

Irish Fair Trade Network Limited

Reports and Financial Statements  
for the year ended  
31 December 2009

**IRISH FAIR TRADE NETWORK LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

---

**CONTENTS**

	<b>PAGES</b>
DIRECTORS AND OTHER INFORMATION	2
REPORT OF THE DIRECTORS	3 - 6
STATEMENT OF DIRECTORS' RESPONSIBILITIES	7
INDEPENDENT AUDITOR'S REPORT	8 - 9
STATEMENT OF ACCOUNTING POLICIES	10 - 11
STATEMENT OF FINANCIAL ACTIVITIES	12
BALANCE SHEET	13
CASH FLOW STATEMENT	14
NOTES TO THE FINANCIAL STATEMENTS	15 - 21
SUPPLEMENTARY INFORMATION	22 - 24

**IRISH FAIR TRADE NETWORK LIMITED**

**DIRECTORS AND OTHER INFORMATION**

---

**DIRECTORS**

David Joyce  
Michael Doorly  
Morína O'Neill (Resigned 31/03/2010)  
Oisín Coghlan  
Lino Olivieri (Italian)  
Colin Roche  
Norman Hewson  
David McNair (Resigned 28/01/2009)  
Niamh Garvey (Resigned 31/12/2009)

**SECRETARY AND REGISTERED OFFICE**

John Daly  
Carmichael House  
North Brunswick Street  
Dublin 7

**AUDITORS**

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

**BUSINESS ADDRESS**

Carmichael House  
North Brunswick Street  
Dublin 7

**BANKERS**

Bank of Ireland  
Smithfield  
Dublin 7

**SOLICITORS**

Noonan & Linehan  
54 North Main Street  
Cork

**CHARITY STATUS NUMBER**

CHY 11264

**COMPANY NUMBER**

217128

## IRISH FAIR TRADE NETWORK LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2009

---

The directors present their annual report and financial statements of the company for the year ended 31 December 2009. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 and comply with the company's Memorandum and Articles of Association, applicable Company Law and, as far as possible, the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities".

#### Objects and policies

Irish Fair Trade Network (IFTN) is a non-governmental organisation established in 1992 and incorporated in Ireland as a company limited by guarantee and not having a share capital on 12 May 1994. It was granted charitable status for tax purposes by the Revenue Commissioners on 17 May 1995. Its Memorandum of Association defines the organisation's 'principal objects' as being:

- a) To alleviate poverty in developing countries through the promotion of awareness among the Irish public of the needs of developing countries and, in particular, without prejudice to the generality of the foregoing, to educate and promote awareness among the Irish public of the need for fair trading practices between Ireland and developing countries.
- b) To promote and to provide, where appropriate, educational facilities, including education materials, resource centres, and training programmes, for the Irish public on the needs of developing countries and, in particular, without prejudice to the generality of the foregoing, on the need for and development of fair trading practices between Ireland and developing countries.

The company can do all such other lawful things as are incidental to and conducive to the attainment of the foregoing objects.

To achieve its objectives IFTN currently has three main activities: (1) Fairtrade labelling, (2) development education in Ireland and (3) support for small-scale producers and plantation workers in Central America and East Africa.

Fairtrade Labelling: Since 1996, work with businesses to promote the availability of products with the FAIRTRADE Mark has been the main project of IFTN; in November that year Bewley's Ltd imported the first two tonnes of Fairtrade certified coffee to Ireland. The FAIRTRADE Mark on a product is independent certification that it meets internationally agreed Fairtrade standards and that the small-holders or plantation workers who produce it receive a fair return for their work. IFTN carries out this work under the name *Fairtrade Mark Ireland*, which it registered as a business name on 21 October 2002.

