
Partner Africa
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

PARTNER AFRICA
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	2
Trustees' report	3 – 9
Independent auditors' report	10 – 11
Statement of financial activities	12
Balance sheet	13
Notes to the financial statements	14 - 25

PARTNER AFRICA
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2014**

Trustees

Terry Babbs (Chairman)
Nigel Clarke
Tom Kitt
Robert Jones

Company registered number

7770647

Charity registered number

CHY 1144815

Registered office

Second Floor
Westgate House
Dickens Court
Hills Lane
Shrewsbury
SY1 1QU

Auditors

Deloitte & Touche
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Bankers

Barclays Bank Plc
P.O Box 89
Shrewsbury
Shropshire
SY1 2WQ

Solicitors

Withers LLP
16 Old Bailey
London
EC4M 3TEG

PARTNER AFRICA
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2014

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report with the audited financial statements of Partner Africa (the company) for the year ended 31 December 2014. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

Partner Africa is a company limited by guarantee, not having a share capital, incorporated under the Companies Act 1985 (registered number 7770647). It was incorporated on 12th September 2011. The company is registered as a charity with the Charity Commission for England and Wales (Charity Number 1144815).

The Objects of the charity are the relief of poverty in Africa or any part of the world by providing or assisting in the provision of education, training and all necessary support designed to enable individuals and communities to generate sustainable income and be self-sufficient.

Partner Africa does not have a shareholding structure, and its sole member is Gorta Self Help Africa, a company limited by guarantee, incorporated in Ireland (company number 105601) with registered offices at 17 – 22 Parkgate Street, Dublin 8, and registered as a charity (charity number CHY6663).

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The board is empowered to appoint new trustees to its ranks. As a supporter of Partner Africa, it is appropriate that the board of Partner Africa co-opts onto its board one person who is a member of the Gorta-Self Help Africa board.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

There is a Trustee Induction Policy and Programme in place to enable all Trustees to familiarise themselves with their duties and responsibilities, the Partner Africa governance framework and Partner Africa's work overseas. Any relevant training requirements of trustees are facilitated by the organisation.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

Partner Africa has a registered branch in Kenya and its operational headquarters are in Nairobi, Kenya. The core staff team is based there and coordinates Partner Africa's programme of work.

The trustees have oversight of the company's activities and financial position. The management team deals with the day-to-day operation of the company.

PARTNER AFRICA
(A company limited by guarantee)

e. RISK MANAGEMENT

The trustees have responsibility for, and are aware of the risks associated with, the operating activities of Partner Africa. They are confident that adequate systems of internal control are in place and that these controls provide reasonable assurance against such risks.

OBJECTIVES AND ACTIVITIES

OBJECTIVES

Partner Africa is an international not-for-profit social enterprise and a pioneer in the field of ethical and socially responsible business practice that delivers high quality and innovative ethical trade services and trade development projects across Africa and the Near East.

Partner Africa is driven by a social mission to improve the livelihoods of workers and producers, while assisting access to international supply chains, by bridging the skills and standards gap between Africa and the international community.

ACTIVITIES

ETHICAL TRADE SERVICES

1. Ethical Audits & Assessments

Partner Africa is known for its unique participatory ethical audit process, providing more than a 'tick box' service in evaluating standards. Using a variety of participatory techniques that enable even those without high levels of literacy to contribute, we evaluate a company's current situation, create a corrective action plan for any issues identified, and offer the necessary training and capacity support to meet international market requirements. As a recognised audit provider for a number of leading global brands and retailers we audit against a range of ethical standards including the SMETA 2, 4 and 5 Pillar, ETI base code and individual supplier codes of conduct.

Small Producer Assessments

We also assess the ethical standards of small producers feeding into export supply chains to minimize the risk to a brand. Applying codes of conduct to informal and often family run businesses is a complex process. We seek to establish the characteristics, needs and priorities of small producers and their workers, and outline recommendations to maintain standards required as well as to help improve their livelihoods.

