

Irish Fair Trade Network Limited

Reports and Financial Statements
for the year ended
31 December 2014

IRISH FAIR TRADE NETWORK LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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IRISH FAIR TRADE NETWORK LIMITED
DIRECTORS AND OTHER INFORMATION

DIRECTORS

Tom Crowley
Michael Doorly
Miriam Hamilton
Norman Hewson
Una Johnston
Cathy McCarthy
Lino Olivieri

SECRETARY AND REGISTERED OFFICE

John Daly
Carmichael House
North Brunswick Street
Dublin 7

AUDITORS

Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
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 2014

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2014. The financial statements have been prepared in accordance with the accounting policies set out on pages 11 and 12 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 (SORP), "Accounting and Reporting by Charities", issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

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. It works to promote fair trading practices between Ireland and developing countries.

IFTN is a founder member of Fairtrade International (FLO e.V.), based in Germany, the organisation responsible for setting international Fairtrade standards. IFTN also works closely with FLO's subsidiary FLO Cert, which is responsible for certifying adherence to these standards by producers and traders.

IFTN is supported by the main international 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.

Appointment of directors

IFTN is governed by a board of directors, which has overall responsibility for the policy and strategy of the organisation. The board currently has 7 members. The directors meet at least four times a year (five times in 2014). With effect from 1 January 2010, each director can serve for a maximum of six years from that date. New directors are appointed to the board following nomination by existing directors. Following appointment they are offered induction training, which includes a review of documents and policies, and briefings from IFTN staff.

The board has adopted a comprehensive policy governance manual, and compliance with these policies is systematically reviewed at board meetings, so that all policies are reviewed at least once a year.

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

Staff

The organisation had the following staff in 2014:

Executive Director	Peter Gaynor
Company Secretary/Overseas Programme	John Daly
Project Manager	Melanie Drea
Financial Manager	Dunstan Burke
General Administrator	Johnny Sheehan (resigned May 2014)

Voluntary help and gifts in kind

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

Risk management

The directors have identified and 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. The company maintains directors' and officers' liability insurance in respect of itself and its directors.

OBJECTIVES AND ACTIVITIES

Objects

Its Memorandum of Association defines the organisation's principal objects as being:

- 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 and
- 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.

Activities

To achieve its objectives IFTN currently has three main activities: (1) Fairtrade labelling, (2) education to raise public awareness of Fairtrade in Ireland and (3) supporting small-scale producers in East Africa to meet international Fairtrade and UTZ Certified sustainability standards.

1. *Fairtrade labelling and sourcing:* Since 1996, work with businesses to promote the availability of Fairtrade certified products in Ireland has been the main activity 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 smallholders or plantation workers who produce it receive a fair return for their work. Up to 2014, a Fairtrade label was awarded only to products in which all of the ingredients that could be Fairtrade certified were Fairtrade certified. Thus, all of the cocoa and sugar in a chocolate bar had to be Fairtrade certified if the chocolate bar was to have a Fairtrade label. With effect from 2014, under a new 'Fairtrade sourcing programme', a different label can be awarded to products that contain one Fairtrade ingredient. This programme currently operates only for cotton, cocoa and sugar. IFTN carries out its labelling and sourcing work under the names *Fairtrade Ireland* and *Fairtrade Éireann*, which it registered as business names on 21 April 2011.
2. *Public education and awareness-raising:* As well as working with businesses trading in Ireland, Fairtrade Ireland promotes public awareness of the Fairtrade Mark and the benefits of Fairtrade. This is done mainly through (a) Fairtrade Towns, particularly during (b) Fairtrade Fortnight each year.
 - a) *Fairtrade Towns:* Local voluntary groups work to get their town or city to fulfil six goals which qualify the town or city for Fairtrade Town or City status. The goals include official support by the town or city council and widespread local availability of Fairtrade certified products. Fairtrade Ireland organises an annual conference for representatives of Fairtrade Town groups.

IRISH FAIR TRADE NETWORK LIMITED

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

- b) *Fairtrade Fortnight* has been Fairtrade Ireland's flagship awareness-raising initiative each year since 2002. Events during the Fortnight include visits by representatives of Fairtrade certified organisations in producer countries to schools, colleges, community groups, town and city councils, businesses and other organisations throughout the country.
3. *Overseas*: IFTN has received grants from Irish Aid, the Irish Government's programme of assistance to developing countries, to assist small-scale producers in Central America (El Salvador, Guatemala, Honduras and Nicaragua) and East Africa (Kenya, Uganda, Tanzania and Ethiopia) to improve their agricultural practices and to meet Fairtrade International (www.fairtrade.net) and UTZ Certified (www.utzcertified.org) sustainability standards. There has also been some support for the development of the Fairtrade International and UTZ Certified organisations themselves.

