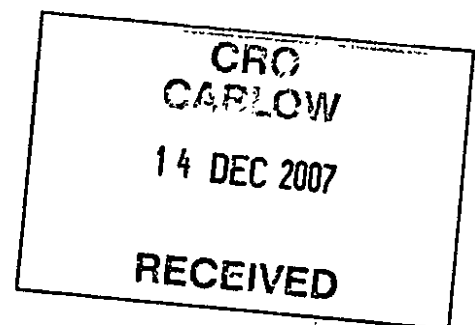


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CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND
NOT HAVING ANY SHARE CAPITAL).

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006



REGISTRATION NUMBER 376543
CHARITY NUMBER CHY 15639

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL).

INDEX TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

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CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL).

COMPANY INFORMATION

For the year ended 31 December 2006

DIRECTORS	Peter Dixon Martin Burbridge John F. Casey Niall Walsh
SECRETARY	Eamonn Lynch
COMPANY NUMBER	376543
REGISTERED OFFICE	Larch Hill Tibradden Dublin 16
BANKERS	Ulster Bank 130 Lower Baggot Street Dublin 2
SOLICITORS	Sheehan & Co. 1 Clare Street Dublin 2
AUDITORS	McCann Kane & Co Chartered Accountants & Registered Auditors Orchard House Beaumont Avenue Churchtown Dublin 14

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL)

DIRECTORS' REPORT

For the year ended 31 December 2006

The directors' submit herewith their report and audited financial statements for the year ended 31 December 2006.

PRINCIPAL ACTIVITY

Its principal activity during the year has continued to be fundraising activities to develop a cross border youth activity centre at Castle Saunderson.

RESULTS FOR THE YEAR

The income and expenditure account and balance sheet for the year ended 31 December 2006 are set on pages 7 and 8. The deficit for the year amounted to €96,630 compared to a deficit of €115,620 in the previous year.

IMPORTANT EVENTS SINCE THE YEAR END

Since the year end the Board of Directors have not made any further decision's in relation to Castle Saunderson.

However, since the year end National Council passed two motions - one granting permission to sell Castle Saunderson if no real alternatives can be put in place by end of 2007. A second motion was carried that any surplus after the payment of all costs, liabilities and duties to whomever, on the sale of Castle Saunderson Estate be used exclusively for development of new and existing campsites of Scouting Ireland and that the spending be determind by a Committee chaired by the programme Commissioner for Campsites and comprising of the six Provincial Commissioners, the Chief Commissioner Youth Programme and the National Treasurer. This committee should give preference to campsites in the areas of the country where there is lack of suitable campsites and , in particular, to a proposal from the Scout County in which Castle Saunderson Estate is located.

FUTURE DEVELOPMENTS IN BUSINESS

On completion of the relevant reports from the company a decision will then be made on the future of the company by the National Council of Scouting Ireland.

RESEARCH AND DEVELOPMENT

The company is not engaged in the field of research and development.

DIRECTORS AND THEIR INTERESTS

The persons who served as directors during the year are set out on page 1.

The company is limited by guarantee and does not have a Share Capital.

BOOKS OF ACCOUNT

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 within the company and Scouting Ireland who supports the directors in discharging their duties, and the provision of adequate resources to the financial function.

These books and accounting records are maintained at the company's registered office.

(Continued.....)

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL)

DIRECTORS' REPORT

For the year ended 31 December 2006

(.....Continued)

AUDITORS

The auditors McCann Kane & Co 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:



Director



Director

Date: 15/1/07

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 2006

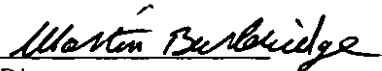
Company law requires the directors' to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors' are required to:


- 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 confirm that the financial statements comply with the above requirements.

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

On behalf of the Board:


Director


Director

Date: 15/11/07

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CASTLE SAUNDERSON LIMITED

We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

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 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 are responsible for preparing the annual report. As described on page 4, this includes responsibility for preparing the financial statements in accordance with applicable law and accounting standards generally accepted in Ireland.

Our responsibility is to audit the financial statements in accordance with the 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 the Companies Acts 1963 to 2006. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation which may require 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 we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We report to you 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 other 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 with the financial statements.

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.

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 2006 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2006.

.....(Continued)

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CASTLE SAUNDERSON LIMITED

.....(Continued)

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 company is limited by guarantee and does not have issued share capital, accordingly the provisions of Section 40(1) of the Companies (Amendment) Act 1983 do not apply.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in the Directors Report and note 12 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of €96,630 during the year ended 31 December 2006 and, at that date, the company's net assets were €64,061. These conditions, along with the other matters explained in the Directors Report and note 12 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

McCann Kane & Co
McCann Kane & Co
Chartered Accountants &
Registered Auditors
Orchard House
Beaumont Avenue
Churchtown
Dublin 14

Date: 15/11/09

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL).