IFTN is a founder member of Fairtrade Labelling Organizations International (FLO), based in Germany, the umbrella organisation responsible for the international standards that underpin Fairtrade. Fairtrade is distinguished from all similar schemes by two things: a guaranteed minimum price and a Fairtrade premium. The Fairtrade minimum price is set at a level that covers the cost of sustainable production. It acts as a safety net at times when world market prices fall below a sustainable level; when the market price is higher than the Fairtrade minimum price, the buyer must pay the market price or negotiate a higher price. The Fairtrade premium is a sum of money paid on top of the agreed price for investment in social, environmental or economic development projects. Its use is decided upon democratically by producers within a farmers' organisation (usually a cooperative) or by workers and management on a plantation.

Products with the FAIRTRADE Mark are now widely available in shops, restaurants and cafés throughout Ireland and in all the main supermarkets, including Centra, Dunnes Stores, Lidl, Marks & Spencer, Spar, Superquinn, SuperValu and Tesco. The range of products includes coffee, tea, sugar, bananas, chocolate, cocoa, confectionery, cosmetics, biscuits, fresh and dried fruit, ice cream, nuts, spices, fruit juice, honey, jams, rice, wine, oils, cotton and footballs.

In 2009, research by IMS Millward Brown showed that 64 per cent of Irish adults recognise the FAIRTRADE Mark, up from 16 per cent in 2002. Irish consumers spent an estimated €118 million on products with the FAIRTRADE Mark in 2009, an increase of 27 per cent over 2008.

## IRISH FAIR TRADE NETWORK LIMITED

### REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

---

*Development Education:* As well as working with businesses, Fairtrade Mark Ireland does educational work with the Irish public, promoting the FAIRTRADE Mark and the benefits of Fairtrade. This is done mainly through (1) Fairtrade Towns, particularly during (2) Fairtrade Fortnight each year.

Local voluntary steering groups work to get their town or city to fulfil six goals which qualify the town or city for Fairtrade Town status. The goals include official support by the town or city council and widespread local availability of Fairtrade certified products. Fairtrade Mark Ireland organises an annual workshop for representatives of Fairtrade Town groups. At the end of 2009 there were 45 Fairtrade Towns and Cities, North and South, and a further 29 towns were working to achieve Fairtrade Town status.

Fairtrade Fortnight is Fairtrade Mark Ireland's main awareness-raising period each year. Events during the Fortnight include visits of producers from Fairtrade certified organisations to schools, community groups, town and city councils, businesses and other organisations throughout the country.

*Overseas:* IFTN receives grants from Irish Aid, the Irish Government's programme of assistance to developing countries. These grants are mainly to assist small-scale producers and plantations workers in Central America (El Salvador, Guatemala, Honduras and Nicaragua) and East Africa (Kenya, Uganda, Tanzania and Ethiopia) to meet international Fairtrade ([www.fairtrade.net](http://www.fairtrade.net)) and Utz Certified ([www.utzcertified.org](http://www.utzcertified.org)) sustainability standards.

In Central America the producer support work is implemented by FLO Central America and by Solidaridad; in East Africa it is implemented by Solidaridad ([www.solidaridad.nl](http://www.solidaridad.nl)), in cooperation with FLO and Utz Certified. The Utz Certified standard sets an "ethical" baseline for trade. Prices are negotiated freely between buyer and seller. Utz considers reduction in input costs, increased yields and improved quality – not the extra premium earned – the main benefits of certification for producers.

#### **Partnerships**

IFTN is supported financially by all the main development and human rights organisations in Ireland – including ActionAid Ireland, Amnesty International (Irish Section), Christian Aid, Comhlámh, Concern, Friends of the Earth, Oxfam Ireland and Trócaire – and by the Irish Congress of Trade Unions. IFTN works closely with Fairtrade Labelling Organizations International (FLO), of which it is a founder member and with its subsidiary FLO Cert, which is responsible for certifying adherence to the standards by producers and traders.

