

Irish Fair Trade Network Limited

Reports and Financial Statements
for the year ended
31 December 2010

IRISH FAIR TRADE NETWORK LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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IRISH FAIR TRADE NETWORK LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Una Johnston (Appointed 31 March 2010)
David Joyce
Michael Doorly
Oisín Coghlan
Lino Olivieri (Italian)
Colin Roche
Norman Hewson
Cathy McCarthy (Appointed 01 October 2010)
Morina O'Neill (Resigned 31 March 2010)

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 2010

The directors present their annual report and the financial statements of the company for the year ended 31 December 2010. 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 to meet international Fairtrade and Utz Certified sustainability standards.

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 Aldi, 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, cut flowers, ice cream, nuts, spices, fruit juice, honey, jams, rice, wine, oils, cotton and gold.

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 €138 million on products with the FAIRTRADE Mark in 2010, an increase of 17 per cent over 2009.

IRISH FAIR TRADE NETWORK LIMITED

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

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.

1. *Fairtrade Towns:* 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 2010 there were 48 Fairtrade Towns and Cities, North and South, and a further 30 towns were working to achieve Fairtrade Town status.

2. *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) and Utz Certified (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), 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 and governance

Irish Fair Trade Network (IFTN) is incorporated in Ireland as a company limited by guarantee and not having a share capital. The directors, many 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 strategy 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 a maximum of 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 2010 (€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.

IRISH FAIR TRADE NETWORK LIMITED

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

Despite the recession, sales of Fairtrade certified products continued to grow in Ireland in 2010; consumer spending had an estimated value of €138 million. Particularly noteworthy in 2010 were the conversion of Nestlé Kit Kat and the announcement that the entire Ben & Jerry's range would convert to Fairtrade.

Apart from the provision 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

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 2010 the level of reserves was €199,852, 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.

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.

IRISH FAIR TRADE NETWORK LIMITED

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010**

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:

Michael Doorly
Director

Colin Roche
Director

Date: 24 May 2011

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 2010 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.

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**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 2010 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.

Deloitte & Touche

Chartered Accountants and Registered Auditors
Dublin

Date: 24 May 2011

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%
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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.

Designated funds – these are unrestricted funds which have been set aside for particular purposes by the directors itself 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 2010

	Notes	Restricted Funds 2010 €	Unrestricted Funds 2010 €	Total Funds 2010 €	Total Funds 2009 €
Incoming resources:					
Incoming resources from generated funds:	1				
- Donations and miscellaneous income		-	49	49	8,043
- Grants for work in Ireland		82,732	4,000	86,732	96,500
- Grants for work overseas		3,840,000	-	3,840,000	3,840,000
- Interest earned		-	1,973	1,973	967
Incoming resources from charitable activities	2				
- Licence fees		-	418,815	418,815	382,702
- Resource sales		-	7,819	7,819	9,062
Total incoming resources		3,922,732	432,656	4,355,388	4,337,274
Resources expended:					
Charitable activities	3				
- Fairtrade labelling		-	282,400	282,400	242,688
- Development education		85,464	105,456	190,920	170,996
- Overseas programmes		3,840,000	-	3,840,000	3,840,000
Governance and administration	4	-	38,738	38,738	41,244
Total resources expended		3,925,364	426,594	4,352,058	4,294,928
Net incoming resources retained	5	(2,732)	6,062	3,330	42,346
Total funds brought forward	16	54,500	193,790	248,290	205,944
Total funds carried forward	16	51,768	199,852	251,620	248,290

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 24 May 2011 and signed on its behalf by:

Michael Doorly
Director

Colin Roche
Director

IRISH FAIR TRADE NETWORK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2010

	<i>Notes</i>	2010 €	2009 €
FIXED ASSETS			
Tangible assets	9	3,972	5,156
CURRENT ASSETS			
Debtors	10	215,545	168,447
Cash at bank and in hand		239,080	227,390
		454,625	395,837
CREDITORS: (Amounts falling due within one year)	11	(206,977)	(152,703)
NET CURRENT ASSETS		247,648	243,134
TOTAL ASSETS LESS CURRENT LIABILITIES		251,620	248,290
REPRESENTED BY:			
Restricted funds	16	51,768	54,500
Unrestricted funds	16	-	-
Designated funds	16	199,852	193,790
		251,620	248,290

