

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2005

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2005

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TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

COMPANY INFORMATION

DIRECTORS	Dr Valerie Bresnihan 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 Toby Wolfe
CHAIRMAN	Colm McCarthy
HONORARY TREASURER	Patrick D'Arcy
CHIEF EXECUTIVE (ACTING)	John Devitt
SECRETARY	John Devitt
REGISTERED NUMBER OF INCORPORATION	390 950
REGISTERED OFFICE	School of Business Trinity College Dublin Dublin 2
AUDITORS	Brennan Governey & Co. Kildress House Pembroke Row Lower Baggot Street Dublin 2

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2005

The directors present their report and the financial statements for the period ended 31st December 2005.

Principal Activity

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

Result for the period

The surplus for the period amounted to €7,011

Health and Safety of Employees

The company has adopted a safety statement in accordance with the requirements of the act.

Directors

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

Dr Valerie Bresnihan	Appointed 14 September 2004	
Eithne Fitzgerald	Appointed 14 September 2004	
Colm McCarthy	Appointed 30 October 2004	
Dr Garret FitzGerald	Appointed 30 October 2004	
Dr Eleanor O'Higgins	Appointed 30 October 2004	
Paul Cullen	Appointed 30 October 2004	
John Donnelly	Appointed 30 October 2004	
Tom Arnold	Appointed 24 November 2004	
Alex McLean	Appointed 29 November 2005	
Patrick D'Arcy	Appointed 29 November 2005	-
Noeleen Hartigan	Appointed 29 November 2005	
Dr Justin O'Brien	Appointed 29 November 2005	
Toby Wolfe	Appointed 29 November 2005	

Directors' Responsibilities

Irish company law requires the directors to prepare financial statements for each financial period 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 period. 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 2005. 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 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.

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31ST DECEMBER 2005**

Auditors

Brennan Governey & Co. were appointed auditors by the directors to fill the casual vacancy 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
)

13th March 2006

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

We have audited the financial statements 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

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable Irish law and accounting standards generally accepted in Ireland are set out on page 2 in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and auditing standards issued by the Auditing Practices Board applicable in Ireland.

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 Irish statute comprising the Companies Acts, 1963 to 1983 and 1990 to 2005. 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.

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

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.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2005 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Acts 1963 to 1983 and 1990 to 2005.

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.

Brennan Governey & Co.
Chartered Accountants and
Registered Auditors

Kildress House
Pembroke Row
Lower Baggot Street
Dublin 2

13th March 2006

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

**INCOME & EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31ST DECEMBER 2005**

	Notes	2005 16 Months €
Income		52,998
Administrative expenses	3	(45,987)
Operating surplus	4	<u>7,011</u>
Taxation	5	-
Retained Surplus for the period		<u><u>7,011</u></u>

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 2005**

		2005	
		€	€
FIXED ASSETS			
Tangible assets	6		1,142
CURRENT ASSETS			
Cash at bank and in hand		8,069	
		<u>8,069</u>	
CREDITORS: amounts falling due within one year	7	(2,200)	
		<u>5,869</u>	
NET CURRENT ASSETS			5,869
Total Assets Less Current Liabilities			<u>7,011</u>
REPRESENTED BY:			
Accumulated surplus			7,011
General fund	8		<u>7,011</u>

On behalf of the Board:

Director

Director

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2005**

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 trust 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

2005
16 Months
€

Wages, salaries and pensions	26,183
Social welfare costs	2,811
	<hr/>
	28,994
	<hr/> <hr/>

Analysed as follows:

Wages and salaries	28,994
	<hr/>
	28,994
	<hr/> <hr/>

4. OPERATING SURPLUS

2005
16 Months
€

Operating surplus is stated after charging:

Depreciation of tangible assets	285
Auditors' remuneration	800
	<hr/>
	800
	<hr/> <hr/>

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2005**

..... 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

	Fixtures, fittings & equipment	Computer Equipment	Total
	€	€	€
Cost			
At 14th September 2004	-	-	-
Additions	791	636	1,427
	<hr/>	<hr/>	<hr/>
At 31st December 2005	791	636	1,427
	<hr/>	<hr/>	<hr/>
Depreciation			
At 14th September 2004	-	-	-
Charge for the period	158	127	285
	<hr/>	<hr/>	<hr/>
At 31st December 2005	158	127	285
	<hr/>	<hr/>	<hr/>
Net book values			
At 31st December 2005	633	509	1,142
	<hr/>	<hr/>	<hr/>

7. CREDITORS: amounts falling due within one year

	2005
	€
Bank overdraft	438
Other taxes and social security costs	962
Accruals	800
	<hr/>
	2,200
	<hr/>

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2005**

..... continued

8. RECONCILIATION OF MOVEMENTS IN GENERAL FUND

	2005
	€
Surplus for the period	<u>7,011</u>

9. SECURITY

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

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the directors on 13th March 2006.

TRANSPARENCY INTERNATIONAL (IRELAND) LIMITED

**DETAILED INCOME & EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31ST DECEMBER 2005**

	2005	
	16 Months	
	€	€
Income		
Grants from Joseph Rowntree Charitable Trust		52,557
Membership Fees		441
		<hr/> 52,998
 Administrative expenses		
Wages and salaries	26,183	
Employer's PRSI contributions	2,811	
Venue hire	1,906	
Printing, postage and stationery	1,709	
Public Information	4,780	
Telephone & Internet	2,274	
Computer costs	1,946	
Motor & travel expenses	2,621	
Publicity	200	
Audit	800	
Bank charges	176	
General expenses	147	
Subscriptions	149	
Depreciation	285	
		<hr/> (45,987)
Operating surplus		<hr/> <u>7,011</u>