

GORTA UK
(A company limited by guarantee)

Reports and Financial Statements
for the financial year ended
31 December 2017

COMPANY NUMBER: SC 272970
CHARITY NUMBER: SC 036100

GORTA UK
(A company limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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TRUSTEES AND OTHER INFORMATION

DIRECTORS

Mr. Michael Butler (Appointed on 15/05/2017)
Ms. Marion Bryne (Appointed on 15/05/2017)
Mr. Sean Gaule
Mr. Michael Hoevel (Resigned on 15/05/2017)
Mr. Tom Kitt (Resigned on 15/05/2017)

COMPANY SECRETARY

Mr. Malachy Cardiff

REGISTERED OFFICE

Exchange Place
3 Semple Street
Edinburgh
EH3 8BL
Scotland

COMPANY NUMBER

SC 272970

CHARITY NUMBER

SC 036100

AUDITORS

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

BANKERS

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

SOLICITORS

Withers LLP
16 Old Bailey
London EC4M 7EG
England

GORTA UK
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REPORT OF THE TRUSTEES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The trustees present herewith the reports and audited financial statements of the charity for the financial year ended 31 December 2017.

Objectives and activities

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

Self Help Africa

The activities of Gorta UK are carried out in association with Gorta (trading as Self Help Africa), an Irish registered charity. Self Help Africa and Gorta UK, together with, Self Help Africa UK, Partner Africa, TruTrade and Traidlinks, form part of the broader Gorta group.

Vision, mission and values

Our vision is an economically thriving rural Africa. Our mission is to support sustainable livelihoods for Africa's smallholder farmers.

Our core values are:

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

Strategic objectives

Our primary strategic objectives are to:

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

Activities

Our primary client targets are poor and vulnerable rural communities in sub-Saharan Africa, with particular focus on West Africa, Uganda and Kenya.

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

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

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

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Activities (continued)

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

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

Achievements and performance

In 2017 Gorta UK continued to raise funds for the implementation of programmes in West Africa and Ethiopia with Self Help Africa.

In our areas of operation in West Africa - **Burkina Faso, Togo and Ghana** - the rainy season started earlier than in 2016. Initially it looked promising with above average seasonal rainfall between the April 1st and July 10th. The cumulative rainfall totals for the season, were at or above the 10-year average, however in Q3, the country then experienced poor temporal distribution of rainfall, with frequent long dry spells, that lasted more than two weeks in many areas. In addition, fall armyworm infestations caused major damage to crops in all stages of their growth cycle, particularly maize crops (affecting more than 40,000 hectares of crops). This damage prompted the replanting or replacement of crops and reduced crop yields in certain areas (particularly in the Cascades, Southwestern, and Central-Western regions).

In Burkina Faso, the provisional data for the 2017 agricultural season is estimated to be lower than for 2016. All six provinces in which we implemented projects in 2017 are considered as having had deficit production. The government estimates that 620,394 people will be food insecure during the hungry period which runs from June to August 2018. Our team is monitoring the situation and the potential need to provide a response in the event of a food crisis.

Following on from the success of the introduction of mobile phone extension messaging in our other countries, the 321 Initiative was formally launched on the 20th of May in Burkina Faso. By the end of the year, the total number of telephone consultations to the service was over 230,000.

In Ethiopia, the state of emergency enacted in October 2016 remained in place until the end of July 2017. There was widespread unrest across Amhara and Oromia. Visits by headquarters staff were restricted to Addis Ababa and the unrest affected several of our project areas, with the situation in Bako and Mecha woredas particularly critical. The civil unrest has also had a detrimental impact on the economy. The Birr was devalued by 15% in October, however the unofficial rate of devaluation is over 48%. A shortage of foreign currency in the country delayed the purchase of construction materials, and computer hardware and software for several projects. Despite these challenges, all project activities were carried out successfully. Although there was prolonged drought in some eastern and southern parts of the country, and concerns over the impact of Fall Army Worm infestation in major maize growing areas, the main rainy season has been generally favourable for our project areas, with a positive impact on yields.

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

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Financial Review

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

There was an increase in both donations and fundraising income from £204,642 in 2016 to £240,732 in 2017. This was due to renewed committed giving fundraising in Northern Ireland and an increase in Gift Aid claimed. Expenditure on charitable activities increased from £184,343 in 2016 to £234,569 in 2017.

