

Partner Africa
(A company limited by guarantee)

Report and Financial Statements
for the financial year ended
31 December 2016

COMPANY NUMBER: 7770647
CHARITY NUMBER: 1144815

PARTNER AFRICA
(A company limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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TRUSTEES AND OTHER INFORMATION

TRUSTEES

Mr. Nigel Clarke (Chairman)
Ms. Claire-Marie Fourel (appointed 18 October 2016)
Mr. David Governey (appointed 21 March 2016)
Mr. Martin Ryan (appointed 20 February 2016)
Mr. Paul Adams (appointed 10 November 2016)
Mr. Robert Jones (resigned 14 August 2016)
Mr. Terry Babbs (resigned 19 August 2016)

SECRETARY

Mr. Terry Babbs (resigned 19 August 2016)
Mr. Malachy Cardiff (appointed 18 October 2016)

REGISTERED OFFICE

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

COMPANY NUMBER

7770647

CHARITY NUMBER

CHY 1144815

AUDITORS

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

BANKERS

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

SOLICITORS

Withers LLP
16 Old Bailey
London
EC4M TEG

PARTNER AFRICA
(A company limited by guarantee)

REPORT OF THE TRUSTEES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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 2016. 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 12th September 2011. The company is registered as a charity with the Charity Commission for England and Wales (Charity Number 1144815).

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

Partner Africa does not have a shareholding structure, and its sole member is Gorta Self Help Africa, a company limited by guarantee, incorporated in Ireland (company number 105601) with registered offices at 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 the sole member, Gorta Self Help Africa must ratify appointments.

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.

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

OBJECTIVES AND ACTIVITIES

OBJECTIVES

Partner Africa is an international 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, 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 market requirements, international best practice and local law. Partner Africa is a recognised audit provider for several leading global brands and retailers and carries out approximately 500 audits per year.

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 programs 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 can 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.
- **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.

4. Research

Partner Africa carried out long term, in depth research into targeted issues within supply chains across Africa. Research themes include land rights, forced labour and child labour. The research findings are used to help companies tailor policies and systems to support global efforts to eradicate the worst forms of child labour, forced labour and modern slavery and land grabbing.

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.

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENTS IN 2016

The key focus for 2016 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 2016 were:

- To reduce operating costs while increasing revenue to become financially sustainable and generate a surplus for reinvestment in the organization and services.
- Develop a 5-year strategic plan for the organization from 2017 to 2021
- For Partner Africa to develop tailored programs with clients to deliver services which create impact.
- 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 maximize our impact on improving the livelihoods of workers and producers in African supply chains, through the projects we choose to work on.
- Continuing to utilize 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.
- 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.

During 2016 progress was made in all these areas with varying degrees of success:

- Operating costs were reduced while income increased. Partner Africa was able to leverage its strong relationships with key clients to diversify services, while maintaining costs. 2016 was the first year in which Partner Africa generated a surplus.
- A 5-year strategic plan was developed in Q4 2016, helping to refocus Partner Africa's mission and vision and establish a clearer strategy for the organization
- Tailored programs were developed with various clients including placing dedicated resources within their operations, carrying out in-depth research into child labour, forced labour and land rights and carrying out capacity building training with small medium and micro enterprise suppliers.
- More technology based solutions were applied to our audit service offering including recording and tracking non-compliances, thus providing clients with greater visibility of issues and trends within their supply chain which impact farmer workers
- Restructuring the organization at a senior management level to achieve operating efficiency and cost management

Overall in 2016 we were able to improve the organisations operational efficiency, determine a detailed mid-term strategic plan, diversify services, strengthen client relationships and utilise technology to do more with less.

Ethical Auditing

The Audits and Assessment team completed 416 audits in 2016, across 27 different African countries. This represents a 13% growth in audits. Furthermore, Partner Africa expanded services into 8 new countries in 2016 including Mali, United Arab Emirates, and Djibouti. Partner Africa's participatory ethical audits covered sites employing around 66,500 workers.

In 2016 Partner Africa delivered ethical audits on behalf of global brands in a range of sectors, industries. Including primary agriculture (sugar, coffee, fruit), processing and manufacturing (beverage bottling, packaging, food and pet food manufacturing, textile) and service provision (transport, labour) In 2016

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Partner Africa delivered social, environmental, health and safety and business integrity assessments on behalf of several global brands and retailers operating in Africa.

