

Partner Africa  
(A company limited by guarantee)

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

*COMPANY NUMBER: 7770647*  
*CHARITY NUMBER: 1144815*



**PARTNER AFRICA**  
**(A company limited by guarantee)**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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<b>CONTENTS</b>	<b>PAGE</b>
TRUSTEES AND OTHER INFORMATION	2
REPORT OF THE TRUSTEES	3 – 9
TRUSTEES' RESPONSIBILITIES STATEMENT	10
INDEPENDENT AUDITORS' REPORT	11 – 12
STATEMENT OF FINANCIAL ACTIVITIES	14
BALANCE SHEET	15
STATEMENT OF CASH FLOWS	16
NOTES TO THE FINANCIAL STATEMENTS	17 – 30

**PARTNER AFRICA**  
(A company limited by guarantee)

**TRUSTEES AND OTHER INFORMATION**

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<b>TRUSTEES</b>	Terry Babbs Nigel Clarke Tom Kitt Robert Jones	(Chairman)  (Resigned 3 December 2015)
<b>REGISTERED OFFICE</b>	Second Floor Westgate House Dickens Court Hills Lane Shrewsbury SY1 1QU	
<b>COMPANY NUMBER</b>	7770647	
<b>CHARITY NUMBER</b>	CHY 1144815	
<b>AUDITORS</b>	Deloitte Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2	
<b>BANKERS</b>	Barclays Bank Plc P.O Box 89 Shrewsbury Shropshire SY1 2WQ	
<b>SOLICITORS</b>	Withers LLP 16 Old Bailey London EC4M 3TEG	

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

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The Trustees, who are also directors of the charitable company 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 2015. 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 "Accounting and Reporting by Charities" (SORP 2015).

**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 12<sup>th</sup> 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 Kingsbridge House, 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.

**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.

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

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**ACHIEVEMENTS IN 2015**

The key focus for 2015 was to continue developing and improving structures and systems to drive our growth, deliver our social mission and attain financial sustainability based on the foundations we have been building on since 2012.

The priorities for 2015 were to:

- For Partner Africa to do more work with a fewer number of strategic clients in order to diversify services which maximise impact
- Continue to strengthen Finance, IT, HR and Quality Assurance systems
- Deliver on financial projections detailed in the business plan
- Achieve department milestones presented in the business plan
- Expand our service offering to existing clients in CEWA & NASA Regions
- Increase the volume of non-audit services while still growing audits
- Grow operations in North Africa by attracting new clients and expanding into more NA countries
- Improve systems and processes so that we provide more technology based solutions in our internal operations as well as for our clients

During 2015 progress was made in all these areas with varying degrees of success:

- Salesforce and Sage for management reporting and financial management continued to be utilised to drive timely monitoring of the organisation's performance against targets as well as to monitor and mitigate any potential risks. The use of Salesforce was also extended from an internal management tool to an external client facing tool and was used to run reports on supply chain risks and opportunities based on data gathered from our audits
- New business was generated in North Africa which performed well in 2015. This business also created expansion opportunities into new countries such as Jordan and Saudi Arabia
- New business growth across all regions was significantly driven by the successful introduction of new clients: PVH, Diageo, LRQA and Starbucks
- In 2015 we also undertook a strategic revision of our non-audit services and focused on regionalising service delivery, in the short term this had an adverse impact on achieving the growth targets we had envisaged for 2015
- We also undertook a comprehensive review and developed an action plan to better manage our associate capacity in line with world class standards

Overall in 2015 we were able to do more with less by simplifying our operational structures, building stronger partnerships with key clients and utilising existing tools and technology improve efficiency.

