

Mellon Township Limited

Directors' Report and Financial Statements

For the year ended 28 February 2007

MELLON TOWNSHIP LIMITED
Financial statements for the year ended 28 February 2007

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MELLON TOWNSHIP LIMITED

Financial statements for the year ended 28 February 2007

DIRECTORS AND OTHER INFORMATION

Directors:	Niall Mellon John Fitzgerald Aileen Crowley
Secretary:	John Fitzgerald
Company number:	389423
Charity registered number:	CHY 16238
Registered office:	Taylor's Three Rock, Grange Road, Rathfarnham, Dublin 16.
Bankers:	Allied Irish Banks plc, Terenure, Dublin 6W.
Solicitors:	O'Donnell Sweeney Solicitors, 1 Earlsfort Terrace, Earlsfort Centre, Dublin 2.
Auditors:	BDO Simpson Xavier, Registered Auditors, Beaux Lane House, Mercer Street Lower, Dublin 2.

MELLON TOWNSHIP LIMITED

Financial statements for the year ended 28 February 2007

DIRECTORS' REPORT

The directors submit their report, together with the audited financial statements for the year ended 28 February 2007. In preparing the financial statements, the directors have exercised the options available to a small private company under the Companies (Amendment) Act, 1986.

Principal activities and review of the business

The principal activity of the company is to provide low cost housing and educational support for the poor and underprivileged worldwide.

Results for the year

The income and expenditure account and balance sheet are set out on pages 6 and 7. The surplus for the year amounted to €10,396 (2005: €61,410). The amount taken to reserves amounted to €10,396 (2005: €61,410)

Events since the year end

There have been no significant events since the year end.

Future developments

No change is expected in the nature of the business of the company for the foreseeable future.

Books and records

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account are maintained at Taylor's Three Rock, Grange Road, Rathfarnham, Dublin 16.

Directors and their interests

The directors of the company are set out on page 1 and, except where indicated, the directors served for the entire year. The directors are not required to retire by rotation.

The beneficial interest of the directors of the company, the company secretary and their families and nominees in the share capital of the company, as they appear in the register of shareholders, is set out in note 8.

MELLON TOWNSHIP LIMITED

Financial statements for the year ended 28 February 2007

DIRECTORS' REPORT- cont'd

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.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. 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;
- 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 are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising 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.

Auditors

The auditors, BDO Simpson Xavier, Registered Auditors, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Board

John Fitzgerald

Director

Aileen Crowley

Director

26 July 2007

Date

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MELLON TOWNSHIP LIMITED

We have audited the financial statements on pages 6 to 10 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and in accordance with 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'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 the Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities on page 3. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and 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 the Irish Statute comprising 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 financial statements are in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland). 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 also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MELLON TOWNSHIP LIMITED – cont'd

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 the 28 February 2007 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 Company balance sheet is in agreement with the books of account.

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

The net assets of the company, as stated in the Balance Sheet on page 7, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 28 February 2007 a financial situation which under Section 40(1) of the Companies (Amendment) Act 1983 may require the convening of an extraordinary general meeting of the company.

26 July 2007

BDO Simpson Xavier
Registered Auditors

MELLON TOWNSHIP LIMITED

INCOME AND EXPENDITURE ACCOUNT for the year ended 28 February 2007

	Notes	Year ending 28 February 2007 €	19 month period ending 28 February 2006 €
INCOMING RESOURCES			
Volunteer income		2,251,561	5,304,477
Fundraising activities		832,546	1,356,964
Total incoming resources		3,084,107	6,661,441
CHARITABLE EXPENDITURE			
Cost of activities in furtherance of the objectives of the charities	2	2,842,540	6,545,836
Advertising and promotional costs		153,638	43,630
General expenses		78,015	10,803
Total charitable expenditure		3,074,193	6,600,269
Net incoming resources		9,914	61,172
Other income		482	238
Total funds added		10,396	61,410
TOTAL FUNDS BROUGHT FORWARD		61,410	-
TOTAL FUNDS CARRIED FORWARD		71,806	61,410

The company had no recognised gains or losses other than the results noted above.

All of the above results were derived from continuing operations.

The notes on pages 8 to 10 form part of the financial statements.