2. Training

Lack of capacity is often one of the main competitive disadvantages faced by African companies. Our training programmes are designed to improve practical knowledge and skills within companies aiming to enter or increase their presence in international markets. Training programmes cover general ethical trade awareness and compliance with global standards as well as addressing some of the most common areas of non-compliance. We also offer training in certification processes for Rainforest Alliance and Fairtrade. Our training methodology is rooted in a participatory process that includes: presentations, role-plays, case studies, small group sessions, open discussions and individualized programmes.

PARTNER AFRICA
(A company limited by guarantee)

Training programmes:

- Ethical Trade Awareness
- Improving Workplace Communication
- Promoting Equal Treatment of Workers (Supervisor Skills Training)
- Management Systems for Compliance
- Sedex B Member Training
- Compliance with Fairtrade Requirements
- Fairtrade Joint Body Training
- Rainforest Alliance Certification Training

3. Consultancy

With our Pan-Africa reach and experienced local teams in 23 countries we are able to deliver a wide range of high-end consulting services to international brands and retailers, as well as governments and NGOs. Our advisory services allow clients to draw upon our knowledge of local capabilities, labour codes and culture as well as understanding codes of practice and trade certifications. Our aim is to assist and advance international trade opportunities while supporting socially responsible business practices amongst African suppliers, producers and smallholder farms.

We provide a variety of client specific services:

Assessment Services e.g. measuring impact of an ethical trade investment, gap analysis, community impact assessments, needs assessments, pre and post assessments.

Local Research e.g. context analysis, capacity mapping, developing expansion plans, understanding local trends and demand.

Supporting the Management of CSR Projects e.g. local development, project implementation, monitoring and evaluation.

Supplying Local Knowledge e.g. providing local knowledge and context to inform international companies.

Supplying International Knowledge e.g. providing international knowledge to inform local companies.

TRADE DEVELOPMENT PROJECTS

Trade development projects are funded programmes, primarily through public private partnerships and include grants and in-kind resources from companies, statutory donors, governments and NGOs. With an aim to bring direct economic and social benefits to workers and smallholders engaged in global value chains, while creating opportunities to innovate and demonstrate good practice. Partner Africa focuses on two main areas that improves the livelihoods of workers and smallholder farmers:

1. Buyer driven global value chains

Improve working conditions through partnerships with global and African firms, leading to more sustainable access to markets through collaboration and joint action with a range of stakeholders.

2. The informal sector

Supporting smallholders, home workers, family networks, artisans etc. who struggle to gain access to global markets. We use our local knowledge and capacity building activities to help them implement the required standards and to facilitate access to local, regional and international markets.

PARTNER AFRICA
(A company limited by guarantee)

ACHIEVEMENTS IN 2014

The key focus for 2014 was to continue developing and improving our structures and systems to drive our growth, deliver our social mission and attain financial sustainability based on our 2013 performance.

The priorities for 2014 were to:

- Maintain, develop and expand the business, by developing a more client focussed approach.
- Grow the operation through recruitment and retaining the right people in the right jobs supported by fit for purpose systems and tools, identifying the right opportunities and setting stretching but achievable targets underpinned by a strong brand message and marketing strategy.
- Maximizing our impact on improving the livelihoods of workers and producers in the African supply chain through our services and an increased number of trade development projects.
- Continue to try to attain financial sustainability, by continuing to strengthen our Finance and Management Information Systems whilst growing our business services.

During 2014 progress was made in all these areas with varying degrees of success:

