

GORTA UK
(A company limited by guarantee)

Reports and Financial Statements
for the financial year ended
31 December 2015

COMPANY NUMBER: SC 272970
CHARITY NUMBER: SC 036100

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TRUSTEES AND OTHER INFORMATION

DIRECTORS

Mr. Seán Gaule (Chairman)
Mr. Jeremy Woolwich
Mr. Michael Hoevel
Mr. Adrian Wood (Retired 15th Oct 2015)
Ms. Helen Brophy (Retired 8th Sep 2015)
Mr. Tom Corcoran (Retired 15th Oct 2015)
Mr. Tom Kitt (Appointed 15th Oct 2015)

SECRETARY

Mr. Malachy Cardiff

REGISTERED OFFICE

Exchange Place
3 Semple Street
Edinburgh
EH3 8BL
Scotland

COMPANY NUMBER

SC 272970

CHARITY NUMBER

SC 036100

AUDITORS

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

BANKERS

Bank of Ireland
65 St Vincent Street
Glasgow
G2 5TH
Scotland

SOLICITORS

Withers LLP
16 Old Bailey
London EC4M 7EG
England

REPORT OF THE TRUSTEES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The trustees present herewith the reports and audited financial statements of the charity for the year ended 31 December 2015.

Objectives and activities

Gorta UK is an international development, non-governmental organisation. The main purpose of the organisation as set out in our constitution is the assistance and advancement of people in need in less developed areas of the world. We have expertise in small-scale farming and growing family-farm businesses. We work with farmers and agricultural businesses in Africa to help them grow and sell more food, diversify their income and their diets, and make their livelihoods more sustainable and resistant to external shocks.

Gorta-Self Help Africa

The activities of Gorta UK are carried out in association with Gorta (trading as Gorta-Self Help Africa), an Irish registered charity.

Vision, mission and values

Our vision is an economically thriving and resilient rural Africa. Our mission is to support sustainable livelihoods for Africa's smallholder farmers. Our core values are:

- Equality – people are equal in rights and must be treated with respect and dignity
- Innovation – we are conscious that finding effective solutions requires innovative thinking combined with a pragmatic approach.
- Learning – we strive for the highest quality standards in our work and encourage a culture of constant learning and improvement.
- Accountability – accountability and transparency are central to all our actions and use of resources.

Strategic objectives

Our primary strategic objectives are to:

- Improve **food, nutrition and income security** for smallholder farmers
- Support the establishment and growth of inclusive, profitable and sustainable **agri-business**
- Support the improvement of the **policy environment** for smallholder farmers

Activities

Our primary client targets are poor and vulnerable rural communities in sub-Saharan Africa, with particular focus on Uganda, Kenya, the Gambia and Tanzania. In addition, we have supported key initiatives in Rwanda and Zambia.

We support both small projects and large programmes. We seek to leverage small projects into larger programmes to maximize the extent of their positive impacts. We are respectful of the culture, needs and wishes of the communities we work with and proactively seek out their views on and participation in programme development and implementation.

We are committed to the principle of empowering communities and helping them to help themselves, rather than simply providing funds. We work with local government and the business community to create sustainable linkages that last beyond the life-cycle of projects.

Gorta UK employs professional development staff and agronomists in all its countries of operation. We believe that indigenous staff best understand the context and culture of the people we work with and are best placed to lead country programmes. We work with and through local partners from civil society, the public sector and business community and provide training and support to help them develop.

REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

For oversight purposes, a Programmes Advisory Committee reviews the overall activities of the Gorta-Self Help Africa group. This committee oversees the quality and depth of programme performance on behalf of the trustees and provides advisory support for management on the development and delivery of programmes. In particular, it has the following delegated responsibilities:

- Ensure that all programming is delivered in line with organisational strategy, policy and governance standards.
- Ensure that an effective programmes approval process is in place and applied.
- Ensure that an effective results based management system is in place and applied.
- Support the development of country strategy papers, programme policies and programme approaches.

Achievements and performance

In 2015 Gorta UK continued to raise funds for the implementation of programmes Uganda, Kenya, the Gambia and Tanzania in conjunction with Gorta-Self Help Africa.

In Uganda we worked with our partner KYEFA in the Kyenjojo district on their pineapple production and value addition programme to facilitate enhanced wealth and food security for smallholder farmers in the pineapple value chain. We partnered with RUCID on a similar programme in the Mubende district close to Kampala. We worked with long-term partner AFARD on their community economic empowerment programme. This involved working on improved extension systems using the lead farmer approach, linking organisations to specialists, facilitating market access and expanding access to improved inputs. The programme also worked towards transforming farmer associations into viable business entities, leading to improved food security for up to 1,800 smallholder households in the West Nile region.