At 31 December 2017, unrestricted reserves stood at £154,237. Gorta UK is in compliance with its policy of retaining at least 12 months budgeted recurring expenditure in reserve. The trustees are satisfied that the company is in a strong financial position and that its regular income streams together with its reserves, ensure that the company is able to meet the ongoing obligations of the charity.

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

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

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

Future plans

Self Help Africa has an updated strategic planning period of 2017-2021 which sees the organisation continue its work with smallholder farmers in agriculture and enterprise. The plan also states the intention to increase its focus on market based programming in existing countries of operation while expanding traditional programming models into more fragile states as well as in "poverty pockets" in current countries of operation. The board of Gorta UK supports this plan and has adopted the plan's objectives for Gorta UK.

In relation to fundraising Gorta UK intends to work on ways to slow the decline in its donor database and to attract new donors. To this end, a pilot fundraising campaign commenced in 2017 with a focus on Northern Ireland.

Gorta UK has a sister organisation in the UK called Self Help Africa UK, both organisations share the same sole member – Gorta (trading as Self Help Africa). Having discussed this on a number of occasions, in 2017 the trustees have decided that it is in the best interests of Gorta UK to transfer its assets and liabilities to Self Help Africa UK and to be wound up within a reasonable time of the transfer by being struck off the Companies Register and deregistered as a charity. It is expected that Gorta UK will be wound up by the end of 2018.

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Structure, governance and management

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

During 2017, one trustee meeting was held. This was attended by four trustees, Sean Gaule, Tom Kitt, Marion Byrne and Michael Butler.

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

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

As mentioned previously, the trustees have decided that it is in the best interests of Gorta UK to transfer its assets and liabilities to Self Help Africa UK and to be wound up within a reasonable time of the transfer by being struck off the Companies Register and deregistered as a charity.

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

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

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

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

Gorta UK's books of account are located at the organisation's parent company, (t/a Self Help Africa)'s premises at Kingsbridge House, 17-22 Parkgate Street, Dublin 8, Ireland.

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Health and Safety

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

Public Benefit

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

Reference and administrative details

The reference and administrative details of Gorta UK are fully set out on page 2.

Going concern

The trustees have decided that it is in the best interests of Gorta UK to transfer its assets and liabilities to its sister charity, Self Help Africa UK, and to be wound up within a reasonable time of the transfer by being struck off the Companies Register and deregistered as a charity. It is expected that Gorta UK will be wound up by the end of 2018. However, the trustees have determined 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 (2016 – £nil)

Post balance sheet events

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

Directors and secretary

The current directors, secretary and changes made during the financial year are listed on page 2. The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

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.

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REPORT OF THE TRUSTEES (CONTINUED)

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.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed on behalf of the Board:

Seán Gaule

Seán Gaule
Director

Marion Byrne

Marion Byrne
Director

Date: 10th May 2018

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the net income or expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF GORTA UK

Report on the audit of the financial statements

Opinion

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 2017 and of incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements of Gorta UK (the 'charitable company') which comprise:

- the statement of financial activities (including the income and expenditure account);
- the balance sheet;
- the cash flow statement;
- the related notes 1 to 18, including a summary of significant accounting policies as set out in note 1.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements for the financial year ended 31 December 2017, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF GORTA UK

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), the auditor exercises professional judgment and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the entity's financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concludes on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e gives a true and fair view).

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF GORTA UK

Use of our report

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 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and 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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate and proper 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
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Margarita Martin (Senior statutory auditor)

For and on behalf of

Statutory Auditor

Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2, D02 AY28, Republic of Ireland

Date: 5th June 2018

Deloitte is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

GORTA UK
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STATEMENT OF FINANCIAL ACTIVITIES
(Including income and expenditure account)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	<i>Notes</i>	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Restricted Funds 2016 £	Unrestricted Funds 2016 £	Total Funds 2016 £
INCOME FROM							
Donations and legacies	3	9,693	231,039	240,732	-	204,642	204,642
Income from investments		-	-	-	-	2	2
Total		9,693	231,039	240,732	-	204,644	204,644
EXPENDITURE ON							
Charitable activities	4	9,693	224,876	234,569	-	184,343	184,343
Raising funds	5	-	15,027	15,027	-	13,450	13,450
Total		9,693	239,903	249,596	-	197,793	197,793
Net (expense)/income	6	-	(8,864)	(8,864)	-	6,851	6,851
RECONCILIATION OF FUNDS							
Total funds brought forward	10	-	163,101	163,101	-	156,250	156,250
Total funds carried forward	10	-	154,237	154,237	-	163,101	163,101