Training

During 2016 Partner Africa carried out 3 large training programs. In Egypt Partner Africa delivered training over a 2-month period with chamomile producers on a leading certification standard. All producers gained certification following the training.

Together with a global beverage company, Partner Africa developed a supplier training programme which reached over 300 suppliers in Africa. The training program was developed by combining Partner Africa's training and auditing expertise, and local knowledge, together with the companies' procurement strategies, supplier accreditation procedures and Code of Conduct principles. The result was a training program delivered through 23 training sessions in 9 countries across Africa which trained 323 suppliers on the companies' code of conduct and implementation.

In Southern Africa Partner Africa worked with another FMCG Company to deliver training across 9 manufacturing operations. These training equipped the facilities with the tools needed to Implement the companies Human Rights Policy. The Human Rights Policy is guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact as well as the United Nations Guiding Principles on Business and Human Rights.

Consultancy

In 2016 Partner Africa placed a dedicated resource directly into a trans national companies Africa procurement operations to upskill the procurement teams and suppliers. The placement of expert resource within the company has enabled increased engagement and knowledge sharing between Partner Africa field staff (auditors), and the companies' category managers and suppliers. This has increased understanding of responsible sourcing and ensured that audits are carried out; non-compliances are closed and provide the business with the capacity to offer after-audit support to ensure continuous improvement.

Partner Africa also created an approach to assess worker safety and labour rights at the companies' construction sites. An opportunity was identified to monitor working conditions during the construction of new manufacturing sites, rather than only once they are operational. A methodology was developed and the labour and H&S standards applicable to over 350 workers were assessed at key intervals over a 6-month period. These workers were assured of safe environments during the construction of the new facility and the management systems of the construction company were aligned to international best practice

Partner Africa also worked with a FMCG company and a sugar mill to develop a road map and corresponding monitoring program, to provide 7000 workers with decent accommodation.

Partner Africa worked within the extractives industry to deliver a Small Medium and Micro Enterprise (SMME) Training around two mines in South Africa. The training identified and trained approximately 40 SMME's on the companies Responsible Sourcing requirements. The training also equipped the SMME's with practical tools to improve their management systems and compliance with local law and international best practice.

Local Research

A significant project undertaken in 2016 was an in-depth research project commissioned by a global beverage company. The research was delivered over a period of 6 months and aimed to determine the prevalence of forced labour, child labour and land rights violations within the companies' sugar supply chain in two Southern 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.

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**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

Partner Africa was also commissioned by another beverage company to carry out research into the prevalence of child labour within smallholder supply chains in 4 East and West African countries. The research took place over a period of 3 months and uncovered some of the complexities in defining family labour and child labour as well as opportunities to work with and support small holder farmer groups in Africa.

FINANCIAL REVIEW

The Statement of Financial Activities for the year ended 31 December 2016, shows net incoming resources of £15,704 before tax credit. As the organisation continues to grow it is expected that more surplus will be generated that will be used to expand and develop the business of Partner Africa and have a positive impact on the livelihood of producers across Africa.

The net assets of the organisation as shown on the balance sheet amount to £163,320. 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. A target has been set to increase unrestricted cash reserves to £200 000 in the 2017 financial year.

FUTURE DEVELOPMENTS

The trustees through the management team aim to continue to maintain, develop and expand the business of Partner Africa in 2017 with the ambition of being the leader in this sector in Africa.

To achieve this, in 2017 the organisation will focus on the following:

- Leveraging existing Client Relationships to sell higher value and higher impact Responsible Sourcing Services.
- Continue to use technology in the services we deliver, and introduce new technology such as Worker Voice mobile surveys to monitor working conditions of more workers in Africa.
- Develop new sustainability services in the primary agricultural sector
- Carry out a full external quality assurance review of Partner Africa systems to ensure alignment with global standards
- Building Staff and Associate Capacity and making several key hires to achieve growth and impact projections
- Expand geographical scope to un/under services regions in Africa, particularly West Africa
- Rebuild Trade Development Product (TDP) services as part of PA suite of product offering
- Strengthen partnerships to positively impact more factories in Africa

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.