- Partner Africa managed to retain, grow and strengthen its key clients in 2014.
- We managed to grow the services offered to some key audit clients through our involvement in supplier conferences where, in partnership with some of our clients, Partner Africa conducted trainings with their suppliers to support their compliance with local labour, health and safety and environmental laws.
- Partner Africa conducted several studies on behalf of some of our clients, using our local knowledge and people to identify issues and remedial actions for those clients.
- Partner Africa gained one key new audit client in 2014 - Diageo and their subsidiary Guinness, which contributed to an increase in our auditing income in as well as the ability to positively impact on a greater number of workers and communities particularly in West Africa.
- In 2014 Partner Africa established several strategic partnerships in the fruit sector in South Africa, which contributed to an increased number of much needed compliance assessments in the fruit sector.
- The organisation also successfully recruited 3 key roles: Head of Programmes, Regional Manager for Central East & West Africa Region and a Management Information Systems Administrator all based at our head office in Nairobi as part of the process of strengthening and ensuring that our organisational structure and systems help support the delivery of our business plans.
- Due to the continued political instability in Egypt we did not achieve our growth targets for North Africa in 2014.
- The Head of Programmes recruitment was not successfully concluded until the second half of 2014, which had an adverse impact on the projected growth of our trade development projects activities.
- The restructuring of our organisation through the removal of the Business Development Director's role based in USA where we generated no income, but had high costs also led to a decrease in some of the marketing activities planned for 2014.

Overall in 2014 we were able to implement clearer structures, accountabilities and recruit new roles, as well as secure new clients, partnerships and business, which will have a significant impact on improving our operations in 2015.

Ethical Auditing

The Audits and Assessment team completed 381 audits in 2014, an increase of 11% over the 2013 performance. Partner Africa's participatory ethical audits covered sites employing around 144,000 workers. This was achieved using less full time resources than in 2013, as we operated without 1 full time lead auditor in the Central East and West Africa Region for 75% of the year.

PARTNER AFRICA

(A company limited by guarantee)

Training

In 2014 Partner Africa training programmes was primarily focussed on delivering the STEPS training programme developed in partnership with Marks and Spencer's across their African supply chain. We delivered 18 training programmes (an increase on 2013) for eight different organisations (a slight decrease on 2013) in Egypt, Kenya, Ethiopia, South Africa and Morocco.

We also delivered 2 new Financial Literacy Training programmes in Kenya and South Africa following the capacity building programme we undertook in 2013 for our trainers as well as other training to 5 Partner Africa clients in Egypt, Kenya and Morocco.

Consultancy

Assessments

We undertook two consultancy assessments in 2014. The first was a final project evaluation of the East Africa Flower Innovation Project funded by DFID FRICH and the second was a composite assessment gap analysis research on Cooperative and Project Development for Eileen Fisher in Ethiopia.

Local Research

We undertook 4 local research projects during this year:

1) Sugar Studies - how to ensure traceability to finished products, the conditions for workers employed in sugar production and how to incorporate this into existing social audits. **2) Land Ownership** - how to validate chains of custody, legal ownership and engagement with key local stakeholders to develop a tool for a key international brand that we helped identify the risk associated with the issue and how to address and incorporate them into their CSR programmes.

3) Development of a Training of Trainers Module – following research on how to help agricultural producers understand the health and safety requirements in the use of pesticides and post harvest treatments for a Key Client and

4) The Development of a Checklist to assess work place issues for workers in micro distribution centres, following research to identify the key work rights issues that exist within these micro distribution centres.

Support with managing CSR Projects

We continued to work with a major German coffee company to help them try to create robust financial management systems to provide oversight on how they monitor and ensure that the funds they provide to their projects in Kenya are being used to achieve the outcomes they desire.

Local Knowledge

We used our local knowledge of health and safety issues and local people to deliver training to 159 key suppliers of AIM-PROGRESS International Brands members in Ethiopia, Kenya, Nigeria and South Africa to help provide better understanding and guidance on the labour conditions, the laws and best practices that can be used to address non compliance.

Progress in Trade Development Projects

With the absence of a Head of Programmes person during the first half of 2014 our major focus in 2014 was to maintain our involvement in the TGVCI project, which was started in 2013.

Trade and Global Value Chains Initiative (TGVCI)

TGVCI is an innovative catalytic fund created to support social upgrading in value chains that will help achieve better employment opportunities, working conditions and social outcomes for workers and smallholder farmers.

Partner Africa was successful in being appointed as the organisation to deliver the implementation of this initiative in Africa; working as the Country Coordinator for Kenya and South Africa in the Project Management Unit led by Cardno Emerging Markets.