**Ethical Auditing**

The Audits and Assessment team completed 369 audits in 2015, across 19 different African countries. Partner Africa's participatory ethical audits covered sites employing around 56,000 workers. Following a successful tender in 2015 Partner Africa began working in an exclusive capacity with PVH, a US apparel holding company which owns brands such as Calvin Klein and Tommy Hilfiger, to maintain compliance against strict labour and health and safety codes in their African supply chain. Partner Africa's work with PVH, together with other brands such as Primark, Eileen Fisher, and The Children's Place, has provided Partner Africa with the means and opportunity to ensure that ethical standards are upheld across the rapidly growing textile and apparel industry in Africa. In 2015 Partner Africa also began working in the coffee industry in East Africa on behalf of Starbucks to assess and support growers to comply with and maintain Starbucks ethical codes of conduct.



**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

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**Training**

In 2015 Partner Africa delivered 5 training programs in 6 African countries. The training delivered was below target for the year, however there was a shift in strategy to deliver more customised trainings with existing clients rather than generic trainings. A number of the trainings delivered were focused on improving systems and structures within businesses to help them continue to improve their compliance with local law and international best practice.

These trainings helped to ensure that businesses have the necessary structures in place which they can continue to improve upon to help them grow and trade in a sustainable manner in the international market. As well as create a safe working environment for the workers within the factories and farms whilst treating them fairly, in line with their legal entitlements.

**Consultancy**

Consultancy projects in 2015 included a market analysis of cassava in Africa in order to improve the value of the product for smallholder farmers through their increased understanding of market and value added opportunities.

In addition, Partner Africa facilitated a supplier workshop with the Co-operative Food Stores UK. The workshop created an opportunity for the UK retailer to engage directly with their African suppliers to help strengthen trading relationships through a mutual understanding of each other's requirements, global standards and challenges faced in achieving the required standards at a local level.

**Local Research**

A significant project undertaken in 2015 was the Country Studies Research commissioned by The Coca Cola Company. The research was delivered over a period of 4 months and aimed to determine the prevalence of forced labour, child labour and land rights violations in the Coca Cola Companies sugar supply chain in a select number of West African countries.

The research explored and uncovered the complexities of land ownership and land grabs in Africa and the responsibility of businesses in respecting land rights in their supply chain under the UN Global Compact.

**Local Knowledge**

Our local knowledge was used to help guide two US and UK brands during new business ventures in Ethiopia and Ghana. Partner Africa's local expertise helped ensure the brands built in community engagement into their projects to ensure they have a social license to operate in their business dealings. We were also commissioned to translate supplier codes of conduct into local languages in Kenya and Ethiopia.

**Progress in Trade Development Projects**

Partner Africa carried out four major Trade Development projects in 2015, the Tchibo Mount Kenya Women's Project and 3 projects under the Trade and Global Value Chains Initiative.

The Tchibo Mount Kenya Women's project is a long-term initiative funded by the German coffee manufacturer Tchibo to strengthen the financial and legal operation of female headed coffee growing cooperatives in the Mount Kenya region. Partner Africa's engagement covers a transfer of knowledge in areas of budgeting, planning; record keeping and general HR and financial practices for the project.

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.

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.

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

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In 2015 Partner Africa provided a number of project beneficiaries including Sainsbury's, M&S and Tesco through local technical support for the projects on the ground.

Some of the 2015 highlights of the projects include:

- The launch of the SIZA Visa card, which is an innovative technology based service for migrant farm workers in South Africa to allow them to store their credentials, CV's and references on an online platform which can be accessed by any farm or employer who has signed up to the program, therefore allowing the worker to continually advance in his vocation by carrying historical experience and records to new employment. The project is expected to impact 140 000 farm workers in South Africa.
- The Emerging leaders project with M&S which is aimed at empowering individuals in their communities to take the lead in addressing challenges within the M&S supply chain identified in a 2013 Oxfam report. The project involves intensive Leadership for Hope training which empowers participants to impart their acquired knowledge to others in their communities.
- In the period from January to June 2015 the project trained 1,302 and 200 workers from Vegpro and Finlay's respectively. The project also trained 831 community members in the period under review. This cumulatively brings the total number of trained workers in M&S supply chain to 4,771 and 2,749 community members. Emerging leaders has also been able to train additional 2,854 community members outside of the project in partnership with World Vision Kenya.
- The Nutrition Garden and Training Project which is a Multistakeholder project involving Sainsburys (project sponsor through match funding), Vegpro (provider of land, workers and paid time in which the workers are trained), The Real IPM (provider of technical consultancy for design construction, implementation and management of the nutrition demonstration farm) and Partner Africa (provider of independent assessment of impact challenges and improvement opportunities to ensure future roll out and sustainability of the programme).

