

SOCIAL ENTREPRENEURS IRELAND LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011**

SOCIAL ENTREPRENEURS IRELAND LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Contents	Pages
Company Information	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 5
Statement of Financial Activities	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9 - 14
The following pages do not form part of the statutory financial statements	
Schedule 1 - Charitable Activities	16
Schedule 2 - Costs of Generating Funds	17
Schedule 3 - Governance Costs	18

SOCIAL ENTREPRENEURS IRELAND LIMITED

**COMPANY INFORMATION
AS AT 31 DECEMBER 2011**

DIRECTORS

Julian Davis
Maurice Healy
John Kennedy
Cormac Lynch
Alice O'Sullivan (Resigned 07/07/2011)
Declan Francis Ryan
Gerry Kearney
Clodagh Hughes (Appointed 07/07/2011)
Brian MacCraith (Appointed 23/03/2011)

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

SOCIAL ENTREPRENEURS IRELAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors present their report and the financial statements for the year ended 31 December 2011.

RESULTS

Surplus/(Deficit) for the financial year	€ <u>(244,039)</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 secure sufficient funding to meet its long term objectives particularly given the current economic climate, that it fails to meet the objectives or expectations of its major donors and the risk that the company's charitable status is withdrawn.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company has successfully executed on its current strategic plan which runs from 2010 to the end of 2013. It has passed the strategic goals in the business plan relating to the selection and support of high potential, early stage social entrepreneurs. It is also ahead of schedule to meet the overall funding targets set out in the business plan. The budget estimate for 2012 is €1,756,500 and the surplus for the current financial year will be used to fund planned 2012 activities, lessening the amount of new funding that needs to be secured for 2012 and therefore the risks and uncertainties facing the company, and to ensure sufficient reserves are maintained by the company in accordance with our reserves policy.

The company also supported a significant new programme, Wave Change, which is a new civic action initiative for 16-25 year olds and the organisations and individuals who support them. Additional funding to underwrite the full costs of the programme (which is scheduled to run from 2011 to 2013) has been secured from an additional funder.

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

It has been agreed by the board that a new strategic planning process will commence in late 2012 or early 2013, to be completed by the middle of 2013 that will supersede the current strategic plan once it expires at the end of 2013.

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:

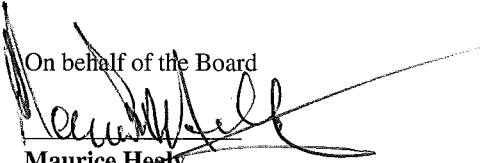
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 2012 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


Maurice Healy

Director


Gerry Kearney

Director

Date : 1st November 2012

SOCIAL ENTREPRENEURS IRELAND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOCIAL ENTREPRENEURS IRELAND LIMITED FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Social Entrepreneurs Ireland Limited for the year ended 31 December 2011 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 2012. 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 14 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 2011**

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 2011 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2012.

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:

SOCIAL ENTREPRENEURS IRELAND LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011**

		Restricted	Unrestricted	Continuing Activities	
	Notes	Funds	Funds	Total	Total
		EUR€	EUR€	2011	2010
		EUR€	EUR€	EUR€	EUR€
INCOMING RESOURCES					
Incoming resources from generated funds					
- Voluntary income	2 (a)	153,167	1,044,800	1,197,967	1,139,393
- Investment income	2 (b)	-	6,477	6,477	-
TOTAL INCOMING RESOURCES		<u>153,167</u>	<u>1,051,277</u>	<u>1,204,444</u>	<u>1,139,393</u>
RESOURCES EXPENDED					
Costs of generating funds					
- costs of generating voluntary income	3	-	(201,804)	(201,804)	(309,661)
Charitable activities	4	(124,848)	(1,034,732)	(1,159,580)	(664,647)
Governance costs	5	(500)	(86,599)	(87,099)	(97,179)
TOTAL RESOURCES EXPENDED		<u>(125,348)</u>	<u>(1,323,135)</u>	<u>(1,448,483)</u>	<u>(1,071,487)</u>
Net incoming/(outgoing) resources / Net movement in funds for the year	6	27,819	(271,858)	(244,039)	67,906
Reconciliation of Funds					
Total funds brought forward		-	1,667,510	1,667,510	1,599,604
TOTAL FUNDS CARRIED FORWARD		<u>27,819</u>	<u>1,395,652</u>	<u>1,423,471</u>	<u>1,667,510</u>

