

Friends of the Earth Ireland Limited
(A company limited by guarantee and not having a share capital)

Directors' Report and Financial Statements

for the year ended 31 December, 2006

Friends of the Earth Ireland Limited
(A company limited by guarantee and not having a share capital)

Financial Statements for the year ended 31 December, 2006

Company Information

Directors

Ivana Bacik
Samuel Clarke (Resigned 30 May 2007)
Shirley Clerkin (Appointed 30 May 2007)
Mark Dearey
Caitriona Maguire
Malcolm Noonan (Resigned 25 July 2006)
Damian O' Broin
Stephen Rourke
John Sutton (Resigned 30 May 2007)
John Sweeney (Appointed 30 May 2007)

Secretary

Mark Dearey (Appointed 30 May 2007)
John Sutton (Resigned 30 May 2007)

Company Number

383678

Registered Office

9 Upper Mount Street,
Dublin 2.

Business Address

9 Upper Mount Street,
Dublin 2.

Auditors

Malone Power & Company,
Chartered Accountants,
Registered Auditors,
Marlborough House,
21 Marlborough Road,
Donnybrook,
Dublin 4.

Bankers

Bank of Ireland plc,
College Green,
Dublin 2.

Friends of the Earth Ireland Limited
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Financial Statements for the year ended 31 December, 2006

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Friends of the Earth Ireland Limited
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Directors' Report
for the year ended 31 December, 2006

Audited Financial Statements

The Directors present herewith their report and the audited financial statements for the year ended 31 December, 2006. In preparing these financial statements, the Directors have exercised the options available to a small sized private company under the Companies (Amendment) Act, 1986.

Principal Activity

The organisation is engaged in raising environmental awareness.

Review of Activity and Future Developments

The level of income for the year and the year end financial position were satisfactory. The directors are confident that the level of income and year end financial position will improve in the foreseeable future.

Results

The results for the year are set out in the Income and Expenditure Account on page 5.

Directors' Responsibilities

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 financial statements, 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 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.

Books of Account

The directors are responsible for ensuring that proper books of account as outlined in section 202 of the Companies Act, 1990, are kept by the company. The books of account are maintained by the Directors at 9 Upper Mount Street, Dublin 2.

Auditors

The auditors, Malone Power & Company, Chartered Accountants and Registered Auditors, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Friends of the Earth Ireland Limited
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Directors' Report
for the year ended 31 December, 2006

Taxation Status

So far as the directors are aware, the company is a close company within the meaning of the Taxes Consolidation Act, 1997.

On behalf of the Board


Caitriona Maguire


Shirley Clerkin

)
) Directors
)

9 Upper Mount Street,
Dublin 2.

25 July 2007

Malone Power & Company

Chartered Accountants
Registered Auditors

Marlborough House,
21 Marlborough Road,
Donnybrook,
Dublin 4.
Telephone : (01) 6684088
Fax : (01) 6684150
e-mail : info@malonepower.com

Independent Auditors' Report to the Members of Friends of the Earth Ireland Limited

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the Company's members, as a body, in accordance with Section 193 (1) 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 auditor's 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and Irish Accounting Standards, are set out on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards promulgated by the Auditing Practices Board in Ireland and the United Kingdom.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts 1963 to 2006. We also report to you whether, in our opinion proper books of account have been kept by the Company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company and whether the information given in the Directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company's balance sheet and its income and expenditure account are in agreement with the books of account.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

Malone Power & Company

Chartered Accountants
Registered Auditors

Marlborough House,
21 Marlborough Road,
Donnybrook,
Dublin 4.
Telephone : (01) 6684088
Fax : (01) 6684150
e-mail : info@malonepower.com

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at the 31 December, 2006 and of its results for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 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 1 - 2 is consistent with the financial statements.



Malone Power & Company
Chartered Accountants
Registered Auditors

Marlborough House,
21 Marlborough Road,
Donnybrook,
Dublin 4.