In Kenya we continued our work with partner UCRC in the Ugunja region on their programme to help local farmer improve the production and return from marketing of banana and orange fleshed sweet potato. This has the impact of improved wealth and food security for local households. We also continued to support Barak Agricultural College in its scholarship programme, enabling students from poorer communities to access education and training in sustainable agriculture and rural development. With students bringing this knowledge back to their communities there is a positive impact on the wealth and food security status of those communities. Our programme with local partner ARDAP in Busia county continued with support provided on sustainable agriculture training, natural resource management techniques and community mobilisation leading to increased farm productivity and improved wealth and food security status.

In the Gambia we concluded a programme with our partner ADWAC which saw the construction of a training and resource centre to support ADWAC's training programmes and to enhance accommodation for trainees attending courses and workshops from remote rural villages in the North Bank region of the country. This is creating a valuable impact in the provision of training in farming and life skills for farmers, youth and women for sustainable livelihoods.

In Tanzania we continued to work with our partner SARI in their programme for the enhancement of food security for smallholder farmers in drought prone areas. This involved the establishment of irrigation facilities and the implementation of different soil management options in resolving hardpan problems in the targeted areas.

Gorta-Self Help Africa's strong partner network and unrestricted funding base together with its institutional funding relationships and local country teams have led to the organisation becoming one of the key international development organisations working through agriculture in sub-Saharan Africa. Due to their presence, greater recognition and active registration of Self Help Africa country teams and their stronger relationships with local government and institutional donors, the Self Help Africa name will continue to be used on the ground in Africa.

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The overall Gorta-Self Help Africa strategic planning period of 2011-2015 has now concluded. Gorta UK contributed to this plan across 2014 and 2015 with inputs arising from an overall strategic review at the time of the merger of Gorta with Self Help Africa in 2014.

Key elements to come out of this review that were put in place were a need to have a stronger focus on resilience to climate change, a more comprehensive value chain approach, a more explicit emphasis on the nutritional needs of smallholders to address under-nutrition or hidden hunger and greater attention to the gendered division of labour, access to and control over resources, while continuing our focus on three critical aspects which enable smallholders to engage in markets: investment, knowledge and organisation. For example, investment, including inputs and technology and linking smallholders to savings and credit opportunities for further investment; knowledge, including market information, recent research and training; and organisation, building partnerships and capacity of smallholders and local organisations to form commodity groups and cooperatives that maximise returns from their enterprises.

With all objectives set out in the group strategic plan achieved by the end of the period, the trustees are delighted with the both the group's performance and that of Gorta UK as part of the group.

Financial Review

The financial statements have been prepared in accordance with current statutory requirements and the company's Memorandum and Articles of Association.

The current economic environment has led to a reduction in both donations and fundraising income from £274,337 in 2014 to £246,833 in 2015. Expenditure on charitable activities increased from £200,374 in 2014 to £227,125.

At 31 December 2015, unrestricted reserves stood at £156,250. Gorta UK is in compliance with its policy of retaining at least 12 months budgeted recurring expenditure in reserve. The trustees are satisfied that the company is in a strong financial position and that its regular income streams together with its reserves, ensure that the company is in a position to meet the ongoing obligations of the charity. For this reason, the trustees continue to adopt the "going concern" basis in preparing the financial statements.

Risks and uncertainties facing the organisation are under constant review by the trustees. These reviews are undertaken in Gorta UK's own right and in the context of the broader Gorta-Self Help Africa group in conjunction with its Audit Finance and Risk Committee. An overall risk register for the Gorta-Self Help Africa group is reviewed regularly by this committee and the individual boards of the group.

The principal risk for Gorta UK is the decline year on year in voluntary donations. This has come about by the advent of a difficult fundraising environment – tight regulation, negative publicity around aggressive fundraising practices and general economic uncertainty. Over the last two years the rate of decline has lessened due to the implementation of strategies to reactivate lapsed donors and increase contributions from existing donors.

The trustees confirm that Gorta UK has made no political donations in either the current or previous financial year and that there have been no significant events affecting the company since the financial year end.