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

GORTA UK
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BALANCE SHEET
AS AT 31 DECEMBER 2017

	<i>Notes</i>	2017 £	2016 £
CURRENT ASSETS			
Cash at bank and in hand		53,447	377,153
Debtors	7	105,626	36,623
		<u>159,073</u>	<u>413,776</u>
CREDITORS: (Amounts falling due within one year)	8	(4,836)	(250,675)
NET CURRENT ASSETS		<u>154,237</u>	<u>163,101</u>
NET ASSETS		<u>154,237</u>	<u>163,101</u>
FUNDS OF THE CHARITY			
Restricted funds	10	-	-
Unrestricted funds	10	154,237	163,101
		<u>154,237</u>	<u>163,101</u>

The financial statements were approved by the Board of Directors on 10th May 2018 and signed on its behalf by:

Seán Gaule

 Seán Gaule
 Director

Marion Byrne

 Marion Byrne
 Director

GORTA UK
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	<i>Notes</i>	2017 £	2016 £
Cashflows from charitable activities			
Net cash (used in)/generated by charitable activities	<i>11</i>	(323,706)	319,272
		<hr/>	<hr/>
Cash provided by investing activities			
Interest received		-	2
		<hr/>	<hr/>
Net cash generated by investing activities		-	2
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting year		(323,706)	319,274
Cash and cash equivalents at beginning of the reporting year		377,153	57,879
		<hr/>	<hr/>
Cash and cash equivalents at end of the reporting year		53,447	377,153
		<hr/> <hr/>	<hr/> <hr/>
Reconciliation to cash at bank and in hand			
Cash at bank and in hand at end of financial year		53,447	377,153
		<hr/> <hr/>	<hr/> <hr/>

1. ACCOUNTING POLICIES

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

Basis of preparation of financial statements

Gorta UK is a company incorporated in the UK under the Companies Act 2006. The address of the registered office is Exchange Place, 3 Semple Street, Edinburgh, EH3 8BL, Scotland. The nature of the company's operations and its principal activities are set out in the report of the trustees on pages 3 to 8. 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 and in accordance with the Statement of Recommended Practice (SORP 2015) "Accounting and Reporting by Charities", in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Financial Reporting Council and the Companies Act 2006. The functional currency of Gorta UK is considered to be sterling because that is the currency of the primary economic environment in which the company operates.

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 a period of at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income

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

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

In accordance with the Charities SORP (FRS102), volunteer time is not included in the financial statements.

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

Interest income is recognised on a receivable basis.

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

1. ACCOUNTING POLICIES (CONTINUED)

Charitable Activities Expenditure

Charitable activities expenditure is included when incurred, and includes attributable VAT which cannot be recovered.

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

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

Support costs represent the cost to head office of administering projects. The expenditure on charitable activities have been classified to comply with the Charities SORP (FRS102). Such costs, when incurred, include the direct costs of the charitable activities together with those Support costs (Finance and Administration cost) incurred that enable these activities to be undertaken. These have been allocated across the activities based on headcount and time spend on the activities.

Raising Funds

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

Gifts in Kind

Gifts in kind for use by the company are included as incoming resources when received. Gifts are valued at open market value or at a reasonable estimate of the gross value to the company.

Fund Accounting

Funds held by the charity are:

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

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

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

Investment Policy

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

Foreign Currencies

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments

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

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a 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.

Reserves Policy

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

3. DONATIONS AND LEGACIES

	2017	2017	2017	2016
	Restricted	Unrestricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Committed giving	-	192,934	192,934	182,513
Gift Aid refunds	-	38,105	38,105	22,129
Other donations – Ethiopia appeal	9,693	-	-	-
	9,693	231,039	240,732	204,642

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. CHARITABLE ACTIVITIES

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

Country	Livelihoods £	Food Security £	Education £	Water and Sanitation £	Management Costs £	2017 £	2016 £
Kenya	-	-	-	-	-	-	3,705
Ethiopia	-	-	9,693	-	-	9,693	-
West Africa	1,161	140,493	60,797	12,549	-	215,000	-
Uganda	-	-	-	-	-	-	173,482
Governance and support costs	-	-	-	-	9,876	9,876	7,156
Total	1,164	140,493	70,490	12,549	9,876	234,569	184,343

5. RAISING FUNDS

	2017 £	2016 £
Fundraising initiatives	-	2,655
Bank charges	15,027	6,440
Legal fees	-	4,355
	15,027	13,450

6. NET (EXPENSE)/INCOME

	2017 £	2016 £
Net income for the year is stated after charging:		
Auditor's remuneration*	3,235	3,559

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7. DEBTORS: (Amounts falling due within one year)	2017	2016
	£	£
Gift Aid refunds receivable	4,554	33,210
Other debtors	10,778	3,413
Amount due from group company (note 15)	90,294	-
	<u>105,626</u>	<u>36,623</u>

Amounts due from a group company are advanced interest free, unsecured and are receivable on demand.

