

SOCIAL ENTREPRENEURS IRELAND LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2009**

SOCIAL ENTREPRENEURS IRELAND LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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DIRECTORS

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

SECRETARY

Sean Damian Coughlan

REGISTERED OFFICE

No. 14 - 15 St. Stephen's Green
Dublin 2

REGISTERED NUMBER

433846

INDEPENDENT AUDITORS

Doody Crowley
First Floor
11/12 Warrington Place
Dublin 2

BUSINESS ADDRESS

No. 14 - 15 St. Stephen's Green
Dublin 2

SOLICITORS

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

PRINCIPAL BANKERS

Bank of Ireland
39 St. Stephens Green East
Dublin 2

The directors present their report and the financial statements for the year ended 31 December 2009.

RESULTS

€

Surplus for the financial year

822,091

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that it fails to meet the objectives or expectations of its major donors and the risk that its charitable status is withdrawn.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 116 social entrepreneurs since inception. The budget estimate for the 2010 financial year is €1,235,000 and the surplus for the current financial year will be used to fund planned 2010 activities, lessening the amount of new funding that needs to be secured for 2010 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

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial year ended 31 December 2009.

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, 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

Director

Director

Date :

SOCIAL ENTREPRENEURS IRELAND LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOCIAL ENTREPRENEURS IRELAND LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2009**

We have audited the financial statements of Social Entrepreneurs Ireland Limited for the year ended 31 December 2009 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 12 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 2009**

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 2009 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.

**DOODY CROWLEY
FIRST FLOOR
11/12 WARRINGTON PLACE
DUBLIN 2**

REGISTERED AUDITORS

Date:

SOCIAL ENTREPRENEURS IRELAND LIMITED**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2009**

		Restricted	Unrestricted	Continuing Activities	
	Notes	Funds	Funds	Total	Total
		EUR€	EUR€	2009	2008
				EUR€	EUR€
INCOMING RESOURCES					
Incoming resources from generated funds					
- Voluntary income	2 (a)	225,000	1,952,500	2,177,500	1,780,000
- Investment income	2 (b)	-	24,002	24,002	10,567
TOTAL INCOMING RESOURCES		<u>225,000</u>	<u>1,976,502</u>	<u>2,201,502</u>	<u>1,790,567</u>
RESOURCES EXPENDED					
Costs of generating funds					
- costs of generating voluntary income	3	-	(264,997)	(264,997)	(180,176)
Charitable activities	4	(220,000)	(839,975)	(1,059,975)	(992,697)
Governance costs	5	-	(54,439)	(54,439)	(37,661)
TOTAL RESOURCES EXPENDED		<u>(220,000)</u>	<u>(1,159,411)</u>	<u>(1,379,411)</u>	<u>(1,210,534)</u>
Net incoming resources / Net movement in funds for the year	6	5,000	817,091	822,091	580,033
Reconciliation of Funds					
Total funds brought forward		-	777,513	777,513	197,480
TOTAL FUNDS CARRIED FORWARD		<u>5,000</u>	<u>1,594,604</u>	<u>1,599,604</u>	<u>777,513</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:

Director

Director

The notes on pages 8 - 12 form part of these financial statements

SOCIAL ENTREPRENEURS IRELAND LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Notes	2009 EUR€	2008 EUR€
CURRENT ASSETS			
Debtors	9	92,063	-
Cash at bank and in hand		1,905,741	1,091,555
		<u>1,997,804</u>	<u>1,091,555</u>
CREDITORS: amounts falling due within one year	10	<u>(398,200)</u>	<u>(314,042)</u>
NET CURRENT ASSETS		<u>1,599,604</u>	<u>777,513</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,599,604</u>	<u>777,513</u>
FUNDED BY			
Restricted funds		5,000	-
Unrestricted funds		1,594,604	777,513
TOTAL ACCUMULATED FUNDS	11	<u>1,599,604</u>	<u>777,513</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:

Director

Director

The notes on pages 8 - 12 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 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

	Restricted EUR€	Unrestricted EUR€	2009 Total EUR€	2008 Total EUR€
Grants	225,000	1,952,500	2,177,500	1,780,000
Total	<u>225,000</u>	<u>1,952,500</u>	<u>2,177,500</u>	<u>1,780,000</u>

The One Foundation funded €1,640,000 of the unrestricted funding in 2009. €1,230,000 of these funds have been designated to support the 2010 budget.

