

**SOCIAL ENTREPRENEURS IRELAND LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2010**

**SOCIAL ENTREPRENEURS IRELAND LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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<b>Contents</b>	<b>Pages</b>
Company Information	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 - 13
<b>The following pages do not form part of the statutory financial statements</b>	
Schedule 1 - Charitable Activities	14
Schedule 2 - Costs of Generating Funds	15
Schedule 3 - Governance Costs	16

**SOCIAL ENTREPRENEURS IRELAND LIMITED**

**COMPANY INFORMATION  
AS AT 31 DECEMBER 2010**

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**DIRECTORS**

Julian Davis  
Maurice Healy  
John Kennedy  
Cormac Lynch  
Alice O'Sullivan  
Declan Francis Ryan  
Gerry Kearney

**SECRETARY**

Sean Damian Coughlan

**REGISTERED OFFICE**

First floor  
The Warehouse  
35 Barrow Street  
Dublin 4

**REGISTERED NUMBER**

433846

**INDEPENDENT AUDITORS**

Doody Crowley Limited  
First Floor  
11/12 Warrington Place  
Dublin 2

**BUSINESS ADDRESS**

First floor  
The Warehouse  
35 Barrow Street  
Dublin 4

**SOLICITORS**

A & L Goodbody Solicitors  
25-28 North Wall Quay  
Dublin 1

**PRINCIPAL BANKERS**

Bank of Ireland  
39 St. Stephens Green East  
Dublin 2

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The directors present their report and the financial statements for the year ended 31 December 2010.

**RESULTS**

	€
Surplus for the financial year	<u>67,906</u>

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and up to the date of approval of the financial statements are stated on page 1. The company is limited by guarantee not having a share capital and therefore neither the directors nor the company secretary have any interests in the share capital of the company.

**PRINCIPAL ACTIVITY**

The principal activity of the company is the promotion and development of social entrepreneurship in the Republic of Ireland by providing financial support, mentoring and training to social entrepreneurs.

The principle risks and uncertainties facing the company are the risk that it fails to meet the objectives or expectations of its major donors and the risk that its charitable status is withdrawn. An additional risk is the fact that our principal funder, the One Foundation, is a limited lifespan foundation and will close at the end of 2013 which will mean that significant additional funders will need to be secured between now and 2013 in order to meet our budgetary requirements.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The company has successfully transitioned out of the One Foundation into a separate entity (legally, operationally and in terms of governance). It has already surpassed the original strategic goals having invested in over 150 social entrepreneurs since inception. The budget estimate for the 2011 financial year is €1,373,000 and the surplus for the current financial year will be used to fund planned 2011 activities, lessening the amount of new funding that needs to be secured for 2011 and therefore lessening the risks and uncertainties facing the company.

Funding commitments are in place to cover anticipated commitments for the foreseeable future.

The board monitors ongoing performance on a regular basis.

The results for the year are given on page 6. There are no future developments envisaged which would materially affect the nature and level of the company's activities.

**IMPORTANT EVENTS SINCE THE YEAR END**

A new 4 year strategy was agreed upon and commenced during the 2010 financial year. This strategy will result in more in-depth support being given to a smaller number of social entrepreneurs annually.

**BOOKS OF ACCOUNT**

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990, with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of the company are maintained at its business address on page 1.

**AUDITORS**

The auditors, Doody Crowley Limited, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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.

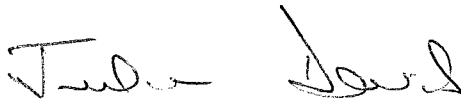
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2009 and all regulations construed as one with those Acts. 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.

**TAXATION STATUS**

The company has received charitable tax exemption from the revenue commissioners under Section 207, Taxes consolidation Act 1997. The company's reference number is CHY 17524.

On behalf of the Board

**Julian Davis**  
**Director**



**Cormac Lynch**  
**Director**



**Date :**

21/12/2011

## SOCIAL ENTREPRENEURS IRELAND LIMITED

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOCIAL ENTREPRENEURS IRELAND LIMITED FOR THE YEAR ENDED 31 DECEMBER 2010**

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We have audited the financial statements of Social Entrepreneurs Ireland Limited for the year ended 31 December 2010 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared, in accordance with The Financial Reporting Standard for Smaller Entities (effective April 2008), under the historical cost convention, and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 INDEPENDENT AUDITORS**

As described in the statement of directors' responsibilities the company's directors are responsible for preparation of the financial statements in accordance with applicable law and Irish Accounting Standards published by the Auditing Practices Board in the UK and Ireland.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards promulgated by the Auditing Practices Board (UK and Ireland) and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all information and explanations necessary for the purposes of our audit and whether the company's balance sheet and its income and expenditure account are in agreement with the books.