The financial statements were approved by the Board of Directors on 24 May 2011 and signed on its behalf by:

Michael Doorly
Director

Colin Roche
Director

IRISH FAIR TRADE NETWORK LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	<i>Notes</i>	2010 €	2009 €
Net cash inflow/(outflow) from operating activities	<i>14</i>	11,823	(18,027)
Returns on investment and servicing of finance:			
Interest received		1,973	967
		<hr/> 13,796	<hr/> (17,060)
Capital expenditure			
Purchase of tangible fixed assets		(2,106)	-
Increase/(decrease) in cash in the year	<i>14</i>	<hr/> 11,690 <hr/>	<hr/> (17,060) <hr/>

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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:

	Restricted Funds 2010 €	Unrestricted Funds 2010 €	Total Funds 2010 €	Total Funds 2009 €
Irish Aid – Development education Concern	79,732	-	79,732	89,500
Christian Aid	-	4,000	4,000	7,000
Trócaire	3,000	-	3,000	-
Total	82,732	4,000	86,732	96,500

1.3 Grants for work overseas

Irish Aid – Central America	1,532,000	-	1,532,000	1,532,000
Irish Aid – East Africa	2,308,000	-	2,308,000	2,308,000
Total	3,840,000	-	3,840,000	3,840,000

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 2010

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 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 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 2010 €	Unrestricted Funds 2010 €	Total Funds 2010 €	Total Funds 2009 €
3.1 Fairtrade labelling				
Fairtrade labelling				
Support costs:	-	167,853	167,853	130,910
Staff costs	-	114,546	114,546	111,778
Total	<u>-</u>	<u>282,400</u>	<u>282,400</u>	<u>242,688</u>
3.2 Development education				
Development education				
Support costs:	-	104,475	104,475	85,492
Staff costs	85,464	981	86,445	85,504
Total	<u>85,464</u>	<u>105,456</u>	<u>190,920</u>	<u>170,996</u>

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (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.

	Restricted Funds 2010 €	Unrestricted Funds 2010 €	Total Funds 2010 €	Total Funds 2009 €
Central America				
FLO International	750,000	-	750,000	750,000
Solidaridad	750,000	-	750,000	750,000
Support costs:				
Consultancy	32,000	-	32,000	32,000
Total	1,532,000	-	1,532,000	1,532,000
East Africa				
FLO International	1,114,000	-	1,114,000	1,114,000
Solidaridad	814,000	-	814,000	814,000
Utz Certified	300,000	-	300,000	300,000
Support costs:				
Staff costs	69,528	-	69,528	71,881
Travel, etc.	10,472	-	10,472	8,119
Total	2,308,000	-	2,308,000	2,308,000
Total	3,840,000	-	3,840,000	3,840,000

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.

	Restricted Funds 2010 €	Unrestricted Funds 2010 €	Total Funds 2010 €	Total Funds 2009 €
Governance costs	-	16,620	16,620	19,787
Support costs:				
Staff costs	-	22,118	22,118	21,457
Total	-	38,738	38,738	41,244

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

5. NET INCOMING RESOURCES FOR THE YEAR	2010	2009
	€	€
This is stated after charging/(crediting):		
Directors' remuneration	-	-
Auditors' remuneration	2,600	1,766
Depreciation	2,231	1,794
Interest earned	(1,973)	(967)
	<u> </u>	<u> </u>

6. EMPLOYEES	2010	2009
	No.	No.
The average number of contracted employees throughout the year was:		
	5	5
	<u> </u>	<u> </u>
Staff costs:	€	€
Wages and salaries	231,040	239,478
Social welfare costs	25,536	25,423
Other pension costs	36,061	25,719
	<u>292,637</u>	<u>290,620</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:

	2010	2009
	€	€
Fairtrade labelling	114,546	111,778
Development education	86,445	85,504
Overseas	69,528	71,881
Governance	22,118	21,457
Total	<u>292,637</u>	<u>290,620</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 2010 (CONTINUED)

