Mellon Township Limited

Directors' Report and Financial Statements

For the year ended 31 December 2011

BDO

Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

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DIRECTORS AND OTHER INFORMATION

Directors:	Niall Mellon John Fitzgerald (resigned 20 June 2012) Aileen Crowley Gavin Bonnar Patrick O'Reilly Brian Higgins Gerry Nolan
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. Irish Bank Resolution Corporation, Stephen Court, 18/21 St. Stephen's Green, Dublin 2.
Solicitors:	O'Donnell Sweeney Solicitors, 1 Earlsfort Terrace, Earlsfort Centre, Dublin 2.
Auditors:	BDO, Registered Auditors, Beaux Lane House, Mercer Street Lower, Dublin 2.

DIRECTORS' REPORT

The directors submit their report, together with the audited financial statements for the year ended 31 December 2011. 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
Mellon Township Limited provides quality social housing for the impoverished communities in the townships of South Africa. We are currently building in 18 townships, 5 in the Western Cape and 13 in Gauteng. In addition to our ongoing house building program, in 2011 we donated 30 houses in Duduza following a hurricane in that region and also provided a clinic at Rhema in partnership with the local church. The total number of houses completed in 2011 was 3486. We mobilise volunteers from Ireland and South Africa to support the building projects, to achieve skills transfer to the communities, to teach and help develop life skills.

Results for the year
The income and expenditure account and balance sheet are set out on pages 6 and 7. The deficit for the year amounted to €37,655 (2010: gain €1,180,531). The amount taken against total funds amounted to €37,655 (2010: €1,180,531).

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 9.

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 published 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 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.

Auditors
The auditors, BDO, 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

Director

Director

25 August 2012
Date

BDO

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Mercer Street Lower
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MELLON TOWNSHIP LIMITED

We have audited the financial statements on pages 6 to 11 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 published 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 on 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 2012. 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 on 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.

Other Offices:

Four Michael Street
Limerick

The Red Church
Henry Street
Limerick

Katharine Byrne
Maurice Carr
Michael Costello
Kevin Doyle
John Gilmor Gavin

Jim Hamilton
Sinead Heaney
Diarmuid Hendrick
Liam Hession
Gerard Holliday

Ken Kilmartin
Teresa Morahan
Paul Nestor
John O'Callaghan
Con Quigley

Derry Gray (Managing Partner)
Peter Carroll
Eddie Doyle
Stewart Dunne
Ivor Feerick
Alan Flynn
Brían Gartlan
David Giles
Denis Herlihy

David McCormick
Brian McEnery
Evin McLoughlin
Ciarán Medlar
David O'Connor
Michelle O'Keefe
Peter O'Neill
Patrick Sheehan
Noel Taylor

Chartered Accountants

BDO, a partnership established under Irish law, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business.

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.

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 31 December 2011 and of its results for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2012.

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 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 31 December 2011 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.

John O'Callaghan
For and on behalf of BDO
Dublin
Registered Auditors
A1223876

25 August 2012
Date

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 €	2010 €
INCOMING RESOURCES			
Unrestricted funds			
Volunteer income		**2,210,226**	3,003,812
Funds received from related entities		**33,912**	907,097
Fundraising activities		**114,066**	324,099
Total incoming resources		**2,358,204**	4,235,008
CHARITABLE EXPENDITURE			
Cost of activities in furtherance of the objectives of the charities	2	**1,620,005**	1,584,936
Advertising and promotional costs		**79,009**	293,178
General expenses		**829,732**	1,207,333
Total charitable expenditure		**2,528,746**	3,085,447
Net incoming / (outgoing) resources		**(170,542)**	1,149,561
Other income		**132,887**	30,970
Funds (deficit)/added		**(37,655)**	1,180,531
TOTAL FUNDS BROUGHT FORWARD		**3,540,536**	2,360,005
TOTAL FUNDS CARRIED FORWARD		**3,502,881**	3,540,536

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 11 form part of the financial statements.
Approved by the Board and authorised for issue on 25 August 2012

Director **Director**

BALANCE SHEET
as at 31 December 2011

	Notes	2011	2010
ASSETS EMPLOYED			€
FIXED ASSETS			
Tangible fixed assets	4	**9,517**	28,538
CURRENT ASSETS			
Cash at bank		**4,221,008**	4,269,173
		4,221,008	4,269,173
CURRENT LIABILITIES			
Creditors (amounts falling due within one year)	5	**(47,637)**	(77,168)
NET CURRENT ASSETS		**4,173,371**	4,192,005
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,182,888**	4,220,543
LONG TERM LIABILITES			
Creditors (amounts falling due after one year)	6	**(680,000)**	(680,000)
NET ASSETS		**3,502,888**	3,540,543
REPRESENTED BY			
Called up share capital	7	**7**	7
Funds carried forward			
Unrestricted funds		**3,502,881**	3,540,536
TOTAL FUNDS		**3,502,888**	3,540,543
0			

The notes on pages 8 to 11 form part of these financial statements.

Approved by the Board and authorised for issue on 25 August 2012

Director

Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

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 2009, 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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
For the year ended 31 December 2011

2. CHARITABLE EXPENDITURE

	2011	2010
	€	€
Transfers to Niall Mellon Township Challenge Trust (South Africa)	**910,995**	882,913
Other Donations	**90,000**	77,404
Volunteer costs	**619,010**	624,619
	1,620,005	1,584,936

3. PAYROLL COSTS

	2011	2010
	€	€
Wages and salaries	**394,612**	635,234
Social welfare	**40,011**	68,839
	434,623	704,073

4. TANGIBLE FIXED ASSETS

	Computer equipment	Office equipment	Motor vehicle	Total
	€	€	€	€
Cost				
At 1 January 2011	78,274	61,821	-	140,095
Additions	1,611	3,630	-	5,241
Disposals	-	-		
At 31 December 2011	79,885	65,451	-	145,336
Depreciation				
At 1 January 2011	53,845	57,713	-	111,558
Charge for the year	20,150	4,111	-	24,261
Depreciation on disposals	-	-		
At 31 December 2011	73,995	61,824	-	135,819
Net book values				
At 31 December 2011	**5,890**	**3,627**		**9,517**
At 31 December 2010	24,429	4,109	-	28,538

NOTES TO THE FINANCIAL STATEMENTS CONT'D
For the year ended 31 December 2011

5. CREDITORS (amounts falling due within one year)

	2011	2010
	€	€
Expense creditors and accruals	30,386	54,808
PAYE/PRSI	14,400	22,360
Bank overdaft	2,851	-
	47,637	77,168

6. CREDITORS (amounts falling due after one year)

	2011	2010
	€	€
Other advances received	680,000	680,000
	680,000	680,000

7. CALLED UP SHARE CAPITAL

	2011	2010
	€	€
Authorised share capital		
1,000 Ordinary shares of €1.00 each	1,000	1,000
Issued share capital		
7 Ordinary shares of €1.00 each	7	7

8. DIRECTORS' AND THEIR INTERESTS

The beneficial interests of the directors and secretary, and their families in the share capital as at 1 January 2011 and at 31 December 2011 are as follows:

	No. of Ordinary shares	% shareholding
Niall Mellon	1	14%
John Fitzgerald	1	14%
Aileen Crowley	1	14%
Patrick O'Reilly	1	14%

9. RELATED PARTY TRANSATIONS

During the year the company paid rent of €40,000 to Taylors Three Rock Hotel, owned by Niall Mellon, for office accommodation.