PARTNER AFRICA
(A company limited by guarantee)

The fund was formally launched in Q4 2013 and Partner Africa was actively involved in reviewing applications, supporting in the writing and review of project concepts and proposal by local suppliers. Implementation of these projects will start in 2014.

In 2014 Partner Africa provided support by on site monitoring of progress made and providing document reports to Cardno Emerging markets each quarter as well as highlight challenges and propose possible solutions for all the projects that had received funding in the first round.

Partner Africa was also actively involved in reviewing applications, supporting the writing and review of projects concepts and proposal by local suppliers in Kenya and South Africa for the second round of funding applications that occurred in Q3/Q4 of 2014.

FINANCIAL REVIEW

The Statement of Financial Activities for the year ended 31st December 2014, shows net incoming resources of £23,392 before tax credit. As the organisation continues to grow it is expected that more surplus will be generated that will be used to expand and develop the business of Partner Africa and have a positive impact on the livelihood of producers across Africa.

The net assets of the organisation as shown on the balance sheet amount to £113,758. Plans are in place to ensure that Partner Africa attains increased financial profitability, which will enable Partner Africa to continue to improve the quality of its work, expand its range of services and broaden its client base to ensure the long-term sustainability of the enterprise.

FUTURE DEVELOPMENTS

The trustees through the management team aim to continue to maintain, develop and expand the business of Partner Africa in 2015 with the ambition of being a leader in this sector as the organisation grows.

To achieve this, in 2015 the organisation will be focussing on:

- Embedding a more client focussed approach to the services we offer our clients, so that we grow based on our client's needs, which are aligned with our business strategy, vision and mission.
- Continuing to maximise our impact on improving the livelihoods of workers and producers in the African supply chain.
- Further embedding our people strategy so that we recruit develop and grow our talent through our employees and associates including the implementation of a clear associate recruitment, retention and development programme.
- Continuing to review and if necessary amend our structures and systems to deliver financial sustainability through business growth, based on the development of services that address the needs of our clients.
- Strengthening our local knowledge through capacity building of our local teams.
- Increasing our presence in the UK where we have client and other organisation networks to develop more services and projects in their Africa supply chains.
- Further development of our Management Information Systems reporting so that we use the data to proactively improve our own operations as well as to provide clients with in depth local knowledge.
- Increasing our operational efficiency and financial cost management processes.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Partner Africa for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and

PARTNER AFRICA
(A company limited by guarantee)

United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 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.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 26 May 2015 and signed on their behalf, by:

Terry Babbs, Chair

PARTNER AFRICA

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF PARTNER AFRICA

We have audited the financial statements of Partner Africa for the year ended 31 December 2014, which comprise of the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we have read all the financial and non-financial information in the Trustees Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

PARTNER AFRICA
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF PARTNER AFRICA

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report and in preparing the Trustees Report.

Thomas Cassin
For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin

26 May 2015

PARTNER AFRICA
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED
GAINS AND LOSSES)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	177,209	177,209	215,113
Other Incoming Resources	3	-	448,152	448,152	580,344
TOTAL INCOMING RESOURCES		-	625,361	625,361	795,457
RESOURCES EXPENDED					
Costs of generating funds:					
Charitable activities	4	-	577,369	577,369	767,409
Governance costs	5	-	24,600	24,600	20,943
TOTAL RESOURCES EXPENDED	6	-	601,969	601,969	788,352
NET INCOMING RESOURCES BEFORE TAXATION	7	-	23,392	23,392	7,105
Tax Credit on Foreign Branch	9	-	9,484	9,484	7,511
NET MOVEMENT IN FUNDS FOR THE YEAR	15	-	32,876	32,876	14,616
Total Funds at 1 January 2014	15	-	30,650	30,650	16,034
TOTAL FUNDS AT 31 DECEMBER 2014	15	-	63,526	63,526	30,650

All activities of the company are continuing.