We report to the members if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. The information given in the directors' report includes that specific information presented in the Operating and Financial Review that is crossed referred from the Business Review section of the directors' report.

#### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluate the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of the APB Ethical Standards - "Provisions available for Small Entities", in the circumstances set out in note 13 to the financial statements.

**SOCIAL ENTREPRENEURS IRELAND LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOCIAL ENTREPRENEURS IRELAND LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**OPINION**

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2010 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report is consistent with the financial statements.



**DAMIAN GALLAGHER**  
**SENIOR STATUTORY AUDITOR**  
for and on behalf of  
**DOODY CROWLEY LIMITED**  
**STATUTORY AUDITORS**  
**FIRST FLOOR**  
**11/12 WARRINGTON PLACE**  
**DUBLIN 2**

Date: 21/12/2011

**SOCIAL ENTREPRENEURS IRELAND LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

		Restricted	Unrestricted	Continuing Activities	
	Notes	Funds	Funds	Total	Total
		EUR€	EUR€	2010	2009
		EUR€	EUR€	EUR€	EUR€
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
- Voluntary income	2 (a)	100,000	1,036,052	1,136,052	2,177,500
- Investment income	2 (b)	-	3,341	3,341	24,002
<b>TOTAL INCOMING RESOURCES</b>		<u>100,000</u>	<u>1,039,393</u>	<u>1,139,393</u>	<u>2,201,502</u>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds					
- costs of generating voluntary income	3	-	(309,661)	(309,661)	(270,516)
Charitable activities	4	(100,000)	(564,647)	(664,647)	(1,059,975)
Governance costs	5	-	(97,179)	(97,179)	(48,920)
<b>TOTAL RESOURCES EXPENDED</b>		<u>(100,000)</u>	<u>(971,487)</u>	<u>(1,071,487)</u>	<u>(1,379,411)</u>
<b>Net incoming resources / Net movement in funds for the year</b>	6	-	67,906	67,906	822,091
<b>Reconciliation of Funds</b>					
Total funds brought forward		5,000	1,594,604	1,599,604	777,513
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>5,000</u>	<u>1,662,510</u>	<u>1,667,510</u>	<u>1,599,604</u>

**Continuing operations**

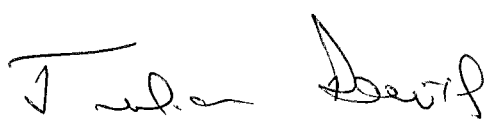
None of the company's activities were acquired or discontinued during the above financial period.

**Total recognised gains and losses**

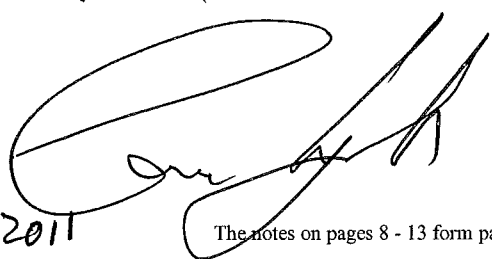
The company has no recognised gains or losses other than the surplus or deficit for the above financial period.

The financial statements were approved by the board of directors on and signed on its behalf by the following directors:

Julian Davis  
Director



Cormac Lynch  
Director



21/12/2011

The notes on pages 8 - 13 form part of these financial statements



**SOCIAL ENTREPRENEURS IRELAND LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2010**

	Notes	2010 EUR€	2009 EUR€
<b>CURRENT ASSETS</b>			
Debtors	9	60,500	92,063
Cash at bank and in hand		1,873,131	1,905,741
		<u>1,933,631</u>	<u>1,997,804</u>
<b>CREDITORS: amounts falling due within one year</b>	10	(266,121)	(398,200)
<b>NET CURRENT ASSETS</b>		<u>1,667,510</u>	<u>1,599,604</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,667,510</u>	<u>1,599,604</u>
<b>FUNDED BY</b>			
Restricted funds		5,000	5,000
Unrestricted funds		1,662,510	1,594,604
<b>TOTAL ACCUMULATED FUNDS</b>	11	<u>1,667,510</u>	<u>1,599,604</u>

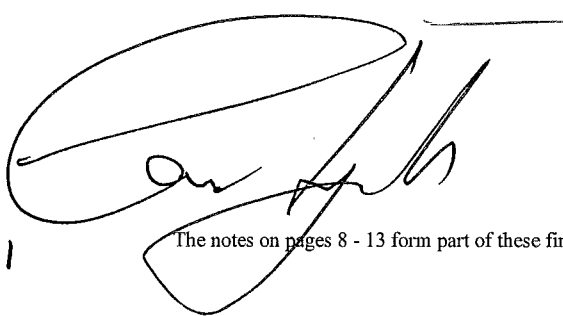
The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008).

