

SO Europe Eurasia Foundation

Reports and Financial Statements
for the period from 23 June 2009 (date of
incorporation) to 31 December 2010

SO EUROPE EURASIA FOUNDATION

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 23 JUNE 2009 (DATE OF INCORPORATION) TO 31 DECEMBER 2010

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SO EUROPE EURASIA FOUNDATION
DIRECTORS AND OTHER INFORMATION

DIRECTORS

Mr. Brian McLoughlin
Mr. Jack Brady Lum
Mr. Osmond James Kilkenny

COMPANY SECRETARY

The Secretarial Company Limited

REGISTERED OFFICE

Suite 3
One Earlsfort Centre
Lower Hatch Street
Dublin 2

COMPANY REGISTERED NUMBER

472268

SOLICITORS

Eversheds O'Donnell Sweeney
One Earlsfort Centre
Earlsfort Terrace
Dublin 2

PRINCIPAL BANKERS

Bank of Ireland
2 College Green
Dublin 2

AUDITORS

Deloitte & Touche
Chartered Accountants
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

SO EUROPE EURASIA FOUNDATION

DIRECTORS' REPORT

The directors present their report together with the financial statements for the period ended 31 December 2010.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The Company's principal activities are to benefit the community through the provision of financial assistance to support the Special Olympics mission which is to provide year-round sports training and athletic competition in a variety of Olympic type sport for children and adults with a learning disability, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community.

Our future plans are to continue to raise finance through grant assistance and administrate this finance to promote awareness for Special Olympics and support athletic activities.

RISK AND UNCERTAINTIES

Irish Company law requires the Company to give a description of the principal risks and uncertainties which it faces. The activities in which the Company is engaged are constantly evolving and the list below of the principal risks for the Company is considered to be dynamic in nature:

- The continued support of our benefactors is necessary to continue to administrate the Special Olympic mission;
- Any adverse loss of key management may have an impact on the Company.

REVIEW OF ACTIVITIES

The operations of the Company during the period raised €7,413,234 in grant income and supporting funds. As a result there was €7,413,234 of eligible expenditure attributable to this income.

In general there were two grants administered through this period, both relating to the EU Commission. The first grant related to Youth Unified Sports and the second grant related to preparatory action in the field of sport. Interest receivable during the period was €47,052.

DIRECTORS AND SECRETARY

The current directors and secretary are set out on page 2. The directors, Mr. Brian McLoghlin, Mr. Jack Brady Lum and Mr. Osmond James Kilkenny were appointed on 23 June 2009 (date of incorporation). There were no other changes in directors and secretaries during the period.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since period end.

BOOKS OF ACCOUNT

To ensure that proper books and accounting records are kept in accordance with Section 202 Companies Act, 1990, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at 3rd Floor, Morrison Chambers, 32 Nassau Street, Dublin 2.

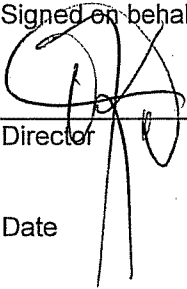
SO EUROPE EURASIA FOUNDATION

DIRECTORS' REPORT

AUDITORS

The auditors, Deloitte & Touche, Chartered Accountants, who were appointed during the period, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:



Director



Director

Date

18/02/2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the net incoming or outgoing resources of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2009. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SO EUROPE EURASIA FOUNDATION
(A company limited by guarantee and not having a share capital)**

We have audited the financial statements of SO Europe Eurasia Foundation for the period from 23 June 2009 (date of incorporation) to 31 December 2010 which comprises the Statement of Accounting Policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

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 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

The directors are responsible for preparing the financial statements, as set out in the Statement of Directors' Responsibilities, in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements 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, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising 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 and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit and whether the company's balance sheet and statement of financial activities are in agreement with the books of account.

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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board except that the scope of our work was limited as explained below. 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 of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SO EUROPE EURASIA FOUNDATION
(A company limited by guarantee and not having a share capital)**

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 affairs of the company as at 31 December 2010 and of its net incoming resources for the period 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 considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The company's Balance Sheet and its Statement of Financial Activities are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Deloitte Touche

Chartered Accountants and Registered Auditors
Dublin

Date

21 February 2011

SO EUROPE EURASIA FOUNDATION

STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009.

As a company limited by guarantee, the company is exempt from the reporting and disclosure requirements of the Companies (Amendment) Act, 1986.

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

INCOMING RESOURCES

- (i) Revenue grant income from operating activities is accounted for on a receivable basis.
- (ii) Bank deposit interest is credited to income on a receivable basis.
- (iii) Other income is accounted for on a receipts basis.

FOREIGN CURRENCIES

Transactions in foreign currencies during the year are translated at prevailing rates. Foreign currency balances have been translated at the rate of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the statement of financial activities.

TAXATION

No charge to taxation arises due to the exempt status of the company.

Irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

RESTRICTED AND UNRESTRICTED FUNDS

Restricted funds represent income, which has been received and is receivable, and recognised in the financial statements, which is subject to specific conditions imposed by the donors or grant making institutions. Donations or grants may become repayable in the event that the conditions of the related agreements are not adhered to.

Unrestricted funds represent amounts which are expendable at the discretion of the company, in furtherance to the objects of the organisation and which have not been designated for other purposes.

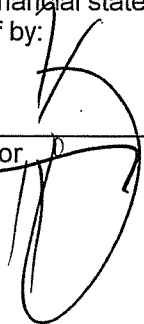
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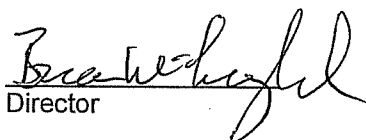
STATEMENT OF FINANCIAL ACTIVITIES
 (INCLUDING STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
 FOR THE PERIOD FROM 23 JUNE 2009 (DATE OF INCORPORATION) TO 31 DECEMBER 2010

	Notes	Restricted Funds 23/06/2009 to 31/12/2010 €	Unrestricted Funds 23/06/2009 to 31/12/2010 €	Total Funds 23/06/2009 to 31/12/2010 €
Incoming resources:	1			
Incoming resources from general funds:				
- Grant income		7,413,234	-	7,413,234
- Investment income	2	-	47,052	47,052
Total incoming resources		7,413,234	47,052	7,460,286
Resources expended:				
Charitable activities		7,413,234	-	7,413,234
Total resources expended		7,413,234	-	7,413,234
Net incoming resources	3	-	47,052	47,052
Total funds brought forward		-	-	-
Total funds carried forward	9	-	47,052	47,052

The net incoming resources arise solely from continuing activities. All recognised gains and losses for the current year are included in the Statement of Financial Activities.

The financial statements were approved by the Board of Directors on 18/2/2011 and signed on its behalf by:

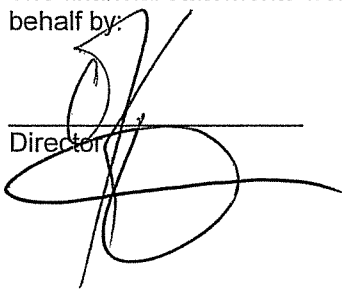
Director 


 Director

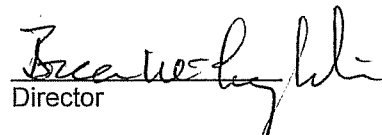
SO EUROPE EURASIA FOUNDATION
BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	31/12/2010 €
CURRENT ASSETS		
Debtors	5	1,643,273
Cash at bank and in hand		4,549,069
		<u>6,192,342</u>
CREDITORS: (Amounts falling due within one year)	6	6,145,290
NET CURRENT ASSETS		<u>47,052</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>47,052</u></u>
 REPRESENTED BY:		
Restricted funds	7	-
Unrestricted funds	7	47,052
TOTAL FUNDS	7	<u><u>47,052</u></u>

The financial statements were approved by the Board of Directors on 18/2/2011 and signed on its behalf by:



 Director



 Director

SO EUROPE EURASIA FOUNDATION

CASH FLOW STATEMENT

FOR THE PERIOD FROM 23 JUNE 2009 (DATE OF INCORPORATION) TO 31 DECEMBER 2010

	<i>Notes</i>	Period from 23/06/2009 to 31/12/2010 €
NET CASH INFLOW FROM OPERATING ACTIVITIES	9	4,502,017
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest receivable		47,052
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		4,549,069
INCREASE IN CASH	10	<u>4,549,069</u>

SO EUROPE EURASIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 23 JUNE 2009 (DATE OF INCORPORATION) TO 31 DECEMBER 2010

1. INCOMING RESOURCES

The total incoming resources for the year have been derived from revenue grants, matching funding including voluntary income and investment income and revenue grants.

2. INVESTMENT INCOME

Period from
23/06/2009 to
31/12/2010
€

Deposit interest

47,052

3. NET INCOMING RESOURCES FOR THE PERIOD

Period from
23/06/2009 to
31/12/2010
€

Net incoming resources for the period
is stated after charging:

Directors' remuneration

-

Auditor's remuneration

12,000

No member of the board of directors received any remuneration from the company during the year. Members of committees receive reimbursement for vouched travel expenses.

4. TAXATION

As a result of the company's charitable status, no charge to corporation tax arises under the provision of Section 207 of the Taxes Consolidation Act, 1997.

