enterprise in Europe. This is also supported by EN's work on Social Innovation Europe, looking at social innovation initiatives across Europe and beyond to build a web-portal, connect innovators and develop policy recommendations for the European Commission on how to create an enabling environment for social innovation.

Projects

EN has been a leader or a partner in the following projects (the list is not exhaustive):

- Erasmus for Social Entrepreneurs
- Naples 2.0 - International Social Innovation Competition, funded by UniCredit Foundation and CSV

Napoli

- Three research projects funded by the European Commission
 - o CONSIDER Civil Society Organisations In Designing Research Governance
 - o Emergence by Design (MD)
 - o The Innovation Society, Sustainability, and ICT (INSITE)
- Social Innovation Park (SIP) - A New European Infrastructure for Designing and Piloting new Solutions to Emerging Social Needs
- Various projects in the Western Balkans, funded by the European Commission

Membership

After a full review of EN's membership base in 2012-2013, there was an average of 150 paid members. The network has retained a large proportion of its members but it has also gained many new members. Over the last year, EN has also extended its outreach by recruiting members from new countries such as, Azerbaijan, Kosovo, Denmark, Bulgaria and Russia and extending its engagement to new countries like Tunisia, Algeria, Greece, Canada and the US.

The organisation has also increased its community, which goes beyond the paid members and now includes over 3000 contacts, which are part of the associate network.

The last financial year also saw a continuation of the previous membership activities, such as regional membership development, tailoring membership benefits and a variety of communications to meet the needs of civil society leaders.

EN has been exploring new ways of collecting membership payments such as the use of credit card payments through the website.

**EUCLID NETWORK
(LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2013

Future

The core funding 2013 has been confirmed by the European Commission. For the first time, Euclid Network is in a different category of grant beneficiaries, the multiannual grants recipients category and has been granted € 122,000 (+20% compared to 2012), strengthening its sustainability.

Euclid has also recently won other grants from the European Commission, which will contribute c. €0.2m, namely:

- Follow-up to Social Innovation Europe project: the project started in May 2013 and will last for one year. The tender's objective is to manage the existing Social Innovation Europe (SIE) infrastructure (www.socialinnovationeurope.eu) with the ultimate goal to make it self-sustaining, not dependent on public funding. The aim of SIE is to become the platform for social innovation, social entrepreneurship and social investment in Europe, providing relevant content (policy, networks, partners, events) and nurturing a growing community of social innovators.

- CATALYST project: the project will start in September 2013 and will last for 2 years. Overall the project will aim to implement technological developments that will radically improve collaborative knowledge creation. Ground-breaking functionalities are to mobilise Collective Intelligence for the public good and will test these next generation solutions in authentic, real world settings.

- Responsible Industry project: the project will last 3.5 years and it is expected to start February 2014. The objective of the "Responsible Industry" project will be to design an exemplar implementation plan of Responsible Research and Innovation (RRI) across different industries to demonstrate how the industrial sector can work productively together with societal actors.

Directors

The following directors have held office since 1 April 2012:

P Adamson

Sir S Bubb

J Hoxha

D Lopez

J Low CBE

P Schröder

(Resigned 25 May 2012)

C Southcombe

M Traversi

C Sigaloff

T Weishaupt

S Lovgren

(Appointed 18 June 2012)

C Azevedo

Auditors

The auditors, Glazers, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**EUCLID NETWORK
(LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2013

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Sir S Bubb

Director

27 June 2013

**EUCLID NETWORK
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EUCLID NETWORK**

We have audited the financial statements of Euclid Network for the year ended 31 March 2013 set out on pages 7 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, 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 Directors' Responsibilities Statement set out on pages 1 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 9 to the financial statements.