Findings from independent needs assessment and interactions with suppliers and grower groups highlighted 4 key issue areas which limit workers and smallholders ability to function effectively in the workplace and therefore to be able to secure sustainable livelihoods: Health (knowledge of and access to a nutritious diet) Financial Literacy, Female Empowerment and Education.

This project seeks to address some of the health issues through nutrition by seeking the following outcomes:

1. Educating on site canteen and medical staff to enable them to offer more nutritious menus in a cost effective way and so creating a healthier workforce in the long term
2. Sensitising the workforce on new approaches to food and nutrition
3. Training workers on the integration of a fruit and vegetable planting programme
4. Using open days and train the trainer session to provide a blueprint for other supplier and workers from other sites to be able to see a better nutrition project in action
5. Inclusion of government extension workers on 2 Stakeholder workshops

**FINANCIAL REVIEW**

The Statement of Financial Activities for the year ended 31 December 2015, shows net incoming resources of £75,563 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.

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

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The net assets of the organisation as shown on the balance sheet amount to £147,615. 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 2016 with the ambition of being a leader in this sector as the organisation grows.

To achieve this, in 2016 the organisation will be focussing on:

- Continuing to work with key clients by offering them more a more targeted suite of services, 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, through the projects we choose to work on.
- Further embedding our people strategy by recruiting developing and growing our talent through our employees and associates including the implementation of a clear associate recruitment, retention and development programme; which involves a mix of local and expatriate multiskilled resources.
- Continuing to utilise more technology based solutions to deliver financial sustainability through business growth, based on the efficient development of services that address the needs of our clients and our social mission.
- 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.

**HEALTH AND SAFETY**

Partner Africa 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. Partner Africa 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.

**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)

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

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**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.

**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.

This report was approved by the Trustees on ..... and signed on their behalf, by:

\_\_\_\_\_  
Terry Babbs  
Chairman

Date:

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

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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 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  
PARTNER AFRICA  
(A company limited by guarantee)**

We have audited the financial statements of Partner Africa 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 25. 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 and the trustees 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, 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 financial 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  
PARTNER AFRICA  
(A company limited by 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.

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For and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Dublin

Date:

**PARTNER AFRICA**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<i>Notes</i>	<b>Restricted funds 2015 £</b>	<b>Unrestricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Restricted funds 2014 £</b>	<b>Unrestricted funds 2014 £</b>	<b>Total funds 2014 £</b>
<b>INCOME FROM</b>							
<b>Donations and legacies</b>	3	-	<b>187,500</b>	<b>187,500</b>	-	177,209	177,209
<b>Other income</b>	4	-	<b>426,068</b>	<b>426,068</b>	-	448,152	448,152
<b>Total</b>		-	<b>613,568</b>	<b>613,568</b>	-	625,361	625,361
<b>EXPENDITURE ON</b>							
<b>Charitable activities</b>	5	-	<b>538,005</b>	<b>538,005</b>	-	601,969	601,969
<b>Total</b>	7	-	<b>538,005</b>	<b>538,005</b>	-	601,969	601,969
<b>Net income</b>	8	-	<b>75,563</b>	<b>75,563</b>	-	23,392	23,392
Taxation	10	-	<b>8,526</b>	<b>8,526</b>	-	9,484	9,484
<b>Net movement in funds</b>	17	-	<b>84,089</b>	<b>84,089</b>	-	32,876	32,876
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward	17	-	<b>63,526</b>	<b>63,526</b>	-	30,650	30,650
<b>Total funds carried forward</b>	17	-	<b>147,615</b>	<b>147,615</b>	-	63,526	63,526