#### **Organisational structure**

Irish Fair Trade Network (IFTN) is incorporated in Ireland as a company limited by guarantee and not having a share capital. The directors, most of whom are drawn from the staff of supporting organisations, meet at least four times a year and have overall responsibility for the policy and strategic management of the organisation. They have adopted a comprehensive policy governance manual, which is systematically reviewed at board meetings. With effect from 1 January 2010, each director can serve for up to six consecutive years. New directors are elected by the existing directors.

#### **Financial results and future activities**

IFTN's work in Ireland is funded by a combination of licence fees paid by companies based on their sales of products which carry the FAIRTRADE Mark; a development education grant from Irish Aid (for work on Fairtrade Fortnight and Fairtrade Towns); and grants from supporting organisations. Licence fees cover an increasing proportion of Fairtrade operating costs in Ireland, and development education grants and grants from supporting organisations a decreasing proportion.

The work IFTN supports in developing countries is funded by Irish Aid, for which it received grants of €3,840,000 in 2009 (€1,532,000 for Central America and €2,308,000 for East Africa), as part of five-year grant agreements with Irish Aid. Further details are set out in note 1 to the financial statements. IFTN has a staff of five.

Despite the recession, sales of Fairtrade certified products continued to grow in Ireland in 2009; retail sales had an estimated value of €118 million. Particularly noteworthy in 2009 were the conversion of Cadbury Dairy Milk – Ireland's favourite chocolate bar – and of all of Starbucks espresso coffee to Fairtrade.

## **IRISH FAIR TRADE NETWORK LIMITED**

### **REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009**

---

Apart from the supply of resources (mainly leaflets, printed materials and videos) on a cost-recovery basis, IFTN does not engage in fundraising activities.

Details of incoming resources and resources expended are set out on page 12. Continuing growth is expected in 2010, with indications that Nestlé's Kit Kat will become Fairtrade certified, together with the entire range of Ben & Jerry's ice creams.

#### **Investment policy**

Surplus cash balances are held in interest-bearing deposit accounts.

#### **Reserves policy**

Reserves are required to smooth fluctuations in income and expenditure and to ensure that resources are available to meet commitments. In 2009 the directors decided that a prudent level of reserves is the equivalent of "not less than four months but not more than six months domestic costs" (i.e. excluding the costs of the overseas activities). The level of reserves is monitored by the directors at board meetings and will be reviewed annually. At 31 December 2009 the level of reserves was €188,634, or approximately four months domestic costs.

#### **Risk management**

The directors regularly review the major risks to which the organisation is exposed. They are satisfied that effective systems exist to mitigate those risks, especially ensuring controls exist over key financial systems, by monitoring reserve levels and by periodically examining the operational and business risks faced by the organisation.

#### **Directors**

The Directors in office during the period and at the date of this report are set out on page 2.

#### **Staff**

The organisation has five staff:

Executive Director	Peter Gaynor
Company Secretary	John Daly
Project Manager	Melanie Drea
Financial Administrator	Dunstan Burke
General Administrator	Emilia Main

#### **Voluntary help and gifts in kind**

IFTN is very grateful to the hundreds of volunteers throughout Ireland who work to promote Fairtrade, especially through Fairtrade Town groups.

**IRISH FAIR TRADE NETWORK LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2009**

---

**Books of Account**

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act, 1990, the directors have employed appropriately qualified accounting personnel and has maintained appropriate computerised accounting systems. The books of account are located at the company's office at Carmichael House, North Brunswick Street, Dublin 7.

**Auditors**

The auditors, Deloitte & Touche Chartered Accountants, continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:

David Joyce  
Director

Colin Roche  
Director

Date: 30 April 2010

## IRISH FAIR TRADE NETWORK LIMITED

### 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 incoming 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 IRISH FAIR TRADE NETWORK LIMITED**

We have audited the financial statements of Irish Fair Trade Network Limited for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 19. 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatement within it.

### **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 of 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 evaluated the overall adequacy of the presentation of information in the financial statements.

*Continued on next page /*

*Continued from previous page /*

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
IRISH FAIR TRADE NETWORK LIMITED**

**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 2009 and of the net incoming resources of the company 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 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 Report of the Directors is consistent with the financial statements.