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. 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 state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**EUCLID NETWORK
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF EUCLID NETWORK**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

**Jessie Kho FCCA (Senior Statutory Auditor)
for and on behalf of Glazers**

27 June 2013

**Chartered Accountants
Statutory Auditor**

843 Finchley Road
London
NW11 8NA

EUCLID NETWORK
(LIMITED BY GUARANTEE)
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover		489,807	552,990
Cost of sales		(210,858)	(293,603)
Gross profit		278,949	259,387
Administrative expenses		(278,835)	(259,425)
Profit/(loss) on ordinary activities before taxation	2	114	(38)
Tax on profit/(loss) on ordinary activities	3	-	-
Profit/(loss) for the year	7	114	(38)

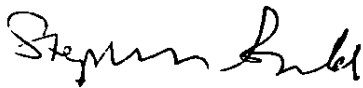
**EUCLID NETWORK
(LIMITED BY GUARANTEE)
BALANCE SHEET**

AS AT 31 MARCH 2013

	Notes	2013 £	£	2012 £	£
Current assets					
Debtors	4	48,058		76,259	
Cash at bank and in hand		135,948		147,081	
		<u>184,006</u>		<u>223,340</u>	
Creditors amounts falling due within one year	5	(168,949)		(199,748)	
Total assets less current liabilities			15,057		23,592
Creditors amounts falling due after more than one year	6		(8,649)		(17,298)
			<u>6,408</u>		<u>6,294</u>
Capital and reserves					
Profit and loss account	7		6,408		6,294
Total funds			<u>6,408</u>		<u>6,294</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 27 June 2013



Sir S Bubb
Director

Company Registration No 06433321

EUCLID NETWORK
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Turnover

Turnover represents amounts receivable for membership fees, conferences and grants

1.3 Revenue recognition

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit/(loss)	2013	2012
	£	£
Operating profit/(loss) is stated after charging		
Auditors' remuneration	3,900	3,500
	<u> </u>	<u> </u>

3 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

EUCLID NETWORK
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

4 Debtors	2013	2012
	£	£
Trade debtors	47,305	72,316
Other debtors	753	3,943
	<u>48,058</u>	<u>76,259</u>
5 Creditors amounts falling due within one year	2013	2012
	£	£
Bank loans and overdrafts	2,829	-
Trade creditors	11,254	5,483
Taxation and social security	-	3,519
Other creditors	154,866	190,746
	<u>168,949</u>	<u>199,748</u>
6 Creditors amounts falling due after more than one year	2013	2012
	£	£
Other creditors	<u>8,649</u>	<u>17,298</u>
Analysis of loans		
Wholly repayable within five years	17,298	25,947
Included in current liabilities	<u>(8,649)</u>	<u>(8,649)</u>
	<u>8,649</u>	<u>17,298</u>

EUCLID NETWORK
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

7 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2012	6,294
Profit for the year	114
	<hr/>
Balance at 31 March 2013	6,408
	<hr/> <hr/>

The company is limited by guarantee. Each member's liability is limited to £1. Upon winding up of the company the net assets will be transferred to a charity or not for profit organisation for use for particular purposes that fall within the objects of Euclid Network.

8 Employees

Number of employees

The average monthly number of employees during the year was

	2013 Number	2012 Number
Administration	6	5
	<hr/>	<hr/>
Employment costs	2013	2012
	£	£
Total staff costs	188,834	136,621
	<hr/>	<hr/>
	188,834	136,621
	<hr/> <hr/>	<hr/> <hr/>

Also included in the Statutory Profit and Loss Account are the following labour costs

a Use of the services of 3 external consultants (2012: 3 consultants) - total costs incurred in the year amounted to £4,543 (2012: £39,615), and

b Support of 3 members of staff (2012: 3) employed by ACEVO finance department in relation to their organisation's accounting function. The salaries in respect of these staff are recharged by ACEVO as part of their monthly service charges of £3,354 per month (2012: £3,750 per month)

9 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**EUCLID NETWORK
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
*FOR THE YEAR ENDED 31 MARCH 2013***

10 Related party relationships and transactions

During the year the company was charged £40,250 (2012 £45,000) for staff costs and office charges by the Association of Chief Executives of Voluntary Organisations (ACEVO). At the year end the company owed £17,298 (2012 £25,947) to ACEVO in respect of waived charges relating to the prior year. The company is paying interest at 5% on this loan. In 2013 the interest amounted to £1,297 (2012 £1,730). Sir S Bubb, a director of Euclid Network, is a trustee of ACEVO.