PARTNER AFRICA
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible fixed assets	10		18,804		27,707
Intangible fixed asset	11		<u>34,320</u>		<u>68,640</u>
			53,124		96,347
CURRENT ASSETS					
Debtors	12	137,882		136,381	
Cash at bank and in hand		<u>191,372</u>		<u>200,504</u>	
		329,254		336,885	
CREDITORS: amounts falling due within one year	13		<u>(251,862)</u>	<u>(220,412)</u>	
NET CURRENT ASSETS			<u>77,392</u>		<u>116,473</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			130,516		212,820
CREDITORS: amounts falling due after more than one year	14		<u>(16,758)</u>	<u>(84,139)</u>	
NET ASSETS			<u>113,758</u>		<u>128,681</u>
CHARITY FUNDS					
Acquisition Funding Reserve	16		43,993		87,997
Capital Grants	17		6,239		10,034
Unrestricted funds	15		<u>63,526</u>		<u>30,650</u>
TOTAL FUNDS			<u>113,758</u>		<u>128,681</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 26 May 2015 and signed on their behalf, by:

Terry Babbs, Chair

PARTNER AFRICA
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The sole member of the company is Self Help Africa, a charitable company registered in Ireland. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds, which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income in respect of ethical trade assignments is deferred until such time as the assignment occurs and the related expenditure is incurred.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PARTNER AFRICA
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.7 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at a rate of five years in equal annual instalments, which is management's best estimate of the useful economic life of the asset.

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at annual rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25% straight line
Computer Equipment	-	33 1/3% straight line
Furniture, fittings etc	-	12 1/2% straight line

1.9 Acquisition Funding Reserve

The acquisition funding reserve relates to a grant received for the purchase of the Ethical Business Services division of Africa Now. The reserve is released to the Statement of Financial Activities over the expected useful lives of the relevant assets purchased by five equal annual instalments.

1.10 Taxation

Partner Africa is a registered charity with the UK Charities Commission. Tax provided for in the financial statements relates to the Kenyan branch of Partner Africa. The tax expense for the year comprises current tax. Tax is recognised in the Statement of Financial Activities.

Current Tax

Current tax is provided on the results for the year adjusted in accordance with tax legislation.

Deferred Tax

Deferred tax is provided using the liability method for all temporary timing differences arising between tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax rates. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing

PARTNER AFRICA
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

differences will be utilised.

1.11 Capital grants

Capital grants are transferred to a capital account in the year of receipt and amortised to the statement of financial activities at the same rates as the depreciation of the assets to which they apply.

1.12 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

2. VOLUNTARY INCOME

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Small Foundation	-	-	-	65,113
DFID - PPA	-	177,209	177,209	150,000
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	<u>-</u>	<u>177,209</u>	<u>177,209</u>	<u>215,113</u>

PARTNER AFRICA
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

3. OTHER INCOMING RESOURCES

Other incoming resources reflect income earned from the delivery of ethical trade services and capacity building programs in Africa as follows:

	2014 £	2013 £
Audit Income	285,618	367,291
Training Income	115,693	34,851
Project/Consultancy Income	46,705	85,814
Rain Forest Alliance Income	-	92,236
Other Income	136	152
	<u>448,152</u>	<u>580,344</u>

4. EXPENDITURE BY CHARITABLE ACTIVITY

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Ethical Audits	-	368,083	368,083	493,601
Trade Development Projects	-	149,096	149,096	160,292
Capacity Building and Training	-	19,662	19,662	63,241
Consultancy Services	-	40,528	40,528	50,275
	<u>-</u>	<u>577,369</u>	<u>577,369</u>	<u>767,409</u>

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Ethical Audits	199,352	6,655	162,076	368,083	493,601
Trade Development Projects	80,749	2,696	65,651	149,096	160,292
Capacity Building and Training	10,649	356	8,657	19,662	63,241
Consultancy Services	21,950	733	17,845	40,528	50,275
	<u>312,700</u>	<u>10,440</u>	<u>254,229</u>	<u>577,369</u>	<u>767,409</u>