8. CREDITORS: (Amounts falling due within one year)	2017	2016
	£	£
Amount due to group company (note 15)	-	246,268
Trade Creditors	1,943	4,407
Accruals	2,893	-
	<u>4,836</u>	<u>250,675</u>

Amounts due to a group company were advanced interest free, unsecured and are repayable on demand.

9. FINANCIAL INSTRUMENTS

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

	2017	2016
	£	£
Financial Assets		
<i>Measured at undiscounted amount receivable</i>		
• Trade and other debtors (note 7)	105,626	36,623
Financial Liabilities		
<i>Measured at undiscounted amount payable</i>		
• Trade and other payables (note 8)	1,943	4,407
• Amounts owed to group company (note 8)	-	246,268

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. FUNDS OF THE CHARITY

(i) Reconciliation of funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Opening balance at 1 January 2017	-	163,101	163,101
Net loss for the year	-	(8,864)	(8,864)
	<hr/>	<hr/>	<hr/>
Closing balance at 31 December 2017	-	154,237	154,237
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(ii) Analysis of net assets between funds:

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Current assets	-	159,073	159,073
Liabilities	-	(4,836)	(4,836)
	<hr/>	<hr/>	<hr/>
Total net assets	-	154,237	154,237
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(iii) Movements in funds

	Balance as at 01/01/2017 £	Income £	Expenditure £	Balance 31/12/2017 £
Restricted funds	-	-	-	-
Unrestricted funds	163,101	240,732	(249,596)	154,237
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	163,101	240,732	(249,596)	154,237
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. RECONCILIATION OF NET (EXPENSE)/INCOME TO CASH (OUTFLOW)/INFLOW FROM CHARITABLE ACTIVITIES

	2017 £	2016 £
NET (EXPENSE)/INCOME FOR THE REPORTING YEAR (as per the Statement of Financial Activities)	(8,864)	6,851
<i>Adjustments for:</i>		
(Increase)/decrease in debtors	(69,003)	114,778
(Decrease)/increase in creditors	(245,839)	197,645
Interest received	-	(2)
	<hr/>	<hr/>
NET CASH (USED IN)/GENERATED BY CHARITABLE ACTIVITIES	(323,706)	319,272
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 January 2017 £	Cash Flows £	At 31 December 2017 £
Cash at bank and in hand	377,153	(323,706)	53,447

13. OPERATING LEASE COMMITMENTS

At 31 December 2017 the company had no annual commitments under non-cancellable operating leases (2016: £Nil).

14. TAXATION

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

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

During the year, Gorta t/a Gorta Self Help Africa transferred funds to the field on behalf of Gorta UK amounting to £224,652 and discharged other commitments on behalf of Gorta UK amounting to £23,796. (2016: Total discharged £20,231). The balance due from Gorta t/a Gorta Self Help Africa at 31 December 2017 was £90,294. (2016 due to Gorta-Self Help Africa: £246,268).

During the year, Gorta UK transferred funds to Gorta t/a Gorta-Self Help Africa amounting to £585,010. (2016: £Nil).

Gorta (t/a Gorta-Self Help Africa) is a charitable company registered in the Republic of Ireland and the results of Gorta UK are consolidated into the financial statements of Gorta (t/a Gorta Self Help Africa). Copies of the consolidated financial statements of Gorta may be obtained from the charity's registered office at Kingsbridge House, 17-22 Parkgate Street, Dublin 8, Ireland.

16. LEGAL STATUS OF COMPANY

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

17. DIRECTORS' REMUNERATION AND EXPENSES

Directors are not remunerated, but are entitled to be reimbursed for out of pocket expenses incurred in the course of carrying out their duties. No payments of this nature were made during the year (2016: £Nil).

18. KEY MANAGEMENT COMPENSATION

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