Plans for future periods

Gorta UK plans to continue its work in collaboration with Gorta-Self Help Africa. A new strategic plan covering the period 2016 to 2020 has been prepared and approved by the trustees. The plan is the result of a detail review of our past and ongoing activities, the needs of the communities in which we work, documentation of

lessons learned and mapping out our operations for the years ahead to ensure we allocate the charity's resources to best effect.

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The main strategic direction set out in the plan is to continue the work we are doing with smallholder farmers in existing countries of operation but building in a market based approach with a focus on co-operative and enterprise development. In addition, we intend to continue to implement our traditional programme model and expand it to more fragile states and poorer areas of our existing countries of operation.

Structure, governance and management

Gorta UK is a charity registered in Scotland. It is a company limited by guarantee that was established to assist and advance people in need in less developed areas of the world. The company which is limited by guarantee was incorporated on 6 September 2004. Governance of the company is the responsibility of the trustees who are appointed in accordance with the Memorandum and Articles of Association. The trustees delegate the day to day running of the company to a management team who manage the activities of Gorta UK in conjunction with the overall Gorta-Self Help Africa group. Trustees are appointed for a three-year term on a rotating basis and can serve for a maximum of nine years.

The activities of Gorta UK are carried out in association with Gorta (trading as Gorta-Self Help Africa), a company registered in the Republic of Ireland and the sole member of Gorta UK, as referred to above.

Both companies have aligned their objectives under a consolidated strategic plan and management team. The trustees of Gorta UK subscribe and contribute to the group strategic plan of Gorta-Self Help Africa. The strategic plan for the overall group is approved both by the group board and by the Gorta UK board of trustees.

New charity trustees are appointed by ordinary resolution of the members in accordance with the Memorandum and Articles of Association. Training is given to new trustees in relation to their role and responsibility as a director and in relation to the strategy and objectives of Gorta UK and the broader Gorta-Self Help Africa group.

The management team reports to both sets of directors on operational and financial performance, as well as progress against strategic objectives, on a regular basis. Annual budgets are prepared by management and approved by the trustees with reporting against budgets reviewed by the trustees on a regular basis.

The group Audit, Finance and Risk Committee reviews internal financial controls, treasury and risk management processes of a Gorta-Self Help Africa companies. It meets on a regular basis to monitor and review the financial performance of the organisation, internal and external audit findings, management information systems and internal control systems. It provides independent oversight of the annual budgets, management and statutory accounts and makes recommendations to the group board and to the trustees of the group companies where relevant.

Remuneration of key management personnel is delegated to the remuneration committee of the Gorta-Self Help Africa group and is subject to approval by the trustees of each company within the group.

Gorta UK is committed to managing and conducting its work activities in such a way as to ensure, so far as is reasonably practicable, the safety, health and welfare at work of its employees, including fixed term employees and temporary employees and other individuals at the place of work (not being its employees).

Gorta UK's books of account are located at the organisation's parent company, Gorta-Self Help Africa's premises at Kingsbridge House, 17-22 Parkgate Street, Dublin 8, Ireland.

The trustees of Gorta UK have had regard to the Charity Commission's guidance on public benefit.

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Health and Safety

Gorta UK is committed to managing and conducting its work activities in such a way as to ensure - so far as is reasonably practicable - the safety, health and welfare at work of its employees and volunteers. Gorta UK management continuously monitors compliance in line with legislative requirements.

Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing aims and objectives and planning future activities.

Reference and administrative details

The reference and administrative details of Gorta UK are fully set out on page 3.

Going concern

The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern principle in preparing their annual financial statements

Political donations

No political donations were made during the year (2014 – £nil)

Post balance sheet events

No significant events have taken place since the year end that would result in adjustment of the financial statements or inclusion of a note thereto.

Disclosure of Information to Auditors

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of the 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.

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Auditors

Deloitte were appointed as the company's auditor for the financial year. A resolution for the re-appointment of Deloitte will be proposed at the forthcoming AGM.

Signed on behalf of the Board:

Seán Gaule
Chairman

Date:

GORTA UK
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The trustees (who are also directors of Self Help Africa (UK) for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the net income or 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;
- state whether applicable UK accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GORTA UK
(A company limited by a guarantee)**

We have audited the financial statements of Gorta UK (a company limited by guarantee) for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members, 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 company and the charitable company's members as a body and the charitable company's trustees 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 charitable 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 charitable 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 read all the financial and non-financial information in the annual report 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 or inconsistencies 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 2015 and of its net income 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GORTA UK
(A company limited by a guarantee)**

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual 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 the information and explanations we require for our audit.