9. FIXED ASSET SCHEDULE	Office and Computer Equipment €	Total €
Cost:		
At 1 January 2010	9,046	9,046
Additions	2,106	2,106
Disposals	(2,517)	(2,517)
At 31 December 2010	8,635	8,635
Depreciation:		
At 1 January 2010	3,890	3,890
Charged	2,231	2,231
Disposals	(1,458)	(1,458)
At 31 December 2010	4,663	4,663
Net Book Value:		
At 31 December 2010	3,972	3,972
At 31 December 2009	5,156	5,156
10. DEBTORS: (Amounts falling due within one year)	2010	2009
	€	€
Prepayments and other debtors	215,545	168,447
11. CREDITORS: (Amounts falling due within one year)	2010	2009
	€	€
Taxation and social security costs	45,503	57,540
Deferred income:		
- Irish Aid - Development Education	51,768	51,500
- Concern	-	4,000
- Trócaire	-	3,000
Accruals	72,779	34,426
Other creditors	36,927	2,237
	206,977	152,703
Taxation and Social Welfare costs:		
VAT payable	25,320	35,043
PAYE/PRSI payable	20,183	22,497
	45,503	57,540

IRISH FAIR TRADE NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (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 €36,060 (2009: €25,719). €2,188 was payable at the year end (2009: €524).

14. CASH FLOW INFORMATION

	2010 €	2009 €
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming resources	3,330	42,346
(Increase)/decrease in debtors	(47,098)	(96,244)
Increase in creditors	54,274	33,547
Depreciation of tangible fixed assets	2,231	1,794
Loss on disposal of fixed assets	1,059	1,497
Interest earned	(1,973)	(967)
Net cash (outflow)/inflow from operating activities	11,823	(18,027)

Analysis of changes in cash balances

	At 1 January 2010 €	Cashflows €	At 31 December 2010 €
Cash at bank and in hand	227,390	11,690	239,080

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 2010 (CONTINUED)

16. RESTRICTED AND UNRESTRICTED FUNDS

	Restricted Funds	Designated Funds			Unrestricted Funds	Total
		Committed Funds	General Reserves	Fixed Assets		
	€	€	€	€	€	€
Opening balance at 1/01/2010	54,500	-	188,634	5,156	-	248,290
Deficit/Surplus for the year	(2,732)	-	7,246	(1,184)	-	3,330
Closing balance at 31/12/2010	51,768	-	195,880	3,972	-	251,620

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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 members of the company are 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 2010

	2010 €	2009 €
REVENUE		
Irish Aid - Central America Programme	1,532,000	1,532,000
Irish Aid - East Africa Programme	2,308,000	2,308,000
	<u>3,840,000</u>	<u>3,840,000</u>
Other grants, fundraising and donations:		
Irish Aid - Development Education	79,732	89,500
Trócaire	3,000	-
Christian Aid	-	-
Concern	4,000	7,000
Other NGOs and donations	49	8,043
Resources sales	7,819	9,062
	<u>94,600</u>	<u>113,605</u>
Licence fees	418,815	382,702
	<u>418,815</u>	<u>382,702</u>
Other income		
Interest earned	1,973	967
Total	<u>4,355,388</u>	<u>4,337,274</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 2010

	2010	2009
	€	€
EXPENDITURE		
Irish Aid - Central America Programme	1,500,000	1,532,000
Irish Aid - East Africa Programme	2,228,000	2,228,000
	<u>3,728,000</u>	<u>3,760,000</u>
Administration:		
Wages and salaries	231,040	230,993
Employer's PRSI contributions	25,536	25,423
Pension costs	36,061	34,204
Consultancy	48,412	14,724
Resources	42,827	48,655
Rent payable	8,401	8,237
Insurance	2,343	2,042
Office supplies	6,247	6,178
Communications	7,646	7,290
Workshop and events	48,437	36,903
Capacity building and staff training	5,766	1,473
Travel	20,869	24,400
Audit	2,600	1,766
Bank charges	463	508
Sundry	2,670	2,014
FLO subscriptions and affiliation	34,160	10,377
Depreciation	2,231	1,794
Loss on disposal of fixed assets	1,059	1,497
Accountancy	1,950	4,050
FLO eV	95,340	72,400
	<u>624,058</u>	<u>534,928</u>
	<u>4,352,058</u>	<u>4,294,928</u>