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



**PARTNER AFRICA**  
**(A company limited by guarantee)**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	<i>Notes</i>	<b>2015</b> £	2014 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	<b>18,466</b>	18,804
Intangible fixed assets	12	-	34,320
		<u><b>18,466</b></u>	<u>53,124</u>
<b>CURRENT ASSETS</b>			
Debtors	13	<b>164,895</b>	137,882
Cash at bank and in hand		<b>188,443</b>	191,372
		<u><b>353,338</b></u>	<u>329,254</u>
<b>CREDITORS:</b> Amounts falling due within one year	14	<b>(199,568)</b>	(251,862)
<b>NET CURRENT ASSETS</b>		<u><b>153,770</b></u>	<u>77,392</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>172,236</b>	130,516
<b>CREDITORS:</b> amounts falling due after more than one year	15	<b>(24,621)</b>	(16,758)
<b>NET ASSETS</b>		<u><b>147,615</b></u>	<u>113,758</u>
<b>FUNDS OF THE CHARITY</b>			
Unrestricted funds	17	<b>147,615</b>	63,526
Acquisition Funding Reserve	18	-	43,993
Capital Grants	19	-	6,239
<b>TOTAL FUNDS</b>		<u><b>147,615</b></u>	<u>113,758</u>

The financial statements were approved by the Trustees on ..... and signed on their behalf, by:

\_\_\_\_\_  
**Terry Babbs**  
**Chairman**

**PARTNER AFRICA**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR 31 ENDING 31 DECEMBER 2015**

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	<i>Note</i>	<b>2015</b> £	2014 £
<b>Cash flows from charitable activities</b>			
Net cash used in charitable activities	20	<b>6,367</b>	(8,205)
<b>Cash provided by investing activities</b>			
Purchase of tangible fixed assets	11	<b>(9,296)</b>	(927)
<b>Net cash provided by investing activities</b>		<b>(9,296)</b>	(927)
<b>Change in cash and cash equivalents in the reporting year</b>		<b>(2,929)</b>	(9,132)
<b>Cash and cash equivalents at beginning of the reporting year</b>		<b>191,372</b>	200,504
<b>Cash and cash equivalents at end of the reporting year</b>		<b>188,443</b>	191,372
<b>Reconciliation to cash at bank and in hand</b>			
Cash and cash equivalents at end of financial year	21	<b>188,443</b>	191,372

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**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**

Partner Africa is a company incorporated in the UK under the Companies Act 2006. The address of the registered office is Second Floor Suite, Westgate House, Dickens Court, 25 Hills Lane, Shrewsbury, Shropshire, SY1 1QU. The nature of the company's operations and its principal activities are set out in the Report of the Trustees on pages 3 to 9.

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, effective 1 January 2015 and the Companies Act 2006. No material adjustments were required on adoption of FRS 102 in the current year. For more information see note 25.

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

**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.

**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.

**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. ACCOUNTING POLICIES (CONTINUED)**

**Income**

All income and endowments 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.

**Expenditure**

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.

**Turnover**

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

**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.

**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. ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**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 differences will be utilised.

**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.

**1. ACCOUNTING POLICIES (CONTINUED)**

**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.

**Operating leases**

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

**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.

**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.

**Comparative Amounts**

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.