Chartered Accountants and Registered Auditors  
Dublin

Date: 30 April 2010

## **IRISH FAIR TRADE NETWORK LIMITED**

### **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. The financial statements have been prepared under the historical cost convention and, in as far as possible, in accordance with the Statement of Recommended Practice (SORP) (Revised 2005) "Accounting and Reporting by Charities".

#### **INCOMING RESOURCES**

- (i) Income from donations and miscellaneous income is recognised when invoiced or received, whichever is the earlier.
- (ii) Grant income from Irish Aid for overseas projects is included in the Statement of Financial Activities (SOFA) in the period in which it is received. Other grants accounted for on an accruals basis.
- (iii) Interest income is recognised on a receivable basis.
- (iv) Licence fee income is from companies selling products with the FAIRTRADE mark and is included in the period to which it relates. It is invoiced quarterly in arrears; invoices for the final quarter are estimated, and any under or over provision is reflected in the results of the following period.
- (v) Income from the sale of promotional or educational resources is included when received or when invoiced, whichever is the earlier.
- (vi) The value of volunteer time is not included in the financial statements.

#### **RESOURCES EXPENDED**

Expenditure is included when incurred, and includes attributable VAT which cannot be recovered.

Grants payable for overseas projects are released to expenditure and are included in the Statement of Financial Activities (SOFA) in the period in which they are received and paid to the recipient organisation. Other grants accounted for on an accruals basis.

The majority of costs are directly attributable to specific activities. All costs have been attributed to one of the categories of resources expended in the Statement of Financial Activities. Staff costs are apportioned on the basis of staff time spent on each activity.

#### **SUPPORT COSTS**

Support costs represent the cost of administering projects. They include salaries and related costs, including consultancy costs.

#### **COSTS OF GOVERNMENT AND ADMINISTRATION**

These represent costs incurred running and managing the organisation, including managing and safeguarding the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

#### **GIFTS IN KIND**

Gifts in kind are deemed non-material and are not included in the accounts.

## IRISH FAIR TRADE NETWORK LIMITED

### STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

---

#### **CAPITALISATION AND DEPRECIATION OF TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost less accumulated depreciation. Assets are included where the net cost price is €500 or more. Depreciation of fixed assets is provided on cost in equal instalments over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

Office and Computer Equipment	20%
-------------------------------	-----

#### **FUND ACCOUNTING**

Funds held by the charity are:

*Unrestricted funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the Directors.

*Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

*Designated funds* – these are unrestricted funds which have been set aside for particular purposes by the directors in furtherance of the organisation's charitable objects.

#### **FOREIGN CURRENCIES**

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Affairs (SOFA).

#### **PENSION SCHEME**

The organisation makes defined contributions for employees to a PRSA for each employee, the assets of which are held and managed separately from those of the charity by the pension company Zurich. The annual contributions are charged to the Statement of Financial Activities (SOFA) and the costs for the current year are disclosed in Note 6.

#### **OPERATING LEASES**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities (SOFA).

IRISH FAIR TRADE NETWORK LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Restricted Funds 2009 €	Unrestricted Funds 2009 €	Total Funds 2009 €	Total Funds 2008 €
<b>Incoming resources:</b>					
Incoming resources from generated funds:	1				
- Donations and miscellaneous income		-	8,043	8,043	9,038
- Grants for work in Ireland		89,500	7,000	96,500	103,075
- Grants for work overseas		3,840,000	-	3,840,000	3,250,000
- Interest earned		-	967	967	22,692
Incoming resources from charitable activities	2				
- Licence fees		-	382,702	382,702	285,510
- Resource sales		-	9,062	9,062	16,753
<b>Total incoming resources</b>		<b>3,929,500</b>	<b>407,774</b>	<b>4,337,274</b>	<b>3,687,068</b>
<b>Resources expended:</b>					
Charitable activities	3				
- Fairtrade labelling		-	242,688	242,688	225,081
- Development education		89,500	81,496	170,996	161,378
- Overseas programmes		3,840,000	-	3,840,000	3,250,000
Governance and administration	4	-	41,244	41,244	38,221
<b>Total resources expended</b>		<b>3,929,500</b>	<b>365,428</b>	<b>4,294,928</b>	<b>3,674,680</b>
Net incoming resources retained	5	-	42,346	42,346	12,388
Total funds brought forward	16	54,500	151,444	205,944	193,556
Total funds carried forward	16	54,500	193,790	248,290	205,944