5. DEBTORS: (Amounts falling due within one year)

31/12/2010
€

Grant receivable

1,527,483

National programme debtors

67,672

Interest receivable

47,052

Sundry debtors

1,066

1,643,273

SO EUROPE EURASIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 23 JUNE 2009 (DATE OF INCORPORATION) TO 31 DECEMBER 2010

6. CREDITORS: (Amounts falling due within one year)	31/12/2010
	€
Special Olympics Incorporation Loan (note 10)	4,466,724
Games Organising Committees (note 10)	1,153,992
Special Olympics Europe Eurasia (note 10)	383,407
Deferred grant income	119,991
Other creditors and accruals	16,350
National programme creditors	4,826
	<u>6,145,290</u>

7. TOTAL FUNDS	Restricted Funds	Unrestricted Funds	Total Funds
	€	€	€
(a) Reconciliation of funds:			
Fund balance at 23 June 2009	-	-	-
Net movements	-	47,052	47,052
Fund balances at 31 December 2010	<u>-</u>	<u>47,052</u>	<u>47,052</u>
(b) Analysis of net assets between funds:			
Current assets	6,148,630	47,052	6,195,682
Current liabilities	(6,148,630)	-	(6,148,630)
	<u>-</u>	<u>47,052</u>	<u>47,052</u>

8. TOTAL FUNDS (CONTINUED)				
(c) Movements in funds:				
	Balance as at 23/06/2009	Incoming resources	Resources expended	Balance 31/12/2010
	€	€	€	€
Restricted funds	-	7,413,234	(7,413,234)	-
Unrestricted funds	-	47,052	-	47,052
Total funds	<u>-</u>	<u>7,460,286</u>	<u>(7,413,234)</u>	<u>47,052</u>

SO EUROPE EURASIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM 23 JUNE 2009 (DATE OF INCORPORATION) TO 31 DECEMBER 2010

9. RECONCILIATION OF INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES	Period from 23/06/2009 to 31/12/2010 €
Net incoming resources for the year	47,052
Interest earned	(47,052)
Increase in debtors	(1,646,613)
Increase in creditors	6,148,630
	4,502,017
	4,502,017

10. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH FUNDS	Period from 23/06/2009 to 31/12/2010 €
Increase in cash in the year	4,549,069
Net funds at 23 June 2009	-
	4,549,069
	4,549,069

11. RELATED PARTIES

SO Europe Eurasia Foundation (SOEEF) is controlled by Special Olympics Incorporation (SOI). Two of the three directors from the company are on the Board of SOI. There is €4,466,724 due to SOI from the company at 31 December 2010. The balance is represented by €266,724 which is due on demand with the remaining amount of €4.2m due once the EU Commission releases Bank of Ireland from their bank guarantee commitments under the EU Commission grant agreement. No interest will be charged on these advances.

Special Olympics Europe Eurasia (SOEE) is an Irish registered branch of SOI. It is related to the company by common directorships. During the period SOEE recharged salaries and other consultancy costs €431,297 to the company and received net advances from the company of €47,890. The company owes SOEE €383,407 at the period end.

Gaming Organisation Committees (GOCs) are independent legal entities organised exclusively to plan, organise, finance and conduct their Games. Unless otherwise specifically agreed, neither SOI, SOEE nor the company shall have any obligations to the GOC or to any other party. However representatives both from SOI and SOEE advise and guide the GOCs.

GOC Athens incurred grant aided expenditure of €3,150,000 which was financed by €1,555,000 from SOEEF European Commission grant and external matching funding of €900,000 required under the European Commission grant. SOEEF owes GOC Athens €695,000 at the period end.

GOC Poland incurred grant aided expenditure of €2,020,862 which was financed by €1,030,000 from SOEEF European Commission grant and external matching funding of €531,870 required under the European Commission grant. SOEEF owes GOC Poland €458,992 at the period end.

MANAGEMENT INFORMATION

(NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT)

SO EUROPE EURASIA FOUNDATION

SCHEDULE 1: INCOMING RESOURCES

	Period from 23/06/2009 to 31/12/2010 €	Period from 23/06/2009 to 31/12/2010 €
Incoming resources:		
Special Olympics: Changing Lives (EAC-2010-1004)	5,727,483	
Other matching funds	1,431,870	
	<u>7,159,353</u>	7,159,353
Special Olympics: Youth Unified Sports (2009-11784)	199,563	
Other matching funds	54,318	
	<u>253,881</u>	253,881
		<u>7,413,234</u>
Investment income:		47,052
- Deposit interest		<u>7,460,286</u>

SO EUROPE EURASIA FOUNDATION

SCHEDULE 2: RESOURCES EXPENDED

Period from
23/06/2009 to
31/12/2010
€

Resources expended:

Charitable activities:

Special Olympics – Changing Lives (EAC-2010-1004)

Project staff	918,921
Project travel and subsistence	218,097
Consumables and supplies	4,880,967
Implementation costs	384,352
Other direct costs	404,356
Indirect costs/overheads	352,660

7,159,353

Special Olympics: Youth Unified Sports (2009-11784)

253,881

7,413,234

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