**PARTNER AFRICA**  
(A company limited by guarantee)

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

**3. DONATIONS AND LEGACIES**

	<b>Restricted Funds 2015 £</b>	<b>Unrestricted Funds 2015 £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
DFID - PPA	-	<b>187,500</b>	<b>187,500</b>	177,209

**4. OTHER INCOME**

Other income reflects income earned from the delivery of ethical trade services and capacity building programs in Africa as follows:-

	<b>2015 £</b>	<b>2014 £</b>
Audit Income	<b>356,210</b>	285,618
Training Income	<b>12,984</b>	115,693
Project/Consultancy Income	<b>47,711</b>	46,705
Trade Development Projects	<b>8,466</b>	-
Other Income	<b>697</b>	136
	<b>426,068</b>	448,152

**5. CHARITABLE ACTIVITIES**

	<b>Restricted Funds 2015 £</b>	<b>Unrestricted Funds 2015 £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
Ethical Audits	-	428,276	428,276	368,083
Trade Development Projects	-	15,611	15,611	149,096
Capacity Building and Training	-	10,179	10,179	19,662
Consultancy Services	-	57,364	57,364	40,528
Support Costs (Note 6)	-	26,575	26,575	24,600
	-	<b>538,005</b>	<b>538,005</b>	601,969

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

**6. SUPPORT COSTS**

	<b>Restricted Funds 2015 £</b>	<b>Unrestricted Funds 2015 £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
Audit Fees	-	10,237	10,237	6,252
Legal fees	-	990	990	1,027
Other Governance Costs	-	15,348	15,348	17,321
	<u>-</u>	<u>26,575</u>	<u>26,575</u>	<u>24,600</u>
	<u><u>-</u></u>	<u><u>26,575</u></u>	<u><u>26,575</u></u>	<u><u>24,600</u></u>

**7. ANALYSIS OF EXPENDITURE BY TYPE**

	<b>Staff costs 2015 £</b>	<b>Depreciation 2015 £</b>	<b>Other costs 2015 £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Ethical Audits	190,274	6,906	231,096	428,276	368,083
Trade Development Projects	6,936	252	8,424	15,612	149,096
Capacity Building and Training	4,522	164	5,493	10,179	19,662
Consultancy Services	25,485	925	30,953	57,363	40,528
Support Costs (Note 6)	-	-	26,575	26,575	24,600
	<u>227,217</u>	<u>8,247</u>	<u>302,541</u>	<u>538,005</u>	<u>601,969</u>
	<u><u>227,217</u></u>	<u><u>8,247</u></u>	<u><u>302,541</u></u>	<u><u>538,005</u></u>	<u><u>601,969</u></u>



**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

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**8. NET INCOME BEFORE TAXATION**

This is stated after charging/(crediting):

	<b>2015</b>	2014
	<b>£</b>	£
Depreciation of tangible fixed assets	<b>8,247</b>	10,440
Gain on disposal of tangible fixed assets	<b>(1,837)</b>	(377)
Amortisation of tangible fixed asset grants	<b>(2,834)</b>	(3,989)
Amortisation of intangible fixed assets	<b>34,320</b>	34,320
Acquisition funding reserve credit	<b>(43,993)</b>	(44,004)
Auditors' remuneration	<b>10,237</b>	6,252
Pension costs	<b>10,305</b>	11,096
	<u><u>                    </u></u>	<u><u>                    </u></u>

No trustees received any remuneration (2014: £Nil) or any benefits in kind (2014: £Nil) other than reimbursement of expenses.

During the year, four trustees were reimbursed £389 for travel expenses during the year (2014 – three trustees were reimbursed £877 for travel expenses during the year).

Auditor's remuneration of £10,237 in 2015 consists of £3,000 accrued for the services of Deloitte, Ireland in respect of the 2015 audit, £4,777 (of which £1,300 is accrued) for the services of Meridian Accountants & Auditors, South Africa in respect of the 2014/15 audit and £2,460 paid to PKF Kenya in relation to the 2015 audit of the Kenyan branch.

**9. STAFF COSTS**

Staff costs were as follows:

	<b>2015</b>	2014
	<b>£</b>	£
Wages and salaries	<b>213,306</b>	292,116
Social security costs	<b>3,606</b>	9,488
Other pension costs	<b>10,305</b>	11,096
	<u><u>                    </u></u>	<u><u>                    </u></u>
	<b>227,217</b>	312,700

The average monthly number of employees employed during the year was 16 (2014: 17).