There are no recognised gains or losses other than the net movement in funds arising from continuing operations for the year.

The financial statements were approved by the Board of Directors on 30 April 2010 and signed on its behalf by:

David Joyce  
Director

Colin Roche  
Director

**IRISH FAIR TRADE NETWORK LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2009**

	<i>Notes</i>	<b>2009</b> €	2008 €
<b>FIXED ASSETS</b>			
Tangible assets	9	<b>5,156</b>	8,447
<b>CURRENT ASSETS</b>			
Debtors	10	<b>168,447</b>	63,752
Cash at bank and in hand		<b>227,390</b>	244,450
		<b>395,837</b>	308,202
<b>CREDITORS:</b> (Amounts falling due within one year)	11	<b>(152,703)</b>	(110,705)
<b>NET CURRENT ASSETS</b>		<b>243,134</b>	197,497
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>248,290</b>	205,944
<b>REPRESENTED BY:</b>			
Restricted funds	16	<b>54,500</b>	56,000
Unrestricted funds	16	-	141,497
Designated funds	16	<b>193,790</b>	8,447
		<b>248,290</b>	205,944

The financial statements were approved by the Board of Directors on 30 April 2010 and signed on its behalf by:

David Joyce  
Director

Colin Roche  
Director

IRISH FAIR TRADE NETWORK LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009

---

	<i>Notes</i>	<b>2009</b> €	<b>2008</b> €
<b>Net cash (outflow)/inflow from operating activities</b>	<i>14</i>	<b>(18,027)</b>	38,045
<b>Returns on investment and servicing of finance:</b>			
Interest received		<b>967</b>	22,692
		<u><b>(17,060)</b></u>	<u>60,737</u>
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		-	(1,894)
<b>(Decrease)/Increase in cash in the year</b>	<i>14</i>	<u><u><b>(17,060)</b></u></u>	<u><u>58,843</u></u>

## IRISH FAIR TRADE NETWORK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

---

#### 1. INCOMING RESOURCES FROM GENERATED FUNDS

##### 1.1 Donations and miscellaneous income

IFTN receives unsolicited donations from supporters and the public from time to time. These are shown under this heading in the SOFA.

##### 1.2 Grants for work in Ireland

IFTN receives grants from Irish Aid (the Irish Government's official development assistance programme), and from supporting NGOs, as follows:

	<b>Restricted Funds 2009 €</b>	<b>Unrestricted Funds 2009 €</b>	<b>Total Funds 2009 €</b>	<b>Total Funds 2008 €</b>
Irish Aid – Development education	89,500	-	89,500	84,325
Concern	-	7,000	7,000	8,000
Christian Aid	-	-	-	1,500
Trócaire	-	-	-	9,250
<b>Total</b>	<b>89,500</b>	<b>7,000</b>	<b>96,500</b>	<b>103,075</b>

##### 1.3 Grants for work overseas

Irish Aid – Central America	1,532,000	-	1,532,000	1,250,000
Irish Aid – East Africa	2,308,000	-	2,308,000	2,000,000
<b>Total</b>	<b>3,840,000</b>	<b>-</b>	<b>3,840,000</b>	<b>3,250,000</b>

##### 1.4 Interest earned

This is interest received and receivable on cash deposits. The organisation holds no other investments.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009

**2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

**2.1 Licence fees**

IFTN receives licence fees from companies marketing products with the FAIRTRADE Mark. These fees cover the cost of monitoring and audit to ensure compliance with Fairtrade standards and contribute to the cost of public education and awareness-raising work. Monitoring and audit of licencees in Ireland is managed by IFTN, while producer and trader certification is the responsibility of FLO-Cert, which receives a proportion of IFTN's licence fee income to pay for this activity.