IFTN itself does not implement overseas programmes; instead, producer support work is implemented by Solidaridad, an international development organisation founded in the Netherlands – www.solidaridadnetwork.org.

Fairtrade has two economic features which distinguish it from other sustainability schemes: a guaranteed minimum price and a Fairtrade premium. The minimum price is set at a level that covers the cost of sustainable production and 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 jointly by workers and management on a plantation.

UTZ Certified believes that the main benefits of certification for producers are reduction in input costs, increased yields and improved quality, not the extra premium earned. It sets no fixed minimum price and no fixed premium; price and premium are negotiated freely between buyer and seller.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

There was continuing progress in all three areas of activity in 2014:

1. *Fairtrade labelling*: Fairtrade certified products are now widely available in shops, restaurants and cafes throughout Ireland and in all the main supermarkets. The range of products continues to grow, and includes coffee, tea, sugar, bananas, chocolate, cocoa, confectionery, cosmetics, biscuits, fresh and dried fruit, cut flowers, ice cream, nuts, spices, fruit juice, honey, jams, rice, wine, oils, cotton and gold. Irish consumers spent an estimated €228 million on Fairtrade certified products in 2014, an increase of 16 per cent on 2013.

A special Eurobarometer survey on attitudes to food security, food quality and the countryside (*Eurobarometer 389*), published in July 2012, showed a 78 per cent awareness of the Fairtrade logo in Ireland, more than double the EU average of 36 per cent.

In 2013 Ireland was included for the second time in research commissioned by Fairtrade International on consumer perceptions among 17,000 consumers in 24 countries by GlobeScan, a consultancy. This showed that familiarity with the Fairtrade Mark in Ireland was 82 per cent; prompted recognition was 88 per cent.

The chairperson of the board of IFTN participated in two general assemblies of Fairtrade International during the year.

2. *Public education and awareness-raising*: The two main activities, Fairtrade Towns and Fairtrade Fortnight, continued to make progress.

IRISH FAIR TRADE NETWORK LIMITED

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

Fairtrade Fortnight: Producer representatives from APRAINORES, a cashew nut producers' cooperative in El Salvador and the Belize Sugar Cane Farmers' Association toured Ireland in Fairtrade Fortnight.

Fairtrade Towns: The total number of Fairtrade Towns and Cities increased to 51 by the end of the year, and the annual Fairtrade Towns conference took place in Dublin in September, coinciding with the first ever Dublin Coffee and Tea Festival.

Fairtrade Ireland also participated in a consortium of European NGOs working to encourage public sector bodies to use Fairtrade certified cotton. This was the third and final year of a three-year programme, funded by a public awareness grant from the European Commission.

3. *Support for overseas activities:* IFTN receives grants from Irish Aid, the Irish Government's programme of assistance to developing countries, to assist smallholder producers in Central America and East Africa to improve their agricultural practices and to meet Fairtrade International and UTZ Certified sustainability standards. Final reviews of the programmes in Central America (by John Grindle) and East Africa (by John Grindle and Jim Cannon) were carried out in 2013.

Irish Aid commissioned a strategic review of its overall support for fair and ethical trade in 2013, which was carried out by the Natural Resources Institute of the University of Greenwich. Pending decisions on the recommendations of the review, IFTN was asked to apply for a one-year extension of the programme in East Africa, with a start date of 1 January 2014, and a grant of €600,000 was approved. In the period 2006-2014, this support amounted to €20,212,000 (€8,380,000 for Central America and €11,832,000 for East Africa), divided equally between support for Fairtrade and UTZ Certified. The Central America programme ended in 2013.

FINANCIAL REVIEW

Financial health

IFTN's work in Ireland is funded by licence fees paid by companies, based on their sales of products with the Fairtrade label. In 2014 it also received the final tranche of a grant for raising public awareness from the European Commission (for work on cotton) and a grant from fairtrade UK to contribute to work in Northern Ireland. There are now more than 20 licencees, and licence fees have been sufficient to cover IFTN's operating costs in Ireland since 2011, a major milestone for the organization. Income in 2014 continued to be satisfactory.