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**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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 to make himself aware of any information needed by the company's auditors about 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:

Mr. David Governey
Trustee

Mr. Paul Adams
Trustee

Date:

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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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 financial year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 24. 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 2016 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
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Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees' 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 House
Earlsfort Terrace
Dublin 2
Ireland

Date:

PARTNER AFRICA
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<i>Notes</i>	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £
INCOME FROM							
Donations and legacies	3	-	-	-	-	187,500	187,500
Other income	4	-	567,889	567,889	-	426,068	426,068
Total		-	567,889	567,889	-	613,568	613,568
EXPENDITURE ON							
Charitable activities	5	-	548,997	548,997	-	538,005	538,005
Total	7	-	548,997	548,997	-	538,005	538,005
Net income	8	-	18,892	18,892	-	75,563	75,563
Taxation	10	-	(3,187)	(3,187)	-	8,526	8,526
Net movement in funds	17	-	15,705	15,705	-	84,089	84,089
RECONCILIATION OF FUNDS							
Total funds brought forward	17	-	147,615	147,615	-	63,526	63,526
Total funds carried forward	17	-	163,320	163,320	-	147,615	147,615

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.

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BALANCE SHEET
AS AT 31 DECEMBER 2016

	<i>Notes</i>	2016 £	2015 £
FIXED ASSETS			
Tangible fixed assets	<i>11</i>	15,688	18,466
Intangible fixed assets	<i>12</i>	-	-
		15,688	18,466
CURRENT ASSETS			
Debtors	<i>13</i>	243,646	164,895
Cash at bank and in hand		269,252	188,443
		512,898	353,338
CREDITORS: Amounts falling due within one year	<i>14</i>	(285,067)	(199,568)
NET CURRENT ASSETS		227,831	153,770
TOTAL ASSETS LESS CURRENT LIABILITIES		243,519	172,236
CREDITORS: amounts falling due after more than one year	<i>15</i>	(80,199)	(24,621)
NET ASSETS		163,320	147,615
FUNDS OF THE CHARITY			
Unrestricted funds	<i>17</i>	163,320	147,615
Acquisition Funding Reserve	<i>18</i>	-	-
Capital Grants	<i>19</i>	-	-
TOTAL FUNDS		163,320	147,615

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

Mr. David Governey
Trustee

Mr. Paul Adams
Trustee

PARTNER AFRICA
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR 31 ENDING 31 DECEMBER 2016

	<i>Note</i>	2016 £	2015 £
Cash flows from charitable activities			
Net cash used in charitable activities	20	81,048	6,367
Cash provided by investing activities			
Purchase of tangible fixed assets	11	(239)	(9,296)
Net cash provided by investing activities		(239)	(9,296)
Change in cash and cash equivalents in the reporting year		80,809	(2,929)
Cash and cash equivalents at beginning of the reporting year		188,443	191,372
Cash and cash equivalents at end of the reporting year		269,252	188,443
Reconciliation to cash at bank and in hand			
Cash and cash equivalents at end of financial year	21	269,252	188,443

PARTNER AFRICA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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.

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 financial 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 financing 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

3. DONATIONS AND LEGACIES

	Restricted Funds 2016 £	Unrestricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
DFID - PPA	-	-	-	187,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4. OTHER INCOME

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

	2016 £	2015 £
Audit Income	409,925	356,210
Training Income	29,969	12,984
Project/Consultancy Income	113,943	47,711
Trade Development Projects	13,736	8,466
Other Income	316	697
	<u> </u>	<u> </u>
	567,889	426,068
	<u> </u>	<u> </u>

5. CHARITABLE ACTIVITIES

	Restricted Funds 2016 £	Unrestricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Ethical Audits	-	382,595	382,595	428,276
Trade Development Projects	-	12,821	12,821	15,611
Capacity Building and Training	-	27,971	27,971	10,179
Consultancy Services	-	106,376	106,376	57,364
Support Costs (Note 6)	-	19,234	19,234	26,575
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	548,997	548,997	538,005
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