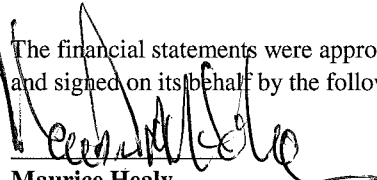
Continuing operations

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:


Maurice Healy
Director


Gerry Kearney
Director

The notes on pages 9 - 14 form part of these financial statements

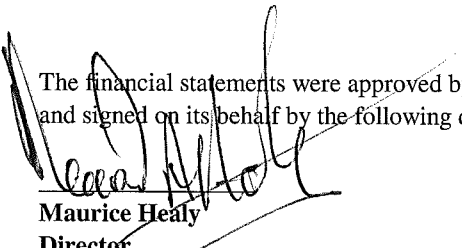
SOCIAL ENTREPRENEURS IRELAND LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2011**

	Notes	2011 EUR€	2010 EUR€
CURRENT ASSETS			
Debtors	9	127,050	60,500
Cash at bank and in hand		1,922,454	1,873,131
		<u>2,049,504</u>	<u>1,933,631</u>
CREDITORS: amounts falling due within one year	10	<u>(626,033)</u>	<u>(266,121)</u>
NET CURRENT ASSETS		<u>1,423,471</u>	<u>1,667,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,423,471</u>	<u>1,667,510</u>
FUNDED BY			
Restricted funds		27,819	-
Unrestricted funds		1,395,652	1,667,510
TOTAL ACCUMULATED FUNDS	11	<u>1,423,471</u>	<u>1,667,510</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:


Maurice Healy
Director


Gerry Kearney
Director

The notes on pages 9 - 14 form part of these financial statements

SOCIAL ENTREPRENEURS IRELAND LIMITED

**CASHFLOW
AS AT 31 DECEMBER 2011**

	Notes	2011 EUR€	2010 EUR€
Reconciliation of operating (deficit)/surplus to net cash inflow from operating activities			
Operating (deficit)/surplus		(244,039)	67,906
(Increase) in debtors		(66,550)	31,563
Increase in creditors		359,912	(132,080)
Net cash inflow from operating activities		<u>49,323</u>	<u>(32,611)</u>
Net cash inflow from operating activities		49,323	(32,611)
Increase in cash in the year		<u>49,323</u>	<u>(32,611)</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		49,323	(32,611)
Net funds at 1 January 2011		<u>1,873,131</u>	<u>1,905,742</u>
Net funds at 31 December 2011		<u>1,922,454</u>	<u>1,873,131</u>

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)

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.

..... continued

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.

Reserves

The company has implemented a reserve policy to ensure that the company holds enough reserves to fund existing multi annual committed expenditure, to fund any shortfall in income, and to fund the operations of the company for the foreseeable future.

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

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

	Restricted EUR€	Unrestricted EUR€	2011 Total EUR€	2010 Total EUR€
Grants	153,167	1,044,800	1,197,967	1,139,393
Total	<u>153,167</u>	<u>1,044,800</u>	<u>1,197,967</u>	<u>1,139,393</u>

(b) Other incoming resources

	2011 EUR€	2010 EUR€
Deposit interest	<u>6,477</u>	<u>-</u>

SOCIAL ENTREPRENEURS IRELAND LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

..... continued

3. Costs of Generating Voluntary Income			2011	2010
	Restricted EUR€	Unrestricted EUR€	Total EUR€	Total EUR€
Wages and salaries	-	129,488	129,488	185,131
Membership fees	-	8,409	8,409	22,598
Other fundraising costs	-	17,010	17,010	5,341
Awards ceremony costs apportioned	-	15,926	15,926	23,749
Marketing and PR costs - apportionment (note 4)	-	12,134	12,134	21,132
Rent and office costs apportioned (note 4 and note 5)	-	18,837	18,837	51,710
	-	201,804	201,804	309,661