IFTN does not raise funds from the public: supporters support Fairtrade by buying Fairtrade certified products.

Investment policy

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

Reserves policy

Reserves are required to smooth fluctuations in income and expenditure and to ensure that sufficient resources are available to meet all commitments. The directors have decided that a prudent level of unrestricted cash reserves is the equivalent of "not less than four months' but not more than six months' domestic costs". In 2014 IFTN also distributed grants, as follows: €85,000 to Prospero, an Irish charity which provides loans, towards its revolving loan fund to Fairtrade certified producer organisations, and €65,000 as a contribution to Fairtrade International's work on the living wage/workers' rights.

The level of reserves is monitored by the directors at board meetings and will be reviewed annually. At 31 December 2014 the level of total unrestricted reserves was €505,308 (2013: €605,294).

IRISH FAIR TRADE NETWORK LIMITED

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

PLANS FOR THE FUTURE

Continuing modest growth is expected in future years.

GENERAL

Health & Safety

The well-being of the company's employees is safeguarded through strict adherence to safety standards. The Safety, Health and Welfare at Work Act, 2005, imposes certain requirements on directors, managers and employees. The company has taken the necessary action to ensure compliance with the Act.

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 have 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 and Statutory Audit Firm, continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:

Tom Crowley
Director

Cathy McCarthy
Director

27 May 2015

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 or outgoing resources of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements 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 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 2013. 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 AUDITORS' 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 2014 which comprise the Statement of Accounting Policies, the statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the year ended 31 December 2014 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 affairs of the company as at 31 December 2014 and of the deficit for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

Matters on which we are required to report by the Companies Acts, 1963 to 2013

- We have obtained all the information and explanations which 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.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2013, which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Richard Howard
For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin

27 May 2015

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 2013. 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 received.
- (ii) Grant income is recognised when the organisation is legally entitled to it, reasonably certain of receipt and the amount involved can be measured with sufficient reliability.
- (iii) Interest income is recognised on an accruals basis.
- (iv) Licence fee income is recognised on an accruals basis. It is invoiced quarterly in arrears; invoices for the final quarter are estimated, and any under-provision or over-provision is reflected in the results of the following period.
- (v) Income from the sale of promotional or educational resources is included on an accruals basis.
- (vi) The value of volunteer time is not included in the financial statements. Gifts in kind are deemed non-material and are not included in the financial statements.

RESOURCES EXPENDED

Expenditure is included on an accruals basis, and includes attributable VAT which cannot be recovered. Resources expended are split into three components: the cost of generating funds, the cost of charitable activities, and governance costs. All costs are allocated to one of these three categories in the Statement of Financial Activities (SOFA).

Cost of generating funds

This is the cost of raising both restricted and unrestricted funds. It is not shown separately but is included in the staff costs for each activity. Staff time is the only cost involved in generating funds.

Cost of charitable activities

Most costs are directly attributable to specific activities. Staff costs are apportioned on the basis of staff time spent on each activity; other costs which cannot be allocated directly to one activity (support costs) are allocated to activities in proportion to the estimated benefits received.

Cost of governance

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

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 Equipment	20%
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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.

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 exchange differences are taken to the Statement of Financial Activities (SOFA).

PENSION SCHEME

The company does not have a pension scheme. Instead, the organisation makes contributions for employees to a Personal Retirement Savings Account (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).

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
(including the Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Restricted Funds 2014 €	Unrestricted Funds 2014 €	Total Funds 2014 €	Total Funds 2013 €
Incoming resources:					
Incoming resources from generated funds: 1					
- Grants for work in Ireland		9,270	51,466	60,736	90,051
- Grants for work overseas		600,000	-	600,000	-
- Interest earned		-	3,891	3,891	4,126
Incoming resources from charitable activities 2					
- Licence fees		-	588,952	588,952	589,090
- Resource sales		-	1,326	1,326	1,589
Total incoming resources		609,270	645,635	1,254,905	684,856
Resources expended:					
Cost of generating funds 3					
Charitable activities 4					
- Fairtrade labelling			490,618	490,618	314,096
- Public education			178,811	178,811	208,446
- Overseas programmes		600,000	49,361	649,361	89,673
Governance and administration 5			36,101	36,101	37,757
Total resources expended		600,000	754,891	1,354,891	649,972
Net incoming/(outgoing) resources 6		9,270	(109,256)	(99,986)	34,884
Total funds brought forward		-	605,294	605,294	-
Transfers between funds 17		(9,270)	9,270	-	570,410
Total funds carried forward 17		-	505,308	505,308	605,294