PARTNER AFRICA
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. GOVERNANCE COSTS

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Audit Fees	-	6,252	6,252	6,097
Legal fees	-	1,027	1,027	1,495
Other Governance Costs	-	17,321	17,321	13,351
	-	24,600	24,600	20,943

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Ethical Audits	199,352	6,655	162,076	368,083	493,601
Trade Development Projects	80,749	2,696	65,651	149,096	160,292
Capacity Building and Training	10,649	356	8,657	19,662	63,241
Consultancy Services	21,950	733	17,845	40,528	50,275
Charitable activities	312,700	10,440	254,229	577,369	767,409
Governance	-	-	24,600	24,600	20,943
TOTAL	312,700	10,440	278,829	601,969	788,352

7. NET INCOMING RESOURCES

This is stated after charging/(crediting):	2014 £	2013 £
Depreciation of tangible fixed assets	10,440	10,954
Gain on disposal of tangible fixed assets	(377)	(4,156)
Amortisation of tangible fixed asset grants	(3,989)	(4,156)
Amortisation of intangible fixed assets	34,320	34,320
Acquisition funding reserve credit	(44,004)	(44,003)
Auditors' remuneration	6,252	6,097
Pension costs	<u>11,096</u>	<u>21,082</u>

No trustees received any remuneration (2013: £Nil) or any benefits in kind (2013: £Nil) other than reimbursement of expenses.

During the year, three trustees were reimbursed £877 for travel expenses during the year (2013 – three trustees were reimbursed £634 for travel expenses during the year).

PARTNER AFRICA
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

7. NET INCOMING RESOURCES (CONTINUED)

Auditor's remuneration of £6,252 in 2014 consists of £3,397 accrued for the services of Deloitte & Touche Ireland in respect of the 2014 audit, and £2,855 paid to the auditor (PKF Kenya) in relation to the 2014 audit of the Kenyan branch.

8. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries costs	292,116	359,939
Social security costs	9,488	10,870
Other pension costs	11,096	21,082
	<u>312,700</u>	<u>391,891</u>

The average monthly number of employees employed during the year was 17. (2013 – 20)

During the year, 2 employees received remuneration between £60,000 - £70,000 (2013 - 2).

9. TAXATION CREDIT

Tax credit has been provided in the accounts of Partner Africa's Kenya Branch as follows :

	2014 £	2013 £
Deferred tax credit	<u>9,484</u>	<u>7,511</u>

The deferred tax credit and related deferred tax asset relates to accumulated losses at the Kenyan branch of Partner Africa.

PARTNER AFRICA
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. TANGIBLE FIXED ASSETS

	Motor vehicles	Office furniture & equipment	Total
	£	£	£
Cost			
At 1 January 2014	19,092	30,380	49,472
Additions	-	927	927
Disposals	-	(548)	(548)
Foreign exchange gain	<u>887</u>	<u>477</u>	<u>1,364</u>
At 31 December 2014	<u>19,979</u>	<u>31,236</u>	<u>51,215</u>
Depreciation			
At 1 January 2014	9,951	11,814	21,765
Charge for the year	4,845	5,595	10,440
Disposals	-	(480)	(480)
Foreign exchange loss	<u>612</u>	<u>74</u>	<u>686</u>
At 31 December 2014	<u>15,408</u>	<u>17,003</u>	<u>32,411</u>
Net book value			
At 31 December 2014	<u>4,571</u>	<u>14,233</u>	<u>18,804</u>
Net book value			
At 31 December 2013	<u>9,141</u>	<u>18,566</u>	<u>27,707</u>

PARTNER AFRICA
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. Intangible Fixed Asset

Goodwill Cost

At 1 January 2014 & 31 December 2014 171,600

Amortisation

At 1 January 2014 102,960

Charge for the year 34,320

At 31 December 2014 137,280

Net book value

At 31 December 2014 34,320

Net book value

At 31 December 2013 68,640

Goodwill was purchased as part of the acquisition of the Ethical Business Services division of Africa Now. This business unit is now contained within Partner Africa.