**2.2 Resource sales**

To help promote Fairtrade, IFTN sells a range of promotional and educational materials. All display the FAIRTRADE Mark prominently and help promote the Fairtrade message at supporter events around the country. As their sale contributes directly to the promotion of the Fairtrade message it is judged that the activity qualifies as primary purpose trading. These items are sold to cover the cost of production and processing. The activity is not seen as a device to raise funds but rather to raise profile and awareness.

**2.3 Cost of generating voluntary income**

Cost of generating voluntary income represents the costs of raising both restricted and unrestricted income and includes staff costs for each activity.

**3. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES**

	Restricted Funds 2009 €	Unrestricted Funds 2009 €	Total Funds 2009 €	Total Funds 2008 €
<b>3.1 Fairtrade labelling</b>				
Fairtrade labelling	-	130,910	130,910	120,402
Support costs:				
Staff costs	-	111,778	111,778	104,679
<b>Total</b>	<b>-</b>	<b>242,688</b>	<b>242,688</b>	<b>225,081</b>
<b>3.2 Development education</b>				
Development education	3,996	81,496	85,492	83,540
Support costs:				
Staff costs	85,504	85,504	85,504	77,838
<b>Total</b>	<b>89,500</b>	<b>81,496</b>	<b>170,996</b>	<b>161,378</b>

**IRISH FAIR TRADE NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

**3.3 Overseas programme**

Irish Fair Trade Network's support for overseas development programme is implemented by partner organisations, to whom grants are given.

	<b>Restricted Funds 2009 €</b>	<b>Unrestricted Funds 2009 €</b>	<b>Total Funds 2009 €</b>	<b>Total Funds 2008 €</b>
<b>Central America</b>				
FLO International	750,000	-	750,000	625,000
Solidaridad	750,000	-	750,000	625,000
Support costs:				
Consultancy	32,000	-	32,000	-
<b>Total</b>	<b>1,532,000</b>	<b>-</b>	<b>1,532,000</b>	<b>1,250,000</b>
<b>East Africa</b>				
FLO International	1,114,000	-	1,114,000	960,000
Solidaridad	814,000	-	814,000	960,000
Utz Certified	300,000	-	300,000	-
Support costs:				
Staff costs	71,881	-	71,881	67,102
Travel, etc.	8,119	-	8,119	12,898
<b>Total</b>	<b>2,308,000</b>	<b>-</b>	<b>2,308,000</b>	<b>2,000,000</b>
<b>Total</b>	<b>3,840,000</b>	<b>-</b>	<b>3,840,000</b>	<b>3,250,000</b>

**4. GOVERNANCE AND ADMINISTRATION**

Governance costs cover the costs of enabling the organisation to function as a registered company in Ireland. They include Directors' expenses (nil), audit fees, board and AGM meeting costs and legal fees. They also include some staff costs.

	<b>Restricted Funds 2009 €</b>	<b>Unrestricted Funds 2009 €</b>	<b>Total Funds 2009 €</b>	<b>Total Funds 2008 €</b>
Governance costs	-	19,787	19,787	19,433
Support costs:				
Staff costs	-	21,457	21,457	18,788
<b>Total</b>	<b>-</b>	<b>41,244</b>	<b>41,244</b>	<b>38,221</b>

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

<b>5. NET INCOMING RESOURCES FOR THE YEAR</b>	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
This is stated after charging/(crediting):		
Directors' remuneration	-	-
Auditors' remuneration	1,766	2,555
Depreciation	1,794	1,613
Interest earned	(967)	(22,692)
	<u>          </u>	<u>          </u>