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 27 May 2015 and signed on its behalf by:

Tom Crowley
Director

Cathy McCarthy
Director

IRISH FAIR TRADE NETWORK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014 €	2013 €
FIXED ASSETS			
Tangible assets	10	664	1,306
CURRENT ASSETS			
Debtors	11	332,125	282,647
Cash at bank and in hand		358,181	420,927
		690,306	703,574
CREDITORS: (Amounts falling due within one year)	12	(185,662)	(99,586)
NET CURRENT ASSETS		504,644	603,988
NET ASSETS		505,308	605,294
REPRESENTED BY:			
Restricted funds	16	-	-
Unrestricted funds	16	505,308	605,294
		505,308	605,294

The financial statements were approved by the Board of Directors on 27 May 2015 and signed on its behalf by:

Tom Crowley
Director

Cathy McCarthy
Director

IRISH FAIR TRADE NETWORK LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 €	2013 €
Reconciliation of operating (deficit)/surplus to net cash (outflow)/inflow from operating activities		
Operating (deficit)/surplus	(99,986)	34,884
Depreciation charge	642	1,246
Increase in debtors	(49,478)	(4,599)
Increase in creditors	86,076	29,211
Net cash (outflow)/inflow	(62,746)	60,742
	2014 €	2013 €
Net cash (outflow)/inflow from operating activities	(62,746)	60,742
Capital expenditure		
Purchase of tangible fixed assets	-	(1,107)
(Decrease)/increase in cash and bank balances	(62,746)	59,635
	2014 €	2013 €
Reconciliation opening to closing funds		
Net funds at beginning of year	420,927	361,292
Net cash (outflow)/inflow	(62,746)	59,635
Net funds at year end	358,181	420,927

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. INCOMING RESOURCES FROM GENERATED FUNDS

1.1 Donations and miscellaneous income

The company receives unsolicited donations from supporters and the public from time to time.

1.2 Grants for work in Ireland

The company receives grants from Irish Aid (the Irish Government's official development assistance programme), and from other organisations, as follows:

	Restricted Funds 2014 €	Unrestricted Funds 2014 €	Total Funds 2014 €	Total Funds 2013 €
European Commission	9,270	-	9,270	49,190
Fairtrade UK	-	51,466	51,466	40,861
Total	9,270	51,466	60,736	90,051

1.3 Grants for work overseas

Irish Aid – East Africa	600,000	-	600,000	-
Total	600,000	-	600,000	-

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 2014 (CONTINUED)**

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

2.1 Licence fees

Total licence fees on Fairtrade certified products sold in Ireland amounted to €588,952. IFTN receives licence fees from Irish-based businesses selling Fairtrade certified products €237,200 in 2014. It also receives licence fees from members of Fairtrade International in other countries relating to sales of products by their licencees in Ireland. These fees cover the cost of monitoring and auditing to ensure compliance with Fairtrade standards and contribute to the cost of public education and awareness-raising work. Product certification in Ireland is managed by IFTN, while producer certification is the responsibility of FLO-Cert, which receives a proportion of IFTN's licence fee income to pay for this activity.

2.2 Resources sales

To help promote Fairtrade, IFTN sells a range of promotional and educational materials. These items are sold at a price that covers the cost of production and processing.

3. COST OF GENERATING FUNDS

This is the cost of raising both restricted and unrestricted income. It is not shown separately but is included in the staff costs for each activity.

4. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Restricted Funds 2014 €	Unrestricted Funds 2014 €	Total Funds 2014 €	Total Funds 2013 €
4.1 Fairtrade labelling				
Grant to Fairtrade International	-	65,000	65,000	-
Grant to Prospero	-	85,000	85,000	-
Support costs	-	244,553	244,553	222,047
Staff costs	-	96,065	96,065	92,049
Total	-	490,618	490,618	314,096
4.2 Public education				
Support costs	-	86,865	86,865	95,067
Staff costs	-	91,946	91,946	113,379
Total	-	178,811	178,811	208,446

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

4. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES (CONTINUED)