INCOME AND EXPENDITURE ACCOUNT


For the year ended 31 December 2006

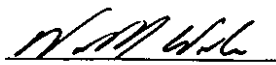
		2006 €	2005 €
	Notes		
INCOME	2	21,492	126,661
EXPENDITURE			
Administrative expenses	3	(89,800)	(211,998)
Depreciation		(5,920)	(5,540)
OPERATING DEFICIT		(74,228)	(90,877)
Interest payable and similar charges	6	(22,402)	(24,743)
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAX		(96,630)	(115,620)
TAX ON DEFICIT ON ORDINARY ACTIVITIES	7	-	-
DEFICIT RETAINED FOR FOR THE YEAR		(96,630)	(115,620)
NET DEFICIT BROUGHT FORWARD		(146,638)	(31,018)
ACCUMULATED DEFICIT CARRIED FORWARD		(243,268)	(146,638)

All recognised gains and losses have been included in the financial statements.

The notes on pages 10 to 14 form an integral part of these financial statements.

On behalf of the Board:


Director


Director

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL).

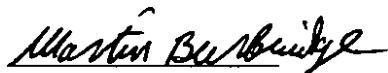
BALANCE SHEET

As at 31 December 2006

	Notes	2006 €	2005 €
FIXED ASSETS			
Tangible assets	8	<u>596,345</u>	<u>583,265</u>
CURRENT ASSETS			
Debtors	9	25,787	49,875
Cash at bank and in hand		-	1,890
		<u>25,787</u>	<u>51,765</u>
CREDITORS (amounts falling due within one year)	10	<u>(213,397)</u>	<u>(131,821)</u>
NET CURRENT ASSETS		<u>(187,610)</u>	<u>(80,056)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		408,735	503,209
CREDITORS (amounts falling due after one year)	11	(344,674)	(342,518)
NET ASSETS		<u><u>64,061</u></u>	<u><u>160,691</u></u>
FINANCED BY:			
Accumulated deficit		(243,268)	(146,638)
Special reserve		307,329	307,329
		<u><u>64,061</u></u>	<u><u>160,691</u></u>

The notes on pages 10 to 14 form an integral part of these financial statements.

On behalf of the directors'


Director


Director

Date: 15/1/07

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL).

CASH FLOW STATEMENT

for the year ended 31 December 2006

	Notes	2006 €	2005 €
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	13	13,657	(134,983)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(22,402)	(24,743)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT Payments to acquire tangible assets		<u>(19,000)</u>	<u>(13,398)</u>
NET CASH OUTFLOW BEFORE FINANCING		(27,745)	(173,124)
DECREASE IN CASH IN THE YEAR		<u>(27,745)</u>	<u>(173,124)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS			
	Notes	2006 €	2005 €
(DECREASE) IN CASH IN THE YEAR		(27,745)	(173,124)
Cash outflow from increases in liquid resources		<u>-</u>	<u>-</u>
CHANGE IN NET FUNDS RESULTING FROM CASH FLOWS		(27,745)	(173,124)
NET FUNDS AT 31 DECEMBER 2005		<u>(360,701)</u>	<u>(187,577)</u>
NET FUNDS AT 31 DECEMBER 2006	14	<u>(388,446)</u>	<u>(360,701)</u>

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL)

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.

1.2. Grants Receivable

Grants receivable are accounted for when the company's entitlement becomes legally enforceable.

1.3. Tangible Fixed Assets and Depreciation

The cost of fixed assets including leased assets is written off equal instalments over their expected useful lives as follows:-

Freehold land	Nil
Freehold Buildings	2% Straight Line
Fixtures and fittings	20% Straight Line

2. INCOME

	2006 €	2005 €
Donations received	-	35,626
Grants received	15,222	89,765
Sundry income	6,270	1,270
	<u>21,492</u>	<u>126,661</u>

3. ADMINISTRATION OVERHEADS

	2006 €	2005 €
Wages and salaries	22,100	52,094
Employer PRSI	2,221	5,435
Employer Pension	1,081	2,462
Travel	1,784	6,825
Audit	1,961	1,815
Rent	867	5,205
Promotional activities	1,975	13,671
Advertising	10,142	24,829
Telephone	522	1,537
Legal and professional	38,588	84,657
General expenses	7,717	7,948
Loss/(Profit) on foreign exchange	842	5,520
Depreciation	5,920	5,540
	<u>95,720</u>	<u>217,538</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

4. EMPLOYEES AND REMUNERATION

The average number of persons employed by the company in the financial year was 1 (2005 : 1).