6. SUPPORT COSTS

	Restricted Funds 2016 £	Unrestricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Audit Fees	-	9,210	9,210	10,237
Legal fees	-	263	263	990
Other Governance Costs	-	9,761	9,761	15,348
	<u>-</u>	<u>19,234</u>	<u>19,234</u>	<u>26,575</u>

7. ANALYSIS OF EXPENDITURE BY TYPE

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Ethical Audits	140,089	4,288	238,218	382,595	428,276
Trade Development Projects	4,694	144	7,983	12,821	15,612
Capacity Building and Training	10,242	313	17,416	27,971	10,179
Consultancy Services	38,950	1,192	66,234	106,376	57,363
Support Costs (Note 6)	-	-	19,234	19,234	26,575
	<u>193,975</u>	<u>5,937</u>	<u>349,085</u>	<u>548,997</u>	<u>538,005</u>

8. NET INCOME BEFORE TAXATION

This is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	5,937	8,247
Gain on disposal of tangible fixed assets	-	(1,837)
Amortisation of tangible fixed asset grants	-	(2,834)
Amortisation of intangible fixed assets	-	34,320
Acquisition funding reserve credit	-	(43,993)
Auditors' remuneration	9,210	10,237
Pension costs	7,210	10,305

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

8. NET INCOME BEFORE TAXATION (CONTINUED)

No trustees received any remuneration (2015: £Nil) or any benefits in kind (2015: £Nil) other than reimbursement of expenses.

During the year, four trustees were reimbursed £389 for travel expenses during the year (2015 – three trustees were reimbursed £877 for travel expenses during the year).

Auditor's remuneration of £10,237 in 2016 consists of £3,000 accrued for the services of Deloitte, Ireland in respect of the 2016 audit, £2,648 for the services of Meridian Accountants & Auditors, South Africa in respect of the 2016 audit and £3,562 paid to PKF Kenya in relation to the 2016 audit of the Kenyan branch.

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	184,150	213,306
Social security costs	2,597	3,606
Other pension costs	7,210	10,305
	193,957	227,217

The average monthly number of employees employed during the year was 13 (2015: 16).

During the year, no employee received remuneration between £60,000 and £70,000 (2015: 1).

The total remuneration for key management personnel for the financial year amounted to £106,011 (2015: £138,311) and this relates to 5 personnel (2015: 6).

10. TAXATION

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

	2016	2015
	£	£
Deferred tax (charge)/credit	(3,187)	8,526

The deferred tax charge and related deferred tax asset in 2016 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

11. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office Furniture & Equipment £	Total £
Cost:			
At 1 January 2016	22,867	31,318	54,185
Additions	-	239	239
Foreign exchange gain	4,335	5,358	9,693
At 31 December 2016	27,202	36,915	64,117
Depreciation:			
At 1 January 2016	16,120	19,599	35,719
Charge for the year	2,575	3,362	5,937
Foreign exchange gain	3,264	3,509	6,773
At 31 December 2016	21,959	26,470	48,429
Net book value:			
At 31 December 2016	5,243	10,445	15,688
At 31 December 2015	6,747	11,719	18,466
In respect of prior financial year:			
	Office Motor Vehicles £	Furniture & Equipment £	Total £
Cost:			
At 1 January 2015	19,979	31,236	51,215
Additions	7,104	2,192	9,296
Disposals	(2,763)	-	(2,763)
Foreign exchange loss	(1,453)	(2,110)	(3,563)
At 31 December 2015	22,867	31,318	54,185
Depreciation:			
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)
At 31 December 2015	16,120	19,599	35,719
Net book value:			
At 31 December 2015	6,747	11,719	18,466
At 31 December 2014	4,571	14,233	18,804

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

12. INTANGIBLE FIXED ASSET

Goodwill Cost

At 1 January 2016 and 31 December 2016 **171,600**

Amortisation

At 1 January 2016 171,600

Charge for the year -

At 31 December 2016 **171,600**

Net book value

At 31 December 2016 **-**

Net book value

At 31 December 2015 -

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

	2016	2015
	£	£
Trade debtors	160,333	80,089
Other debtors	2,471	-
Prepayments and accrued income	14,378	26,567
Deferred tax	66,464	45,839
Withholding tax recoverable	-	12,400
	243,646	164,895
	243,646	164,895