12. DEBTORS

	2014 £	2013 £
Trade debtors	52,434	73,318
Other debtors	1,874	2,459
Prepayments and accrued income	28,407	26,311
Deferred tax	40,241	29,110
Withholding tax recoverable	6,581	4,170
VAT recoverable	8,345	1,013
	<u>137,882</u>	<u>136,381</u>

13. CREDITORS (Amounts falling due within one year)

	2014 £	2013 £
Trade creditors	61,049	24,129
VAT payable	2,386	550
Accruals and deferred income	188,427	195,733
	<u>251,862</u>	<u>220,412</u>

PARTNER AFRICA
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. CREDITORS (Amounts falling due after more than one year)		2014	2013
		£	£
	Amounts owed to parent undertaking (Note 20)	<u>16,758</u>	<u>84,139</u>

15. RESERVES

(i) Reconciliation of funds:

	Unrestricted Funds £
Opening balance at 1 January 2014	30,650
Net incoming resources for the year	32,876
Closing balance at 31 December 2014	<u><u>63,526</u></u>

(ii) Analysis of net assets between funds:

	Unrestricted funds £	Deferred Capital Grants £	Acquisition Funding Reserve £	Balance 31//12/2014 £
Tangible fixed assets	2,892	6,239	9,673	18,804
Intangible assets	-	-	34,320	34,320
Current assets	329,254	-	-	329,254
Liabilities	(268,620)	-	-	(268,620)
	<u>63,526</u>	<u>6,239</u>	<u>43,993</u>	<u><u>113,758</u></u>

PARTNER AFRICA
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

(iii) Movement in funds:

	Balance 01//01/2014 £	Incoming Resources £	Resources Expended £	Balance 31//12/2014 £
Unrestricted funds	30,650	625,361	(592,485)	63,526
<hr style="border-top: 3px double #000;"/>				
16. ACQUISITION FUNDING RESERVE				
Funding Received				
At 1 January 2014 & 31 December 2014				<u>220,000</u>
Credited to SOFA				
At 1 January 2014				132,003
Credited for the year				<u>44,004</u>
At 31 December 2014				<u>176,007</u>
Net funding reserve				
At 31 December 2014				43,993
Net funding reserve				
At 31 December 2013				<u>87,997</u>

PARTNER AFRICA
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

17. Capital Grants

Funding Received

At 1 January 2014	17,893
Foreign exchange loss	<u>683</u>
At 31 December 2014	<u>18,576</u>

Amortisation

At 1 January 2014	7,859
Amortised during the year	3,989
Foreign exchange gain	<u>489</u>
At 31 December 2014	<u>12,337</u>

Net Capital Grant

At 31 December 2014	6,239
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Net Capital Grant

At 31 December 2013	<u><u>10,034</u></u>
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PARTNER AFRICA
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

18. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	
Expiry date :		
1 Year	-	25,702
Between 2 and 5 years	29,500	-
	<hr/> <hr/>	<hr/> <hr/>

19. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounted to £11,096 (2013: £21,082.)

20. CONTROLLING PARTY

On 28th May 2014 Self Help Africa, a charitable company registered in Ireland and the sole member of Partner Africa, entered into an agreement to merge with Gorta, a like-minded charity registered in Ireland. This merger was completed following EGMs of both organisations on 26th July.

The results of Partner Africa are consolidated into the financial statements of Gorta (trading as Gorta-Self Help Africa). The trustees consider that Gorta is the charity's ultimate holding company. Copies of the group financial statements of Gorta may be obtained from the charity's registered office at Kingsbridge House, 17-22 Parkgate Street, Dublin 8.

21. GOING CONCERN

The preparation of the financial statements on a going concern basis assumes that the company will continue in operational existence for the foreseeable future. The company's parent, Self Help Africa, has agreed to provide financial support to assist the company in meeting its liabilities as and when they fall due, to the extent that money is not otherwise available to meet such liabilities. The financial statements do not include any adjustments that may result if this support was not made available.