The staff costs are comprised of:	2006 €	2005 €
Wages and salaries	22,100	52,094
Social welfare costs	2,221	5,435
Pension costs	1,081	2,462
	<u>25,402</u>	<u>59,991</u>

5. ADM/CPA PEACE II INCOME & EXPENDITURE

	2006 €	2005 €
Grant income receivable	15,222	106,249
	<u>15,222</u>	<u>106,249</u>
<u>Expenditure</u>		
Salaries	15,222	59,382
Travel & subsistence	-	5,288
Running costs	-	10,704
Rent & rates	-	5,205
Marketing costs	-	11,300
Professional and consultancy	-	1,170
Total expenditure	<u>15,222</u>	<u>93,049</u>
Income less expenditure	<u>-</u>	<u>13,200</u>

Reconciliation of Annual Financial Statements to Expenditure Returns Submitted to Border Action

	2006 €	2005 €
Peace 11 Expenditure , per audited financial statements for the year ended 31 December 2006	15,222	93,049
<u>Add:</u>		
Fixed assets purchased during the year	-	13,200
Reconciled PEACE 11 expenditure	<u>15,222</u>	<u>106,249</u>
Cumulative expenditure reported to Border action for the year ended 2006	<u>15,222</u>	<u>106,249</u>

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

6. INTEREST PAYABLE AND SIMILAR CHARGES	2006	2005
	€	€
Bank overdraft and loans repayable within five years	22,402	24,743
	<u>22,402</u>	<u>24,743</u>

7. TAXATION ON DEFICIT ON ORDINARY ACTIVITIES

This company has charitable status and is not liable for Corporation Tax

8. TANGIBLE FIXED ASSETS

	Land	Buildings	Fixtures	Total
	€	€	€	€
COST				
1 January 2006	432,386	143,021	13,398	588,805
Additions	-	19,000	-	19,000
At 31 December 2006	<u>432,386</u>	<u>162,021</u>	<u>13,398</u>	<u>607,805</u>
DEPRECIATION				
Charge for the year	-	3,240	2,680	5,920
At 31 December 2006	<u>-</u>	<u>6,100</u>	<u>5,360</u>	<u>11,460</u>
NET BOOK VALUES				
At 31 December 2006	<u>432,386</u>	<u>155,921</u>	<u>8,038</u>	<u>596,345</u>
At 31 December 2005	<u>432,386</u>	<u>140,161</u>	<u>10,718</u>	<u>583,265</u>

The land and buildings at Castle Saunderson, Co Cavan , are held in trust by The Scout Foundation Limited.

9. DEBTORS	2006	2005
	€	€
Grants receivable	25,787	49,875
Paye/Prsi	3,468	-
	<u>29,255</u>	<u>49,875</u>

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

10. CREDITORS (amounts falling due within one year)	2006	2005
	€	€
Accrued expenses	28,101	3,039
Deferred grant	-	29,666
PAYE/PRSI	-	516
Amounts due to Scouting Ireland	144,992	81,566
Bank overdraft	37,772	20,073
Bank loan	6,000	-
	<u>216,865</u>	<u>134,860</u>

11. CREDITORS (amounts falling due after more than one year)	2006	2005
	€	€
Long term loan	<u>344,674</u>	<u>342,518</u>

12. CONTINGENT LIABILITIES

The board of directors have resolved that the project at Castle Saunderson should be wound up. ADM (Area Development Management Ltd) and CPA (Combat Poverty Agency) have assisted this project by providing grants for certain expenditure incurred between 27/11/2003 and 31/12/2005. The company had agreed to operate the grant-aided project for a minimum of five years from the last date of payment by ADM/CPA. ADM/CPA reserves the right to reclaim all grant aid, which has not been used for the purposes granted and shall hold the company liable for repayment in full. As stated in the contract if a resolution is passed to wind up the company, all or such portion of the funds paid or to be paid as ADM/CPA may determine, shall be reimbursed to or withheld by ADM/CPA, and the assets of the company shall be disposed of in a manner which has been agreed in writing with ADM/CPA.

At the balance sheet date the company has received €142,552 in grant aid from ADM/CPA and has further claims in for €25,787 included in debtors (see note 9). Since the year end €25,787.10 was received.

Donations received to date from other sources amount to €1,026,342. These donations may have to be repaid. However the accounts do not reflect this as there is no certainty in respect of the sale or whether there would be a surplus or not. The decision to repay these donations would only be taken when the sale and other liabilities in the accounts are dealt with.

13. NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2006	2005
	€	€
Operating deficit	(74,228)	(90,877)
Depreciation	5,920	5,540
Decrease in debtors	24,088	13,477
Increase /(decrease) in creditors	57,877	(63,123)
	<u>13,657</u>	<u>(134,983)</u>

CASTLE SAUNDERSON LIMITED
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING ANY SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

14. ANALYSIS OF MOVEMENT IN CASH RESOURCES

	1 Jan 2006 €	Net cash movement €	31 Dec 2006 €
Cash at bank and in hand	(18,183)	(19,589)	(37,772)
Bank Loan	<u>342,518</u>	<u>(8,156)</u>	<u>(350,674)</u>
Total	<u>(360,701)</u>	<u>(27,745)</u>	<u>(388,446)</u>

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 15/11/09.