(b) Other incoming resources

	2009 EUR€	2008 EUR€
Deposit interest	<u>24,002</u>	<u>10,567</u>

3. Costs of Generating Voluntary Income

	Restricted EUR€	Unrestricted EUR€	2009 Total EUR€	2008 Total EUR€
Wages and salaries	-	164,657	164,657	122,062
Membership fees	-	19,754	19,754	2,546
Other fundraising costs	-	13,906	13,906	7,851
Awards, marketing and PR costs - 50% apportionment (note 4)	-	41,783	41,783	28,994
Rent and office costs apportioned (note 5)	-	24,897	24,897	18,723
	<u>-</u>	<u>264,997</u>	<u>264,997</u>	<u>180,176</u>

SOCIAL ENTREPRENEURS IRELAND LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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4. Expenditure on Charitable Activities	Restricted	Unrestricted	2009	2008
	EUR€	EUR€	Total	Total
			EUR€	EUR€
Level 1 awardees	120,000	-	120,000	120,000
Level 2 awardees	-	635,191	635,191	512,145
TCD Initiative	100,000	-	100,000	30,020
Diageo campaign	-	5,664	5,664	-
Ashoka fellowship	-	-	-	149,608
Wages and salaries	-	110,083	110,083	108,183
Support costs	-	30,610	30,610	27,152
Awards, marketing and PR costs apportioned (note 3)	-	41,783	41,783	28,993
Rent and office costs apportioned (note 5)	-	16,644	16,644	16,596
Total	<u>220,000</u>	<u>839,975</u>	<u>1,059,975</u>	<u>992,697</u>

5. Governance Costs	2009	2008
	Total	Total
	EUR€	EUR€
Wages and salaries	43,516	29,395
Audit	4,345	3,757
Rent incl services (net)	2,715	2,245
Office & other costs (net)	3,863	2,264
	<u>54,439</u>	<u>37,661</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.

6. Net incoming resources for the year	2009	2008
	EUR€	EUR€
This is stated after charging:		
Auditors' remuneration	<u>4,345</u>	<u>3,757</u>

..... continued

7. Employees

Number of employees

The average monthly numbers of employees during the year were:

	2009	2008
	Number	Number
Administration	4	4

Employment costs

	2009	2008
	EUR€	EUR€
Wages and salaries	318,256	259,640

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

	2009	2008
	EUR€	EUR€
Other debtors	92,063	-

10. Creditors: amounts falling due within one year

	2009	2008
	EUR€	EUR€
Taxes and social security costs	29,563	-
Accrued Expenditure	368,637	314,042
	398,200	314,042

Tax Creditors

Taxes and social security costs included in creditors:

V.A.T. control account	29,563	-
	29,563	-

..... continued

11. Funds

(a) Reconciliation of funds

	Restricted EUR€	Unrestricted EUR€	2009 EUR€	2008 EUR€
Net incoming resources for the year	5,000	817,091	822,091	580,033
Total funds at beginning of the year	-	777,513	777,513	197,480
Total funds at end of the year	<u>5,000</u>	<u>1,594,604</u>	<u>1,599,604</u>	<u>777,513</u>

(b) Movements in funds

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

	Restricted EUR€	Unrestricted EUR€	2009 EUR€	2008 EUR€
General Funds	-	364,604	364,604	777,513
Designated funds allocated to the 2010 budget	5,000	1,230,000	1,235,000	-
Total funds	<u>5,000</u>	<u>1,594,604</u>	<u>1,599,604</u>	<u>777,513</u>

12. 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.

13. Approval of financial statements

The financial statements were approved by the Board on