During the year, one employee received remuneration between £60,000 and £70,000 (2014: 2).

**PARTNER AFRICA**  
(A company limited by guarantee)

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

**10. TAXATION**

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

	<b>2015</b>	2014
	£	£
Deferred tax credit	<b>8,526</b>	9,484
	<u>                    </u>	<u>                    </u>

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

Partner Africa has been granted charitable tax exempt status by the HMRC and therefore no provision for corporation tax is required.

**11. TANGIBLE FIXED ASSETS**

	<b>Motor Vehicles</b>	<b>Office Furniture &amp; Equipment</b>	<b>Total</b>
	£	£	£
<b>Cost:</b>			
At 1 January 2015	19,979	31,236	51,215
Additions	7,104	2,192	9,296
Disposals	(2,763)	-	(2,763)
Foreign exchange gain	(1,453)	(2,110)	(3,563)
<b>At 31 December 2015</b>	<u><b>22,867</b></u>	<u><b>31,318</b></u>	<u><b>54,185</b></u>
<b>Depreciation:</b>			
At 1 January 2015	15,408	17,003	32,411
Charge for the year	4,526	3,721	8,247
Disposals	(2,705)	-	(2,705)
Foreign exchange gain	(1,109)	(1,125)	(2,234)
<b>At 31 December 2015</b>	<u><b>16,120</b></u>	<u><b>19,599</b></u>	<u><b>35,719</b></u>
<b>Net book value:</b>			
<b>At 31 December 2015</b>	<u><b>6,747</b></u>	<u><b>11,719</b></u>	<u><b>18,466</b></u>
At 31 December 2014	<u>4,571</u>	<u>14,233</u>	<u>18,804</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

**12. INTANGIBLE FIXED ASSET**

**Goodwill Cost**

At 1 January 2015 and 31 December 2015 171,600

**Amortisation**

At 1 January 2015 137,280  
 Charge for the year 34,320

At 31 December 2015 171,600

**Net book value**

At 31 December 2015 -

**Net book value**

At 31 December 2014 34,320

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.

**13. DEBTORS**

	2015 £	2014 £
Trade debtors	80,089	52,434
Other debtors	-	1,874
Prepayments and accrued income	26,567	28,407
Deferred tax	45,839	40,241
Withholding tax recoverable	12,400	6,581
VAT recoverable	-	8,345
	<u>164,895</u>	<u>137,882</u>

**14. CREDITORS: (Amounts falling due within one year)**

	2015 £	2014 £
Trade creditors	27,575	61,049
VAT payable	5,082	2,386
Accruals and deferred income	166,911	188,427
	<u>199,568</u>	<u>251,862</u>

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

<b>15. CREDITORS:</b> (Amounts falling due after more than one year)	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Amounts owed to parent undertaking (Note 24)	<b>24,621</b>	16,758

**16. FINANCIAL INSTRUMENTS**

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

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
<b>Financial Assets</b>		
<i>Measured at undiscounted amount receivable</i>		
• Debtors (Note 13)	<b>164,895</b>	137,882
<b>Financial Liabilities</b>		
<i>Measured at undiscounted amount payable</i>		
• Creditors (Note 14)	<b>199,568</b>	251,862
• Amounts owed to associates (Note 14 and 15)	<b>24,621</b>	16,758

**17. FUNDS OF THE CHARITY**

**(i) Reconciliation of funds:**

<b>Total unrestricted funds</b>	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Opening balance at 1 January	63,526	30,650
Net income for the year	84,089	32,876
<b>Closing balance at 31 December</b>	<b>147,615</b>	<b>63,526</b>