The financial statements were approved by the board of directors on and signed on its behalf by the following directors:

Julian Davis  
Director



Cormac Lynch  
Director



21/12/2011

The notes on pages 8 - 13 form part of these financial statements

**1. STATEMENT OF ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with the requirements of The Financial Reporting Standard for Smaller Entities issued by the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland. They follow in large part the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005)

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

**Voluntary income**

Voluntary income consists of monetary donations from the public, from corporate and major donors. This funding has been obtained to assist the company in the running of its operations. Income from all sources is recognised in the period in which the organisation is entitled to the resource, receipt is virtually certain, and when the amount can be measured with sufficient reliability.

**Resources expended**

Resources expended are analysed between costs of generating funds, charitable activities costs and governance costs.

The costs of each activity are separately accumulated and disclosed, analysed according to their major components.

Support costs, which cannot be attributed directly to one activity, are allocated to activities in proportion to estimated benefits received.

**Costs of generating funds**

Costs of generating funds comprises the costs incurred in fund raising activities. Fundraising costs include the costs of advertising, website costs, events costs, branding and salary costs in these areas. All costs of generating funds are recognised on an accruals basis.

**Governance costs**

Governance costs represent the salaries, direct expenditure and overhead costs incurred on the strategic as opposed to day to day management of the charity, and on compliance with constitutional and statutory requirements. All governance costs are recognised on an accruals basis.

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**Fund Accounting**

**Restricted funds**

Restricted funds represent grants, donations received which can only be used for particular purposes specified by the donors. Such purposes are within the overall aims of the organisation.

**Unrestricted funds**

Unrestricted funds consist of General funds and Designated funds.

(i) General funds represent amounts which are expendable at the discretion of the directors in furtherance of the objectives of the charity. Such funds may be held in order to finance working capital or to finance the start-up of new programmes.

(ii) Designated funds represent amounts that directors may at their discretion set aside for specific purposes, which would otherwise form part of the general reserves of the organisation. Specifically, the directors set aside funds so that it can protect the group's ongoing programme of work from unexpected variations in income.

**2. (a) Incoming resources from generated funds - voluntary income**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010</b>	<b>2009</b>
	<b>EUR€</b>	<b>EUR€</b>	<b>Total</b>	<b>Total</b>
			<b>EUR€</b>	<b>EUR€</b>
Grants	100,000	1,036,052	1,136,052	2,177,500
Total	<u>100,000</u>	<u>1,036,052</u>	<u>1,136,052</u>	<u>2,177,500</u>

The One Foundation funded €760,000 of the unrestricted funding in 2010 (2009: €1,640,000). These funds have been designated to support the 2011 budget.

**(b) Other incoming resources**

	<b>2010</b>	<b>2009</b>
	<b>EUR€</b>	<b>EUR€</b>
Deposit interest	<u>3,341</u>	<u>24,002</u>

**3. Costs of Generating Voluntary Income**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010</b>	<b>2009</b>
	<b>EUR€</b>	<b>EUR€</b>	<b>Total</b>	<b>Total</b>
			<b>EUR€</b>	<b>EUR€</b>
Wages and salaries	-	185,131	185,131	164,657
Membership fees	-	22,598	22,598	25,418
Other fundraising costs	-	5,341	5,341	13,761
Awards ceremony costs apportioned	-	23,749	23,749	23,284
Marketing and PR costs - 50% apportionment (note 4)	-	21,132	21,132	18,499
Rent and office costs apportioned (note 5)	-	51,710	51,710	24,897
	<u>-</u>	<u>309,661</u>	<u>309,661</u>	<u>270,516</u>