....., Senior Statutory Auditor
for and on behalf of
Chartered Accountants and Statutory Auditors

Deloitte & Touche
Earlsfort Terrace
Dublin 2

Date:

GORTA UK
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STATEMENT OF FINANCIAL ACTIVITIES
(Including income and expenditure account)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		2015	2015	2015	2014	2014	2014
		Restricted Funds	Unrestricted Funds	Total Funds	Restricted Funds	Unrestricted Funds	Total Funds
	Notes	£	£	£	£	£	£
INCOME FROM							
Donations and legacies	3	6,729	240,104	246,833	6,793	267,544	274,337
Other income							
- Income from investments		-	2	2	-	6	6
Total		6,729	240,106	246,835	6,793	267,550	274,343
EXPENDITURE ON							
Charitable activities	4	6,729	223,341	230,070	6,793	200,183	206,976
Raising funds	5	-	14,805	14,805	-	17,673	17,673
Total		6,729	238,146	244,875	6,793	217,856	224,649
Net movement in funds	6	-	1,960	1,960	-	49,694	49,694
RECONCILIATION OF FUNDS							
Total funds brought forward	10	-	154,290	154,290	-	104,596	104,596
Total funds carried forward	10	-	156,250	156,250	-	154,290	154,290

There are no other recognised gains or losses other than those listed above and the net income for the financial year. All income and expenditure derives from continuing activities.

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BALANCE SHEET
AS AT 31 DECEMBER 2015

	<i>Notes</i>	2015 £	2014 £
CURRENT ASSETS			
Cash at bank and in hand		57,879	327,989
Debtors	7	151,401	112,763
		<hr/>	<hr/>
		209,280	440,752
CREDITORS: (Amounts falling due within one year)	8	(53,030)	(286,462)
		<hr/>	<hr/>
NET CURRENT ASSETS		156,250	154,290
		<hr/>	<hr/>
NET ASSETS		156,250	154,290
		<hr/> <hr/>	<hr/> <hr/>
FUNDS OF THE CHARITY			
Restricted funds	10	-	-
Unrestricted funds	10	156,250	154,290
		<hr/>	<hr/>
		156,250	154,290
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Directors on 30th May 2016 and signed on its behalf by:

Sean Gaule
Director

Tom Kitt
Director

GORTA UK
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<i>Notes</i>	2015 £	2014 £
Cashflows from charitable activities			
Net cash used in charitable activities	11	(270,112)	(471,228)
Cash provided by investing activities			
Interest received		2	6
Net cash provided by investing activities		(270,110)	(471,222)
Change in cash and cash equivalents in the reporting year		(270,110)	(471,222)
Cash and cash equivalents at beginning of the reporting year		327,989	799,211
Cash and cash equivalents at end of the reporting year		57,879	327,989
Reconciliation to cash at bank and in hand			
Cash at bank and in hand at end of financial year		57,879	327,989

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and the preceding year.

Basis of preparation of financial statements

Gorta UK is a company incorporated in the UK under the Companies Act 2006. The address of the registered office is Exchange Place, 3 Semple Street, Edinburgh, EH3 8BL, Scotland. The nature of the company's operations and its principal activities are set out in the report of the trustees on pages 3 to 7.

In accordance with Section 60 of the Companies Act, 2006, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee and has no share capital.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Statement of Recommended Practice (SORP 2015) "Accounting and Reporting by Charities", in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Financial Reporting Council and the Companies Act 2006. . No material adjustments were required on adoption of FRS 102 in the current year. For more information see note 20.

The functional currency of Gorta UK is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Company Type

The company is limited by guarantee and does not have share capital.

Going Concern

The organisation's forecasts and projections, taking account of reasonable possible changes in performance, show that the organisation will be able to operate within the level of its current cash and investment resources. The Board have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income

Income from voluntary donations is recognised when received. As with many similar charitable organisations, independent groups from time to time may organise fundraising. However, as any amounts collected in this way are outside the control of the company, they are not included in the financial statements until received by Gorta UK.

Volunteer time is not included in the financial statements.

Legacies are included when the amount is received by the charity or into an executor bank account for distribution to the charity at a near future date.

Interest income is recognised on a receivable basis.

Refunds in respect of tax relief on voluntary donations are recognised on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure

Expenditure is included when incurred, and includes attributable VAT which cannot be recovered.

Grants payable for development projects attributable to the current financial year are included in the Statement of Financial Activities.

With the support of its connected charity Gorta, expenditure is kept to a minimum with the principal outlay relating to the administration of regular donations and any direct fundraising expenditure arising.