<b>6. EMPLOYEES</b>	<b>2009</b>	<b>2008</b>
	<b>No.</b>	<b>No.</b>
The average number of contracted employees throughout the year was:	<b>5</b>	<b>5</b>
	<u>          </u>	<u>          </u>
<b>Staff costs:</b>	<b>€</b>	<b>€</b>
Wages and salaries	239,478	223,533
Social welfare costs	25,423	24,185
Other pension costs	25,719	20,689
	<u>290,620</u>	<u>268,407</u>
	<u>          </u>	<u>          </u>

Staff costs are allocated according to the functions of each staff member and, therefore, form part of Fairtrade labelling, development education, overseas programme and governance costs, as appropriate. These are allocated as shown under 'support costs' in notes 3 and 4, and are follows:

	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Fairtrade labelling	111,778	104,679
Development education	85,504	77,838
Overseas	71,881	67,102
Governance	21,457	18,788
<b>Total</b>	<u>290,620</u>	<u>268,407</u>
	<u>          </u>	<u>          </u>

No employee earned a salary of more than €60,000.

A great amount of time, the value of which it is impossible to reflect in these accounts, is donated by volunteers throughout Ireland.

**7. DIRECTORS' EXPENSES**

Directors are not remunerated.

**8. TAXATION**

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

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

9. FIXED ASSET SCHEDULE	Office and Computer Equipment €	Total €
<b>Cost:</b>		
At 1 January 2009	16,127	16,127
Disposals	(7,081)	(7,081)
<b>At 31 December 2009</b>	<b>9,076</b>	<b>9,046</b>
<b>Depreciation:</b>		
At 1 January 2009	7,680	7,680
Charged	1,794	1,794
Disposals	(5,584)	(5,584)
<b>At 31 December 2009</b>	<b>3,890</b>	<b>3,890</b>
<b>Net Book Value:</b>		
<b>At 31 December 2009</b>	<b>5,156</b>	<b>5,156</b>
At 31 December 2008	8,447	8,447
<b>10. DEBTORS: (Amounts falling due within one year)</b>	<b>2009</b>	2008
	€	€
Prepayments and other debtors	<b>168,447</b>	63,752
<b>11. CREDITORS: (Amounts falling due within one year)</b>	<b>2009</b>	2008
	€	€
Taxation and social security costs	<b>57,540</b>	18,333
Deferred income:		
- Irish Aid - Development Education	<b>51,500</b>	56,000
- Concern	<b>4,000</b>	5,000
- Trócaire	<b>3,000</b>	-
Accruals	<b>34,426</b>	31,052
Visa	<b>2,237</b>	315
	<b>152,703</b>	110,705
Taxation and Social Welfare costs:		
VAT payable	<b>35,043</b>	18,333
PAYE/PRSI payable	<b>22,497</b>	-
	<b>57,540</b>	18,333

**IRISH FAIR TRADE NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

**12. COMMITMENTS**

The company has no commitments under non-cancellable operating leases.

**13. PENSION SCHEME**

The company makes defined contributions to a PRSA for employees. The assets of the PRSAs are held separately from those of the company, in externally managed funds. The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The pension expense for the year amounted to €25,719 (2008: €20,689). €524 was payable at the year end (2008: €2,858).

**14. CASH FLOW INFORMATION**

	2009 €	2008 €
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>		
Net incoming resources	42,346	12,388
(Increase)/decrease in debtors	(96,244)	55,187
Increase in creditors	33,547	(8,451)
Depreciation of tangible fixed assets	1,794	1,613
Loss on disposal of fixed assets	1,497	-
Interest earned	(967)	(22,692)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(18,027)</b>	<b>38,045</b>

**Analysis of changes in cash balances**

	At 1 January 2009 €	Cashflows €	At 31 December 2009 €
Cash at bank and in hand	244,450	(17,060)	227,390

**15. LEGAL STATUS OF THE COMPANY**

The company is limited by guarantee and does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up while he/she is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he/she ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding €1.00.