**SOCIAL ENTREPRENEURS IRELAND LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

..... continued

<b>4. Expenditure on Charitable Activities</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010</b>	<b>2009</b>
	<b>EUR€</b>	<b>EUR€</b>	<b>Total</b>	<b>Total</b>
			<b>EUR€</b>	<b>EUR€</b>
Level 1 awardees		-	-	120,000
Level 2 awardees	-	347,198	347,198	635,191
Other charitable activities	100,000	-	100,000	100,000
Ashoka fellowship	-	-	-	-
Wages and salaries	-	124,125	124,125	110,083
Support costs	-	13,773	13,773	36,274
Awards ceremony costs apportioned	-	23,749	23,749	23,284
Marketing and PR costs apportioned (note 3)	-	21,132	21,132	18,499
Rent and office costs apportioned (note 5)	-	34,670	34,670	16,644
<b>Total</b>	<u>100,000</u>	<u>564,647</u>	<u>664,647</u>	<u>1,059,975</u>

<b>5. Governance Costs</b>	<b>2010</b>	<b>2009</b>
	<b>Total</b>	<b>Total</b>
	<b>EUR€</b>	<b>EUR€</b>
Wages and salaries	72,773	43,516
Audit	4,000	4,345
Rent incl services (net)	15,624	2,715
Office & other costs (net)	4,783	(1,656)
	<u>97,180</u>	<u>48,920</u>

Rent and other office costs attributable to expenditure on charitable activities and costs of generating voluntary income have been apportioned based on staff time.

<b>6. Net incoming resources for the year</b>	<b>2010</b>	<b>2009</b>
	<b>EUR€</b>	<b>EUR€</b>
This is stated after charging:		
Auditors' remuneration	<u>4,000</u>	<u>4,345</u>

**SOCIAL ENTREPRENEURS IRELAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

..... continued

**7. Employees**

**Number of employees**

The average monthly numbers of employees during the year were:

	<b>2010</b>	<b>2009</b>
	<b>Number</b>	<b>Number</b>
Administration	<u>5</u>	<u>4</u>

**Employment costs**

	<b>2010</b>	<b>2009</b>
	<b>EUR€</b>	<b>EUR€</b>
Wages and salaries	<u>382,029</u>	<u>318,256</u>

The directors did not receive any remuneration for their services during the period.

**8. Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**9. Debtors**

	<b>2010</b>	<b>2009</b>
	<b>EUR€</b>	<b>EUR€</b>
Other debtors	<u>60,500</u>	<u>92,063</u>

**10. Creditors: amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>EUR€</b>	<b>EUR€</b>
Taxes and social security costs	-	29,563
Accrued Expenditure	<u>266,121</u>	<u>368,637</u>
	<u>266,121</u>	<u>398,200</u>
V.A.T. control account	-	29,563
	<u>-</u>	<u>29,563</u>

**SOCIAL ENTREPRENEURS IRELAND LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

..... continued

**11. Funds**

<b>(a) Reconciliation of funds</b>	<b>Restricted EUR€</b>	<b>Unrestricted EUR€</b>	<b>2010 EUR€</b>	<b>2009 EUR€</b>
Net incoming resources for the year	-	67,906	67,906	822,091
Total funds at beginning of the year	5,000	1,594,604	1,599,604	777,513
Total funds at end of the year	5,000	1,662,510	1,667,510	1,599,604

**(b) Movements in funds**

The movements in funds classified in accordance with the accounting policies are as follows:

	<b>Restricted EUR€</b>	<b>Unrestricted EUR€</b>	<b>2010 EUR€</b>	<b>2009 EUR€</b>
General Funds	-	294,510	294,510	364,604
Designated funds allocated to the 2011 budget	5,000	1,368,000	1,373,000	1,235,000
Total funds	5,000	1,662,510	1,667,510	1,599,604

The company has a policy to maintain a minimum level of reserves.

**12. Related party transactions**

The following are considered by the directors to be related parties and also the related transactions during the year for the purposes of FRS 8:

**Entity**

Julian Davis is a director of the company and also of Fleishman Hilliard Limited.

PR Consulting fees paid to Fleishman Hilliard Limited for 2010 €39,933 (2009 : €42,631)

**Declan Ryan**

Director of the company and Irelandia II Limited.

Rental paid to Irelandia II Limited in 2010 €73,743 (2009 : Nil)

**John Kennedy**

Director of the company and Diageo Ireland Holdings.

Income received from Diageo Ireland Holdings in 2010 €82,125 (2009 : €137,500).

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**13. Non-audit services**

In common with many other businesses of similar size and nature we require our auditors to assist in the preparation of the statutory financial statements.

**14. Approval of financial statements**

The financial statements were approved by the Board on