25 July 2007

Friends of the Earth Ireland Limited
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**Income and Expenditure Account
for the year ended 31 December, 2006**

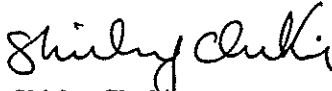
Continuing operations

	Notes	€	2006 €	€	2005 €
Income			107,252		109,500
Less:					
Programme Expenditure		50,543		46,847	
Fundraising Expenditure		38,161		46,029	
Administrative Expenditure		26,584		22,422	
			<u>(115,288)</u>		<u>(115,298)</u>
(Deficit) on ordinary activities before taxation	2		(8,036)		(5,798)
Taxation	3		<u>-</u>		<u>-</u>
(Deficit) on ordinary activities after taxation			(8,036)		(5,798)
Accumulated surplus at beginning of year			14,270		20,068
Accumulated surplus at end of year			<u>6,234</u>		<u>14,270</u>

There are no recognised gains or losses other than the surplus or deficit for the above financial year.

The financial statements were approved by the board on 25 July 2007 and signed on its behalf by :


Caitriona Maguire
Director

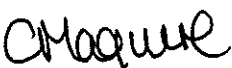

Shirley Clerkish
Director

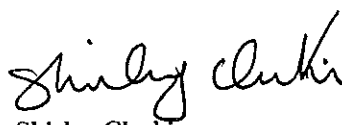
Friends of the Earth Ireland Limited
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Balance Sheet
as at 31 December, 2006

	Notes	2006		2005	
		€	€	€	€
Fixed Assets					
Tangible assets	5		6,232		5,565
Current Assets					
Debtors	6	25,090		1,300	
Cash at bank and in hand		68,840		43,162	
		<u>93,930</u>		<u>44,462</u>	
Creditors: amounts falling due within one year	7	<u>78,484</u>		<u>35,757</u>	
Net Current Assets			<u>15,446</u>		<u>8,705</u>
Total Assets less Current Liabilities			21,678		14,270
Creditors: amounts falling due after more than one year	8		<u>15,444</u>		<u>-</u>
Net Assets			<u><u>6,234</u></u>		<u><u>14,270</u></u>
Represented by:					
Accumulated Surplus			<u><u>6,234</u></u>		<u><u>14,270</u></u>

The financial statements were approved by the Board on 25 July 2007 and signed on its behalf by :


 Caitriona Maguire
 Director


 Shirley Clerkin
 Director

Friends of the Earth Ireland Limited
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Notes to the Financial Statements
for the year ended 31 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

Income represents grants & donations and other funds received and receivable.

1.3. Tangible fixed assets and depreciation

Depreciation is provided on the bases and at rates stated below which are estimated to reduce the assets to realisable values by the end of their expected working lives:-

Category	Basis	Rate per annum
Fixtures and fittings	Straight line	20%
Computer equipment	Straight line	33.33%
Website Development	Straight line	33.33%

A full year's depreciation is charged in the year of purchase. No depreciation is charged in the year of sale.

2. (Deficit) on ordinary activities before Taxation

2006

2005

€

€

(Deficit) on ordinary activities before taxation
is stated after charging :

Depreciation of tangible assets	3,867	1,875
Directors Remuneration		
As Directors	-	-
For management services	-	-
Auditors' remuneration	3,129	3,025

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Notes to the Financial Statements
for the year ended 31 December, 2006

3.	Taxation	2006		2005
		€		€
	Based on the (deficit) for the year:-			
	Corporation Tax	-		-
		<u> </u>		<u> </u>

No provision for Corporation Tax has been made due to the granting by the Revenue Authorities of "Mutuality of Trade" Status on the 29th September, 2005, thereby exempting the organisation from paying Corporation Tax.