Support costs represent the cost to head office of administering projects. The expenditure on charitable activities have been classified to comply with SORP 2015. Such costs, when incurred, include the direct costs of the charitable activities together with those Support costs (Finance and Administration cost) incurred that enable these activities to be undertaken. These have been allocated across the activities based on headcount.

Raising Funds

These represent costs incurred running and managing the organisation, including managing and safeguarding the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Gifts in Kind

Gifts in kind are deemed non-material so are not included in the accounts.

Fund Accounting

Funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Directors.

Designated funds – these are unrestricted funds which have been set aside for particular purposes by the Charity itself, in furtherance of the Charity's charitable objects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investment Policy

All cash balances for planned development work are held in deposit accounts at the highest interest rates available.

Foreign Currencies

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of

exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charitable company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charitable company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Reserves Policy

In order to secure the long term viability of Gorta UK and to maintain the smooth operation of the organisation, it is critical to ensure that the organisation has adequate reserves. Gorta has a reserve policy based on foreseeable expenditure and in particular, long-term commitments to projects

The level of reserves needs to cover the following activities of the organisation:

- Provide funding for sustainable programmes.
- Meet contractual liabilities such as payments to creditors.
- Maintain a required level of funding available for overseas programmes during times of financial difficulty where fundraising income is diminished.
- Meet unanticipated expenses, currency variances and legal costs.
- To facilitate programme/project continuation especially where a partner submits a new or additional phase proposal in advance of the current activity being completed, in order to meet seasonal requirements (i.e. farming season) and prevent development gaps.
- Cover day to day expenditure of Gorta UK.
- Ensure there is adequate funding should any winding up costs ever arise.
- Provide for any other unanticipated expenditure of significance.

The Board may designate unrestricted reserves for specific future expenditure such as Long Term Programmes, sinking funds and any other potential future requirement(s).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Gorta UK has been granted charitable tax exempt status by the HMRC under S478 and S483 of the Corporation Tax Act 2010 and therefore no provision for corporation tax is required.

Comparative Figures

Certain comparative amounts have been reclassified, where necessary, to ensure comparability with current financial year disclosure and to ensure compliance with SORP 2015.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and notes to the financial statements.

The directors do not consider there are any critical judgements or sources of estimation requiring disclosure.

3. DONATIONS AND LEGACIES

	2015	2015	2015	2014
	Restricted	Unrestricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Committed giving	-	201,466	201,466	223,087
Gift Aid refunds	-	38,638	38,638	44,457
Committee income	6,729	-	6,729	6,793
	6,729	240,104	246,833	274,337

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. CHARITABLE ACTIVITIES

Charitable activities expenditure can be analysed as shown below. Many of these programmes achieve results in more than one of these categories, but are analysed for this purpose under the principal category only.

Country	Livelihoods £	Food Security £	Education £	Water and Sanitation £	Management Costs £	2015 £	2014 £
The Gambia	-	-	-	48,046	-	48,046	(46,892)
Tanzania	-	-	-	3,901	-	3,901	93,794
Zambia	-	-	-	-	-	-	18,954
Kenya	-	8,186	69,673	-	-	77,859	79,322
Uganda	97,319	-	-	-	-	97,319	290,073
Rwanda	-	-	-	-	-	-	(57,867)
*Regional	-	-	-	-	-	-	(175,226)
Travel, staff and support costs	-	-	-	-	2,945	2,945	4,818
Total	97,319	8,186	69,673	51,947	2,945	230,070	206,976

* Regional watershed covers Zambia, Tanzania and The Gambia.

Grants payable for development projects which are relevant to the current financial year are reflected in the Statement of Financial Activities.

5. RAISING FUNDS

	2015 £	2014 £
Fundraising initiatives	13,166	17,334
Bank charges	1,639	339
	<u>14,805</u>	<u>17,673</u>

6. NET INCOME

	2015 £	2014 £
Net income for the year is stated after charging:		
Auditor's remuneration*	2,719	1,860
	<u>2,719</u>	<u>1,860</u>

* The auditor's remuneration fee is in respect of audit only. No amounts were paid to the auditors in relation to advisory, tax advisory or other assurance services.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7.	DEBTORS: (Amounts falling due within one year)	2015	2014
		£	£
	Gift Aid refunds due	151,401	112,763
		<u> </u>	<u> </u>
8.	CREDITORS: (Amounts falling due within one year)	2015	2014
		£	£
	Amount due to group company (Note 16)	48,851	282,655
	Creditors	4,179	3,807
		<u> </u>	<u> </u>
		53,030	286,462
		<u> </u>	<u> </u>