4.3 Overseas programme

	Restricted Funds 2014 €	Unrestricted Funds 2014 €	Total Funds 2014 €	Total Funds 2013 €
Central America				
Support costs - consultancy	-	-	-	21,000
East Africa				
Fairtrade International (FLO e.V.)				
Solidaridad	582,000	-	582,000	-
Utz Certified	-	-	-	-
Staff costs	8,018	49,361	57,379	56,104
Support costs - travel, etc.	9,982	-	9,982	12,569
	<u>600,000</u>	<u>49,361</u>	<u>649,361</u>	<u>68,673</u>
Total	<u>600,000</u>	<u>49,361</u>	<u>649,361</u>	<u>89,673</u>

5. GOVERNANCE AND ADMINISTRATION

This is the cost of enabling the organisation to function as a registered company in Ireland. It includes directors' expenses (nil), audit fees, board and AGM meeting costs and legal fees. It also includes some staff costs.

	Restricted Funds 2014 €	Unrestricted Funds 2014 €	Total Funds 2014 €	Total Funds 2013 €
Audit fees	-	2,872	2,872	2,948
Staff costs	-	28,932	28,932	26,924
Support costs	-	9,452	9,452	7,885
Directors' expenses	-	4,980	4,980	-
Foreign currency gain	-	(10,135)	(10,135)	-
Total	<u>-</u>	<u>36,101</u>	<u>36,101</u>	<u>37,757</u>

6. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

2014
€

2013
€

This is stated after charging/(crediting):

Directors' remuneration	-	-
Auditors' remuneration	2,872	2,948
Depreciation	642	1,246
Interest earned	(3,891)	(4,126)

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

7. EMPLOYEES

	2014 No.	2013 No.
The average number of contracted employees throughout the year was:	4	5
Staff costs:	€	€
Salaries	224,329	235,946
Social welfare costs	24,115	25,364
Other pension costs	25,878	27,146
	274,322	288,456

Staff costs are classified according to the functions of each staff member as follows:

	2014 €	2013 €
Fairtrade labelling	96,065	92,049
Public education	91,946	113,379
Overseas	57,379	56,104
Governance	28,932	26,924
Total	274,322	288,456

No employee earned a salary of more than €70,000 (2013: €70,000), inclusive of employer PRSA contributions.

8. DIRECTORS' FEES

Directors are not remunerated.

9. 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.

10. FIXED ASSET: OFFICE EQUIPMENT

	Cost	Depreciation	Book Value
Balance at 1 January 2014	3,212	1,906	1,306
Charge for the year	-	642	(642)
Balance at 31 December 2014	3,212	2,548	664

IRISH FAIR TRADE NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

11. DEBTORS: (Amounts falling due within one year)	2014	2013
	€	€
Trade debtors	332,125	281,696
Prepayments and other debtors	-	951
	<u>332,125</u>	<u>282,647</u>

12. CREDITORS: (Amounts falling due within one year)	2014	2013
	€	€
Accruals	117,701	31,010
Trade creditors	41,506	14,329
Taxation and social security costs (see below)	32,455	54,246
	<u>185,662</u>	<u>99,586</u>
Taxation and Social Welfare costs:		
VAT payable	26,356	30,826
PAYE/PRSI payable	6,099	23,420
	<u>32,455</u>	<u>54,246</u>

13. COMMITMENTS

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

14. PENSION

The company does not operate a pension scheme. Instead, it makes contributions to PRSAs 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 €25,878 (2013: €27,146). The amount payable at the year-end was €1,952 (2013: €1,207).

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/she 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.

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

16. RESTRICTED AND UNRESTRICTED FUNDS

Unrestricted Funds

	Opening Balance 01/01/2014 €	Incoming Resources 2014 €	Resources Expended 2014 €	Transfers between funds 2014 €	Closing Balance 31/12/2014 €
Fixed assets	1,306	-	(642)	-	664
General reserves	603,988	645,635	(764,384)	9,270	494,509
Total	605,294	645,635	(765,026)	9,270	495,173

Restricted Funds

Irish Aid – East Africa	-	600,000	(600,000)	-	-
European Commission	-	9,270	-	(9,270)	-
	-	609,270	(600,000)	(9,270)	-

Summary of Funds

Unrestricted	605,294	645,635	(765,026)	9,270	495,173
Restricted	-	609,270	(600,000)	(9,270)	-
Total	605,294	1,254,905	(1,365,026)	-	495,173

17. RELATED PARTIES

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

18. CONTROLLING PARTY

The board of directors is the ultimate controlling party.