4. Expenditure on Charitable Activities			2011	2010
	Restricted EUR€	Unrestricted EUR€	Total EUR€	Total EUR€
Awardees	-	531,601	531,601	347,198
Other charitable activities	-	137,360	137,360	100,000
Wages and salaries	87,730	190,605	278,335	124,125
Support costs	37,118	34,953	72,071	13,773
Awards ceremony costs apportioned	-	31,901	31,901	23,749
Marketing and PR costs apportioned (note 3)	-	24,305	24,305	21,132
Rent and office costs apportioned (note 3 and note 5)	-	84,007	84,007	34,670
	124,848	1,034,732	1,159,580	664,647

5. Governance Costs			2011	2010
	Restricted EUR€	Unrestricted EUR€	Total EUR€	Total EUR€
Wages and salaries	-	69,662	69,662	72,773
Audit	-	6,050	6,050	4,000
Rent incl services (net)	-	9,027	9,027	15,624
Office & other costs (net)	500	1,860	2,360	4,783
	500	86,599	87,099	97,180

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

6. Net incoming resources for the year	2011	2010
	EUR€	EUR€
This is stated after charging:		
Auditors' remuneration	6,050	4,000

SOCIAL ENTREPRENEURS IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

..... continued

7. Employees

Number of employees

The average monthly numbers of employees during the year were:

	2011 Number	2010 Number
Administration	<u>6</u>	<u>5</u>

Employment costs

	2011 EUR€	2010 EUR€
Wages and salaries	438,393	343,611
Other pension costs	39,092	38,418
	<u>477,485</u>	<u>382,029</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

	2011 EUR€	2010 EUR€
Other debtors	<u>127,050</u>	<u>60,500</u>

10. Creditors: amounts falling due within one year

	2011 EUR€	2010 EUR€
Accrued General Expenditure	74,252	-
Accrued Awardee Commitments	551,781	266,121
	<u>626,033</u>	<u>266,121</u>

SOCIAL ENTREPRENEURS IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

..... continued

11. Funds

(a) Reconciliation of funds	Restricted EUR€	Unrestricted EUR€	2011 EUR€	2010 EUR€
Net incoming resources for the year	27,819	(271,858)	(244,039)	67,906
Total funds at beginning of the year	-	1,667,510	1,667,510	1,599,604
Total funds at end of the year	<u>27,819</u>	<u>1,395,652</u>	<u>1,423,471</u>	<u>1,667,510</u>

(b) Movements in funds

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

	Restricted EUR€	Unrestricted EUR€	2011 EUR€	2010 EUR€
General Funds	27,819	755,652	783,471	1,667,510
Required reserves	-	640,000	640,000	-
Total funds	<u>27,819</u>	<u>1,395,652</u>	<u>1,423,471</u>	<u>1,667,510</u>

In the prior year general funds included €1,373,000 as Funds Designated to run the 2011 Budget. In the current year the company has implemented a Required Reserves Policy to fund, at a minimum, the activities for the next six months. General funds in the current year include funds that are required to run the budget for the remainder of 2012 and surplus funds available.

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 2011 €36,721 (2010 : €39,933)

Declan Ryan is a director of the company and Irelandia II Limited.

Rental paid to Irelandia II Limited in 2011 €86,868 (2010 :73,743)

John Kennedy is a director of the company and Diageo Ireland Holdings.

Income receivable from Diageo Ireland Holdings in 2011 €66,550 (2010 :€82,125).

SOCIAL ENTREPRENEURS IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

..... continued

13. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	EUR€	EUR€	EUR€
Cash at bank and in hand	1,873,131	49,323	1,922,454
Net funds	<u>1,873,131</u>	<u>49,323</u>	<u>1,922,454</u>

14. 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.

15. Approval of financial statements

The financial statements were approved by the Board on^{1st} November 2012