On behalf of the Board

John Fitzgerald

Director

Aileen Crowley

Director

MELLON TOWNSHIP LIMITED

BALANCE SHEET as at 28 February 2007

	Note	2007 €	2006 €
ASSETS EMPLOYED			
CURRENT ASSETS			
Debtors	4	2,491,324	626,775
Cash at bank		200,002	846,747
		<u>2,691,326</u>	<u>1,473,522</u>
CURRENT LIABILITIES			
Creditors (amounts falling due within one year)	5	(62,353)	(7,207)
NET CURRENT ASSETS		2,628,973	1,466,315
LONG TERM LIABILITES			
Creditors (amounts falling due after one year)	6	(2,557,160)	(1,404,898)
NET ASSETS		71,813	61,417
REPRESENTED BY			
Called up share capital	7	7	7
General fund		71,806	61,410
TOTAL FUNDS		71,813	61,417

The notes on pages 8 to 10 form part of these financial statements.

On behalf of the Board

John Fitzgerald

Director

Aileen Crowley

Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 2007

1. STATEMENT OF ACCOUNTING POLICIES

(a) *Accounting Conventions*

The financial statements have been prepared under the historical cost convention in accordance with best practice as recommended by the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Companies Acts 1963 to 2006, and with applicable financial reporting standards.

(b) *Income Recognition / Incoming Resources*

Donations, legacies and funds raised by volunteers are taken into account at the time of receipt.

(c) *Expenditure*

Expenditure is analysed between direct costs of activities in furtherance of the objects of the charity, advertising and promotional costs and other general expenses.

The costs attributed directly to generating funds are analysed according to their major components and disclosed separately in the notes to the accounts.

(d) *Funds*

All transactions of the organisation have been recorded as income into or expenditure from funds, which are designated as "restricted" or "unrestricted". Unless otherwise stated all transactions are unrestricted.

Income is treated as restricted where the donor/funder has specified that it may only be used for a particular purpose or project. All other income is treated as unrestricted.

Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor/funder. All other expenditure is treated as being from unrestricted funds.

MELLON TOWNSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONT'D For the year ended 28 February 2007

2. CHARITABLE EXPENDITURE

	2007	2006
	€	€
Transfers to Niall Mellon Township Challenge Trust (South Africa)	2,247,960	5,097,281
Volunteer costs	594,580	1,302,273
Other donations	-	146,282
	<u>2,842,540</u>	<u>6,545,836</u>

3. PAYROLL COSTS

	2007	2006
	€	€
Wages and salaries	42,220	-
Social welfare	4,510	-
	<u>46,730</u>	<u>-</u>

4. DEBTORS

	2007	2006
	€	€
<i>Amounts falling due after more than one year:</i>		
Advance made to Niall Mellon Township Challenge Trust (South Africa)	2,416,775	626,775
Prepayments	74,549	-
	<u>2,491,324</u>	<u>626,775</u>

In the event that the Niall Mellon Township Challenge Trust (South Africa) is unable to repay the amount of €2,416,775 due at 28 February 2007, Niall Mellon has guaranteed its repayment in full with €1,877,160 of this amount being offset against amounts owed to Niall Mellon at 28 February 2007 and the balance of €539,615 covered by a letter of personal guarantee from Niall Mellon.

5. CREDITORS (amounts falling due within one year)

	2007	2006
	€	€
Expense creditors and accruals	45,424	7,207
PAYE/PRSI	16,929	-
	<u>62,353</u>	<u>7,207</u>

MELLON TOWNSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONT'D For the year ended 28 February 2007

6. CREDITORS (amounts falling due after one year)

	2007	2006
	€	€
Advances made by Niall Mellon	1,877,160	724,898
Other advances received	680,000	680,000
	<u>2,557,160</u>	<u>1,404,898</u>

7. CALLED UP SHARE CAPITAL

	2007	2006
	€	€
<i>Authorised share capital</i>		
1,000 Ordinary shares of €1.00 each	<u>1,000</u>	<u>1,000</u>
<i>Issued share capital</i>		
7 Ordinary shares of €1.00 each	<u>7</u>	<u>7</u>

8. DIRECTORS' AND THEIR INTERESTS

The beneficial interests of the directors and secretary, and their families in the share capital as at 1 March 2006 and at 28 February 2007 are as follows:

	Number of Ordinary shares	% Share holding
Niall Mellon	1	14%
John Fitzgerald	1	14%
Aileen Crowley	1	14%

9. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the directors on 26 July 2007.

Appendix

This appendix is for the directors only
and does not form part of the Audited Statutory Financial Statements.