Employees

Employment costs	2006		2005
	€		€
Salaries	44,672		40,128
Employer's PRSI contributions	5,107		4,314
Pension Costs	5,690		2,022
	<u>55,469</u>		<u>46,464</u>

5. Tangible assets

	Office Equipment €	Fixtures & Fittings €	Website Development €	Total €
Cost				
At 1 January, 2006	3,850	930	2,660	7,440
Additions	-	-	4,534	4,534
Disposals	-	-	-	-
At 31 December, 2006	<u>3,850</u>	<u>930</u>	<u>7,194</u>	<u>11,974</u>
Depreciation				
At 1 January, 2006	803	186	886	1,875
Charge for the year	1,283	186	2,398	3,867
At 31 December, 2006	<u>2,086</u>	<u>372</u>	<u>3,284</u>	<u>5,742</u>
Net book values				
At 31 December, 2006	<u>1,764</u>	<u>558</u>	<u>3,910</u>	<u>6,232</u>
At 31 December 2005	<u>3,047</u>	<u>744</u>	<u>1,774</u>	<u>5,565</u>

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Notes to the Financial Statements
for the year ended 31 December, 2006

6. Debtors	2006	2005
	€	€
Friends of the Earth Northern Ireland	-	1,300
Deferred Expenditure (See Below)	25,090	-
	<u>25,090</u>	<u>1,300</u>

Deferred Expenditure represents 50% of membership recruitment expenditure incurred, the benefit from which will continue to accrue in 2007.

7. Creditors: amounts falling due within one year	2006	2005
	€	€
Trade creditors & accruals	15,319	35,500
Other taxes	3,165	257
Friends of the Earth EWNI	60,000	-
	<u>78,484</u>	<u>35,757</u>

8. Creditors: amounts falling due after more than one year	2006
	€
Friends of the Earth EWNI	<u>15,444</u>

9. Related party transactions

Mr. John Sutton who was a director and who was also secretary of Friends of the Earth Ireland Limited up to 30 May 2007, is also the managing director of Public Communications Centre (PCC), 22 Great Georges Street, Dublin 2 from which the company obtains services. Public Communications Centre, which is a creative communication resource for progressive not-for-profit organisations, has granted Friends of the Earth Ireland Limited extended credit facilities which would otherwise not be available in the ordinary course of its business. PCC invoiced the company for marketing and other professional services during the year amounting to €1,516 (2005:€34,130). The balance owing to PCC at the year end amounted to €11,113 (2005: €28,008).

10. Approval of financial statements

The financial statements were approved by the Board on 25 July 2007.

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Financial Statements for the year ended 31 December 2006

The following pages are for the directors only

Friends of the Earth Ireland Limited
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Income and Expenditure Account
for the year ended 31 December, 2006

	2006		2005	
	€	€	€	€
Income (Page 12)		107,252		109,500
<u>Less: Programme Expenditure</u>				
Climate Change	7,460		5,701	
Safer Chemicals	1,988		2,575	
Events/Communications	5,414		10,692	
Website Development - Depreciation	2,398		886	
Salaries	26,804		24,077	
Employers' PRSI Contribution	3,065		2,588	
Staff Pension Costs	3,414		1,214	
		(50,543)		(47,733)
		56,709		61,767
<u>Less: Fundraising Expenditure</u>				
Membership Recruitment	26,903		29,391	
Fundraising	165		7,345	
Salaries	8,934		8,026	
Employers' PRSI Contribution	1,021		863	
Staff Pension Costs	1,138		404	
		(38,161)		(46,029)
		18,548		15,738
<u>Less: Administrative Expenditure</u>				
Audit Fees	3,129		3,025	
Accountancy Fees	300		600	
Bank Charges	464		525	
Board Expenses	-		853	
Rent and Insurance (2005: 6months)	9,840		5,019	
Depreciation	1,469		989	
Salaries	8,934		8,025	
Employers' PRSI Contribution	1,021		863	
Staff Pension Costs	1,138		404	
Sundry	289		1,233	
		(26,584)		(21,536)
Operating (deficit)		(8,036)		(5,798)

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Detailed Income Schedule for the year ended 31st December 2006

<u>Income</u>	2006 €	2005 €
FOE England Wales & Northern Ireland Grant	-	30,160
FOE Europe	2,541	3,855
Oak Foundation	51,933	50,096
Rowntree Trust	-	7,050
EENGO Network	6,062	-
Network for Social Change	7,301	-
Other Grants	1,205	-
Membership and Donations	38,210	18,339
	<hr/>	<hr/>
(To Page 11)	107,252	109,500
	<hr/> <hr/>	<hr/> <hr/>