9. FINANCIAL INSTRUMENTS

The carrying value of the company's financial assets and liabilities are summarised by category below:-

		2015	2014
		£	£
	Financial Assets		
	<i>Measured at undiscounted amount receivable</i>		
	• Trade and other debtors (note 7)	151,401	112,763
		<u> </u>	<u> </u>
	Financial Liabilities		
	<i>Measured at undiscounted amount payable</i>		
	• Trade and other payables (note 8)	4,179	3,807
	• Amounts owed to associates (note 8)	48,851	282,655
		<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. FUNDS OF THE CHARITY

(i) Reconciliation of funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Opening balance at 1 January 2015	-	154,290	154,290
Net income for the year	-	1,960	1,960
	<hr/>	<hr/>	<hr/>
Closing balance at 31 December 2015	-	156,250	156,250
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(ii) Analysis of net assets between funds:

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Current assets	-	209,280	209,280
Liabilities	-	(53,030)	(53,030)
	<hr/>	<hr/>	<hr/>
Total Net Assets	-	156,250	156,250
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(iii) Movements in funds

	Balance as at 01/01/2015 £	Income & Endowments £	Expenditure £	Balance 31/12/2015 £
Restricted funds	-	6,729	(6,729)	-
Unrestricted funds	154,290	240,106	(238,146)	156,250
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	154,290	246,835	(244,875)	156,250
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. RECONCILIATION OF NET INCOME TO CASH INFLOW FROM CHARITABLE ACTIVITIES

	2015 £	2014 £
NET (EXPENDITURE) / INCOME FOR THE REPORTING YEAR (as per the Statement of Financial Activities)	1,960	49,694
<i>Adjustments for:</i>		
Increase in debtors	(38,638)	(44,457)
Increase in creditors	(233,432)	(476,459)
Interest received	(2)	(6)
	<hr/>	<hr/>
NET CASH USED IN CHARITABLE ACTIVITIES	(270,112)	(471,228)
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

12. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 January 2015 £	Cash Flows £	At 31 December 2015 £
Cash at bank and in hand	327,989	(270,110)	57,879

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2015 Restricted Funds £	2015 Unrestricted Funds £	2015 Total Funds £	2014 Total Funds £
Current assets	-	209,280	209,280	440,752
Creditors due within one year	-	(53,030)	(53,030)	(286,462)
	-	156,250	156,250	154,290

14. OPERATING LEASE COMMITMENTS

At 31 December 2015 the company had no annual commitments under non-cancellable operating leases (2014 : £Nil).

15. TAXATION

Gorta UK is registered as a charity and benefits from corporation tax exemptions available to charitable bodies. On the basis that its activities fall within its charitable purposes and its funds are applied only for these purposes, no provision for corporation tax is made. Irrecoverable value added tax is expensed as incurred

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

During the year, Gorta-Self Help Africa transferred funds to the field on behalf of Gorta UK amounting to £232,360 and discharged other commitments on behalf of Gorta UK amounting to £4,294 (2014: Total discharged £1,136,730). The balance due to Gorta-Self Help Africa at 31 December 2015 was £48,851 (2014: £282,655).

During the year, Gorta UK transferred funds to Gorta-Self Help Africa amounting to £470,458 (2014: £926,215).

Gorta (trading as Gorta-Self Help Africa) is a charitable company registered in Ireland and the results of Gorta UK are consolidated into the financial statements of Gorta. 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, Ireland.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

17. LEGAL STATUS OF COMPANY

In accordance with Section 60 of the Companies Act, 2006, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee and has no share capital.

18. DIRECTORS' REMUNERATION AND EXPENSES

Directors are not remunerated, but are entitled to be reimbursed for out of pocket expenses incurred in the course of carrying out their duties. No payments of this nature were made during the year (2014: £Nil).

19. KEY MANAGEMENT COMPENSATION

As the company does not employ any staff, there is no key management compensation to report on.

20. EXPLANATION OF TRANSITION TO FRS 102

This is the first year the company has presented its financial statements under Financial Reporting Standards 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous Irish GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have been changed to comply with that standard. None of these changes have resulted in an adjustment to equity reported under previous Irish GAAP at 31 December 2014 or 1 January 2014 and there was no effect on losses previously reported for the year ended 31 December 2014.