The company is prohibited by its Memorandum of Association from distributing any of its reserves by way of a dividend or otherwise to its members.

The company, as a charity, is exempt from the reporting and disclosure requirement of the Companies (Amendment) Act, 1986.

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

16. RESTRICTED AND UNRESTRICTED FUNDS

	Restricted Funds	Designated Funds			Unrestricted Funds	Total
		Committed Funds	General Reserves	Fixed Assets		
	€	€	€	€	€	€
Opening balance at 1/01/2009	54,500	-	-	8,447	142,997	205,944
Surplus for the year	-	-	-	(3,291)	45,637	42,346
Transfer between funds	-	-	188,634	-	(188,634)	-
<b>Closing balance at 31/12/2009</b>	<b>54,500</b>	<b>-</b>	<b>188,634</b>	<b>5,156</b>	<b>-</b>	<b>248,290</b>

=

17. COMPARATIVE AMOUNTS

In line with the directors' decision to prepare the financial statements as far as possible in accordance with the Statement of Recommended Practice (SORP) (revised 2005) "Accounting and Reporting of Charities" comparative amounts for the previous year have been reclassified.

18. RELATED PARTIES

There were no related party transactions in the year that require to be disclosed under FRS 8.

19. CONTROLLING PARTY

The board of directors is the ultimate controlling party.

**IRISH FAIR TRADE NETWORK LIMITED**

**SUPPLEMENTARY INFORMATION**

---

(NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT)

**IRISH FAIR TRADE NETWORK LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

**SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 €	2008 €
<b>REVENUE</b>		
Irish Aid - Central America Programme	<b>1,532,000</b>	1,250,000
Irish Aid - East Africa Programme	<b>2,308,000</b>	2,000,000
	<u><b>3,840,000</b></u>	<u>3,250,000</u>
Other grants, fundraising and donations:		
Irish Aid - Development Education	<b>89,500</b>	84,325
Trócaire	-	9,250
Christian Aid	-	1,500
Concern	<b>7,000</b>	8,000
Other NGOs and donations	<b>8,043</b>	9,038
Resources sales	<b>9,062</b>	16,753
	<u><b>113,605</b></u>	<u>128,866</u>
Licence fees	<b>382,702</b>	285,510
<b>Other income</b>		
Interest earned	<b>967</b>	22,692
Total	<u><b>4,337,274</b></u>	<u>3,687,068</u>

**IRISH FAIR TRADE NETWORK LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

**SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
<b>EXPENDITURE</b>		
Irish Aid - Central America Programme	<b>1,532,000</b>	1,250,000
Irish Aid - East Africa Programme	<b>2,228,000</b>	1,920,000
	<b>3,760,000</b>	3,170,000
<b>Administration:</b>		
Wages and salaries	<b>230,993</b>	223,533
Employer's PRSI contributions	<b>25,423</b>	24,185
Pension costs	<b>34,204</b>	20,689
Consultancy	<b>14,724</b>	6,742
Resources	<b>48,655</b>	65,377
Rent payable	<b>8,237</b>	9,415
Insurance	<b>2,042</b>	1,269
Office supplies	<b>6,178</b>	6,021
Communications	<b>7,290</b>	15,524
Workshop and events	<b>36,903</b>	41,203
FLO Projects	<b>-</b>	20,000
Capacity building and staff training	<b>1,473</b>	5,193
Travel	<b>24,400</b>	14,328
Audit	<b>1,766</b>	2,555
Bank charges	<b>508</b>	500
Sundry	<b>1,748</b>	207
FLO subscriptions and affiliation	<b>10,377</b>	33,074
Depreciation	<b>1,794</b>	1,613
Loss on disposal of fixed assets	<b>1,497</b>	-
Accountancy	<b>4,050</b>	4,800
FLO eV	<b>72,400</b>	8,452
	<b>534,662</b>	504,680
	<b>4,294,662</b>	3,674,680