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

14. CREDITORS: (Amounts falling due within one year)	2016	2015
	£	£
Trade creditors	14,202	27,575
Other creditors	184,113	-
VAT payable	190	5,082
Accruals and deferred income	86,562	166,911
	285,067	199,568

15. CREDITORS: (Amounts falling due after more than one year)	2016	2015
	£	£
Amounts owed to parent undertaking (Note 24)	80,199	24,621

16. FINANCIAL INSTRUMENTS

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

	2016	2015
	£	£
Financial Assets		
<i>Measured at undiscounted amount receivable</i>		
• Debtors (Note 13)	243,646	164,895
Financial Liabilities		
<i>Measured at undiscounted amount payable</i>		
• Creditors (Note 14)	285,067	199,568
• Amounts owed to associates (Note 14)	80,199	24,621

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

17. FUNDS OF THE CHARITY

(i) Reconciliation of funds:

Total unrestricted funds

	2016	2015
	£	£
Opening balance at 1 January	147,615	63,526
Net income for the year	15,705	84,089
Closing balance at 31 December	163,320	147,615

(ii) Analysis of net assets between funds:

Total unrestricted funds

	2016	2015
	£	£
Tangible fixed assets	15,688	18,466
Intangible assets	-	-
Current assets	512,898	353,338
Liabilities	(365,266)	(224,189)
	163,320	147,615

(iii) Movement in funds:

	Balance	Income	Expenditure	Balance
	01/01/2016			31/12/2016
	£	£	£	£
Unrestricted funds	147,615	567,889	(552,184)	163,320

In respect of prior year:

	Balance	Income	Expenditure	Balance
	01/01/2015			31/12/2015
	£	£	£	£
Unrestricted funds	63,526	622,094	(538,005)	147,615

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

18. ACQUISITION OF FUNDING RESERVE

Funding Received:	2016	2015
	£	£
At 1 January and 31 December	220,000	220,000
Credited to SOFA		
At 1 January	220,000	176,007
Credited during the year	-	43,993
At 31 December	220,000	220,000
Net funding reserve		
At 31 December	-	43,993
Net funding reserve		
At 31 December	-	43,993

19. CAPITAL GRANTS

Funding Received:	2016	2015
	£	£
At 1 January	17,482	18,576
Foreign exchange (loss)/gain	2,705	(1,094)
At 31 December	20,187	17,482
Credited to SOFA		
At 1 January	17,482	12,337
Amortised during the year	-	6,045
Foreign exchange (loss)/gain	2,705	(900)
At 31 December	20,187	17,482
Net capital grant		
At 31 December	-	-
At 31 December	6,239	10,034

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

	2016	2015
	£	£
NET INCOME FOR THE REPORTING YEAR (as per the Statement of Financial Activities)	15,705	75,563
<i>Adjustments for:</i>		
Depreciation	5,937	8,247
Amortisation of goodwill	-	34,320
Amortisation of capital grants	-	(6,045)
Amortisation of acquisition funding reserve	-	(43,993)
Gain on fixed asset disposal	-	58
(Increase)/de in debtors	(78,751)	(27,013)
Increase/(decrease) in creditors- amounts due within one year	85,499	(52,294)
Increase in creditors- amounts due over one year	55,578	7,863
Foreign exchange gain/ (loss)	-	1,329
Foreign exchange on consolidation	(2,920)	8,332
NET CASH FLOWS FROM CHARITABLE ACTIVITIES	81,048	6,367

21. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 January 2016 £	Cashflows 2016 £	At 31 December 2016 £
Cash at bank and in hand	188,443	80,809	269,252

22. COMMITMENTS

At 31 December 2016 the company had total future minimum commitments under non-cancellable operating leases as follows:

	2016	2015
	£	£
1 Year	22,241	-
Between 2 and 5 years	16,681	21,042
Over 5 years	-	-
	38,922	21,042

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

23. PENSION COMMITMENTS

The company operates a defined contribution 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 £7,210 (2015: £10,305).

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 £18,078 (2015: £187,500) and transferred funds of £37,500 (2015: £187,500) to Partner Africa. The balance due to Gorta-Self Help Africa at 31 December 2016 was £80,199 (2015: £24,621).