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

**17. FUNDS OF THE CHARITY (CONTINUED)**

**(ii) Analysis of net assets between funds:**

<b>Total unrestricted funds</b>	<b>2015</b>	2014
	£	£
Tangible fixed assets	<b>18,466</b>	18,804
Intangible assets	-	34,320
Current assets	<b>353,338</b>	329,254
Liabilities	<b>(224,189)</b>	(268,620)
	<u><b>147,615</b></u>	<u>113,758</u>

**(iii) Movement in funds:**

	Balance 01/01/2015 £	Income £	Expenditure £	Balance 31/12/2015 £
Unrestricted funds	63,526	622,094	(538,005)	<b>147,615</b>
	<u>63,526</u>	<u>622,094</u>	<u>(538,005)</u>	<u><b>147,615</b></u>
In respect of prior year:				
	Balance 01/01/2014 £	Income £	Expenditure £	Balance 31/12/2014 £
Unrestricted funds	30,650	634,845	(601,969)	63,526
	<u>30,650</u>	<u>634,845</u>	<u>(601,969)</u>	<u>63,526</u>

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

**18. ACQUISITION OF FUNDING RESERVE**

<b>Funding Received:</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>At 1 January and 31 December</b>	<b>220,000</b>	<b>220,000</b>
<b>Credited to SOFA</b>		
At 1 January	176,007	132,003
Credited during the year	43,993	44,004
<b>At 31 December</b>	<b>220,000</b>	<b>176,007</b>
<b>Net funding reserve</b>		
<b>At 31 December</b>	<b>-</b>	<b>43,993</b>
<b>Net funding reserve</b>		
At 31 December	43,993	87,997

**19. CAPITAL GRANTS**

<b>Funding Received:</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>At 1 January</b>	18,576	17,893
Foreign exchange (loss)/gain	(1,094)	683
<b>At 31 December</b>	<b>17,482</b>	<b>18,576</b>
<b>Credited to SOFA</b>		
At 1 January	12,337	7,859
Amortised during the year	6,045	3,989
Foreign exchange (loss)/gain	(900)	489
<b>At 31 December</b>	<b>17,482</b>	<b>12,337</b>
<b>Net capital grant</b>		
<b>At 31 December</b>	<b>-</b>	<b>6,239</b>
At 31 December	6,239	10,034

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

**20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW/ (OUTFLOW) FROM CHARITABLE ACTIVITIES**

	2015 £	2014 £
<b>NET (EXPENDITURE)/ INCOME FOR THE REPORTING YEAR (as per the Statement of Financial Activities)</b>	<b>75,563</b>	23,392
<i>Adjustments for:</i>		
Depreciation	8,247	10,440
Amortisation of goodwill	34,320	34,320
Amortisation of capital grants	(6,045)	(3,795)
Amortisation of acquisition funding reserve	(43,993)	(44,004)
Gain on fixed asset disposal	58	68
Increase in debtors	(27,013)	(1,501)
(Decrease)/ increase in creditors- amounts due within one year	(52,294)	31,450
Increase/ (decrease) in creditors- amounts due over one year	7,863	(67,381)
Foreign exchange gain/ (loss)	1,329	(678)
FX on consolidation	8,332	9,484
<b>NET CASH USED IN CHARITABLE ACTIVITIES</b>	<b>6,367</b>	<b>(8,205)</b>

**21. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS**

	At 1 January 2015 £	Cashflows 2015 £	At 31 December 2015 £
Cash at bank and in hand	191,372	(2,929)	188,443

**22. COMMITMENTS**

At 31 December 2015 the company had total future minimum commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
1 Year	-	-
Between 2 and 5 years	21,042	29,500
Over 5 years	-	-

**PARTNER AFRICA**  
**(A company limited by guarantee)**

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

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**23. 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 £10,305 (2014: £11,096).

**24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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.

During the year, Gorta-Self Help Africa discharged commitments of £187,500 (2014: £Nil) and transferred funds of £187,500 (2014: £Nil) to Partner Africa. The balance due to Gorta-Self Help Africa at 31 December 2015 was £24,621 (2014: £16,758).

**25. 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.