

**TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2006**

**TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2006**

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# TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

## COMPANY INFORMATION

<b>DIRECTORS</b>	Eithne Fitzgerald Colm McCarthy Dr Garret FitzGerald Dr Eleanor O'Higgins Paul Cullen John Donnelly Tom Arnold Alex McLean Patrick D'Arcy Noeleen Hartigan Toby Wolfe Michael Smith Dr Louis Brennan
<b>CHAIR</b>	Patrick D'Arcy
<b>VICE CHAIR</b>	Noeleen Hartigan
<b>HONORARY TREASURER</b>	Colm McCarthy
<b>CHIEF EXECUTIVE</b>	John Devitt
<b>SECRETARY</b>	John Devitt
<b>REGISTERED NUMBER OF INCORPORATION</b>	390 950
<b>REGISTERED OFFICE</b>	School of Business Trinity College Dublin Dublin 2
<b>AUDITORS</b>	Michael Sargent & Company 10 Lad Lane Lower Baggot Street Dublin 2

## TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2006

The directors present their report and the financial statements for the year ended 31st December 2006.

#### Principal Activity

The principal activity of the company is the the provision of research and education into combating corruption.

#### Result for the year

The (deficit)/surplus for the year amounted to €(4,324) (2005 - €7,011).

#### Directors

The directors who served during the year are as stated below. Unless indicated otherwise they served as directors for the entire period.

Valerie Bresnihan	Resigned 1st November 2006
Eithne Fitzgerald	
Colm McCarthy	
Dr Garret FitzGerald	
Dr Eleanor O'Higgins	
Paul Cullen	
John Donnelly	
Tom Arnold	
Alex McLean	
Patrick D'Arcy	
Noeleen Hartigan	
Dr Justin O'Brien	Resigned 19th June 2006
Toby Wolfe	
Michael Smith	Appointed 13th March 2006
Louis Brennan	Appointed 13th March 2006

#### Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 1983 and 1990 to 2006. 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.

**TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31ST DECEMBER 2006**

**Books of Account**

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and ensuring that competent persons are responsible for the books of account. The books of account are kept at the company's registered office.

**Auditors**

Michael Sargent & Company were appointed as auditors by the directors during the year and they have expressed their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the Board:

\_\_\_\_\_)  
\_\_\_\_\_) Directors 22nd May 2007  
\_\_\_\_\_)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

We have audited the financial statements of Transparency International (Ireland) Limited for the year ended 31st December 2006 on pages 6 to 10, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 opinion we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility 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 1983 and 1990 to 2006. We state whether we have obtained all the information and explanations we consider necessary for the purpose of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and

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

We read the directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TRANSPARENCY INTERNATIONAL (IRELAND) 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 the company's affairs as at 31st December 2006 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 1983 and 1990 to 2006.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 2 to 3 is consistent with the financial statements.

Michael Sargent & Company  
Chartered Accountants and  
Registered Auditors

10 Lad Lane  
Lower Baggot Street  
Dublin 2

22nd May 2007

**TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

**INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2006**

		<b>2006</b>	<b>2005</b>
		<b>12 Months</b>	<b>16 Months</b>
	<b>Notes</b>	<b>€</b>	<b>€</b>
<b>Income</b>		50,910	52,998
Administrative expenses	<b>3</b>	(55,234)	(45,987)
<b>Operating (deficit)/surplus</b>	<b>4</b>	(4,324)	7,011
Taxation	<b>5</b>	-	-
<b>Retained (Deficit)/surplus for the year</b>		(4,324)	7,011
Retained surplus brought forward		7,011	-
Retained surplus carried forward		2,687	7,011

The notes on pages 8 - 10 form an integral part of these financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director



**TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

**BALANCE SHEET  
AS AT 31ST DECEMBER 2006**

		2006		2005	
		€	€	€	€
<b>FIXED ASSETS</b>					
Tangible assets	<b>6</b>		3,888		1,142
<b>CURRENT ASSETS</b>					
Debtors	<b>7</b>	1,764		-	
Cash at bank and in hand		2,617		8,069	
		4,381		8,069	
<b>CREDITORS: amounts falling due within one year</b>	<b>8</b>	(5,582)		(2,200)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(1,201)		5,869
<b>Total Assets Less Current Liabilities</b>			2,687		7,011
<b>REPRESENTED BY:</b>					
Accumulated surplus			2,687		7,011
<b>General fund</b>	<b>9</b>		2,687		7,011

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2006

#### 1. ACCOUNTING POLICIES

##### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

##### 1.2. Income

The income of the company is accounted for on a receipts basis, and expenditure is accounted for on an accruals basis.

##### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	-	20% Straight Line
Computer equipment	-	20% Straight Line

#### 2. STATUS OF THE COMPANY

The company is limited by guarantee, not having a share capital.

#### 3. EMPLOYEES

##### Employment costs

	2006 12 Months €	2005 16 Months €
Wages, salaries and pensions	30,604	26,183
Social welfare costs	3,288	2,811
	<u>33,892</u>	<u>28,994</u>

Analysed as follows:

Wages and salaries	33,892	28,994
	<u>33,892</u>	<u>28,994</u>

#### 4. OPERATING (DEFICIT)/SURPLUS

	2006 12 Months €	2005 16 Months €
Operating (deficit)/surplus is stated after charging:		
Depreciation of tangible assets	1,043	285
Auditors' remuneration	900	800
	<u>1,943</u>	<u>1,085</u>

**TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2006**

..... continued

**5. TAXATION**

The company is a Not For Profit organisation. Accordingly, the company has been granted exemption from corporation tax by the Revenue Commissioners.

**6. TANGIBLE ASSETS**

	<b>Fixtures, fittings &amp; equipment</b>	<b>Computer Equipment</b>	<b>Total</b>
	€	€	€
<b>Cost</b>			
At 1st January 2006	791	636	1,427
Additions	535	3,254	3,789
At 31st December 2006	1,326	3,890	5,216
<b>Depreciation</b>			
At 1st January 2006	158	127	285
Charge for the year	265	778	1,043
At 31st December 2006	423	905	1,328
<b>Net book values</b>			
At 31st December 2006	903	2,985	3,888
At 31st December 2005	633	509	1,142

**7. DEBTORS**

	<b>2006</b>	<b>2005</b>
	€	€
Other debtors	71	-
Prepayments and accrued income	1,693	-
	1,764	-

**TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2006**

..... continued

<b>8. CREDITORS: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	€	€
Bank overdraft	466	438
Other taxes and social security costs	2,106	962
Accruals	3,010	800
	<u>5,582</u>	<u>2,200</u>

**9. RECONCILIATION OF MOVEMENTS IN GENERAL FUND**

	<b>2006</b>	<b>2005</b>
	€	€
(Deficit)/surplus for the year	(4,324)	7,011
Opening members funds	7,011	-
	<u>2,687</u>	<u>7,011</u>

**10. SECURITY**

There is no security held over the assets of the company.

**11. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the directors on 22nd May 2007.

**TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED**

**DETAILED INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2006**

	2006		2005	
	12 Months		16 Months	
	€	€	€	€
<b>Income</b>				
Grants from Joseph Rowntree Charitable Trust		34,219		52,557
Membership Fees		1,721		441
Research income from Department of Justice		14,970		-
		50,910		52,998
 <b>Administrative expenses</b>				
Wages and salaries	30,604		26,183	
Employer's PRSI contributions	3,288		2,811	
Venue hire and catering	675		1,906	
Printing, postage and stationery	6,165		1,709	
Public Information	219		4,780	
Telephone & Internet	1,651		2,274	
Computer costs	484		1,946	
Motor & travel expenses	2,138		2,621	
Research Expenses	2,842		-	
Publicity	3,329		200	
Audit	900		800	
Bank charges	131		176	
Staff Training	913		-	
General expenses	655		147	
Subscriptions	197		149	
Depreciation	1,043		285	
		(55,234)		(45,987)
<b>Excess of expenditure over income</b>		(4,324)		7,011