

Partner Africa
(A company limited by guarantee)

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

COMPANY NUMBER: 7770647
CHARITY NUMBER: 1144815

(A company limited by guarantee)

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

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PARTNER AFRICA
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TRUSTEES AND OTHER INFORMATION

TRUSTEES

Mr. Paul Adams (Chair)
Mr. David Governey
Mr. Martin Ryan (appointed 20 February 2017)
Mr. Michael Hoevel (appointed 14 September 2017)
Ms. Claire-Marie Fourel (resigned 15 June 2017)
Mr. Nigel Clarke (resigned 20 February 2017)

SECRETARY

Mr. Malachy Cardiff

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 3TEG

PARTNER AFRICA
(A company limited by guarantee)

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

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 2017. 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 objective of the charity is to safeguard the livelihoods and wellbeing of farmers and workers in Africa and to create opportunities for African businesses to participate in global supply chains.

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 registered branches in Kenya and South Africa. With its operational headquarters in Nairobi, Kenya. Coordination of Partner Africa activities is distributed between both Kenya and South Africa staff.

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

e. RISK MANAGEMENT

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

OBJECTIVES AND ACTIVITIES

OBJECTIVES

Partner Africa is an international 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 and 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 650 audits per year.

Small Producer Assessments

We also assess the ethical standards of small producers feeding into export supply chains. 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 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
- Rainforest Alliance Certification Training
- Financial Literacy for Workers

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. Partner Africa has also carried out baseline and end line studies to determine the impact of potential or current sourcing strategies within a supply chain or community.

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.

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

ACHIEVEMENTS IN 2017

The key focus for 2017 was to begin implementation of a new 5-year strategic plan developed at the end of 2016. The plan refocuses Partner Africa's operations and governance around 8 strategic goals.

The strategic goals for 2017 were:

Finance

1. Grow Income across all Services Lines

Clients and Services

2. Leverage existing Client Relationships to increase Responsible Sourcing Services
3. Expand the scope of high value services
4. Expand geographical scope
5. Invest in strategic brand marketing initiatives

People

6. Build staff and associate capacity

Systems and Tools

7. Leverage technology and innovation
8. Build a professional consulting operating model

During 2017 progress was made in all these areas with varying degrees of success:

Finances:

The financial sustainability of Partner Africa improved in 2017. Positive results were seen in the organisations overall revenue cash reserves as well as a reduction in overheads.

Clients and services:

During 2017 Partner Africa retained all clients and on boarded three new global clients, two FMCG and one retail. Partner Africa continued to deliver assignments under exclusive or preferred agreements for 5 global brands and retailers.

Three mid to long term consulting contracts were won which will deliver baseline studies and regional trade research in Central and East Africa.

People:

In 2017 Partner Africa invested in two senior positions to manage the organisations Quality and Programmes. Investment was also made in bringing staff and consultants together for training and team building

Systems, Tools and Industry

In 2017 Partner Africa gained admission to the Association for Professional Social Compliance Auditors (APSCA). The organisation also made significant progress in automating services and systems to improve efficiency and quality.

Overall in 2017 we were able to grow our client base, expand services, improve efficiency and quality of delivery, and positively impact a greater number of farmers and workers in Africa

Ethical Auditing

The Audits and Assessment team completed 689 audits in 2017, across 28 different African countries. This represents a 39% growth in audits. Partner Africa's participatory ethical audits covered sites employing 170 683 workers.

In 2017 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 2017

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REPORT OF THE TRUSTEES (CONTINUED)

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 2017 Partner Africa carried out several training programs.

In Tanzania Partner Africa carried out a train the trainer program with a primary agricultural commodity sourcing company on responsible sourcing and strategies to identify potential human rights abuses within smallholder farming operations.

In Nigeria Partner Africa carried out Health and Safety training with over 20 suppliers to an FMCG factory.

In Harare, Johannesburg, Cape Town, Durban, Maputo and Luanda, Partner Africa carried out training with over 300 suppliers on improving workplace rights and compliance with local labour, health and safety and environmental legislation.

Partner Africa developed a toolkit and train the trainer resources to tackle modern slavery in the fruit and wine sector in South Africa as well as a business toolkit to improve any companies' quality, productivity, efficiency and responsible sourcing practices.

Consultancy

In 2017 Partner Africa partnered with an extractives company in South Africa to deliver management systems training to small medium and micro enterprise suppliers of the mine. The training supported 30 small businesses to improve their HR operations and compliance with the mines code of conduct.

Partner Africa piloted the use of mobile phone technology to gather first-hand information from workers about their workplace environments through an anonymous platform. The technology, when combined with Partner Africa's robust audit approach has the potential to create a scalable and program which ensures safe and healthy working environments for thousands of workers across Africa.

Partner Africa delivered baseline research for an international FMCG company with operations in East Africa. The research supported the company in evaluating the potential to move to local sourcing of raw ingredients.

FINANCIAL REVIEW

The Statement of Financial Activities for the year ended 31 December 2017, shows net incoming resources of 790,521 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 245,432. Plans are in place to ensure that Partner Africa attains increased financial profitability, which will enable Partner Africa to continue to improve the quality of its work, expand its range of services and broaden its client base to ensure the long-term sustainability of the enterprise.

FUTURE DEVELOPMENTS

The trustees through the management team aim to continue to maintain, develop and expand the business of Partner Africa in 2018 with the ambition of being the leader in this sector in Africa.

To achieve this, in 2018 the organisation will focus on the following:

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

Finances:

Partner Africa is targeting a 25% increase in income in 2018, and has set targets for increasing its net margin in order to maintain financial sustainability of the organisation self-finance growth strategies.

Clients and services:

Partner Africa intends to diversify clients, services and income in 2018, with an increased percentage of revenue coming from consulting and research services, while still growing audit services. Partner Africa will also scale up partnerships in with strategic organisations in the coming year.

Systems, Tools and Industry:

PA will continue to automate services through Salesforce, and maintain membership to key associations such as APSCA, The Social Labour Convergence and the Floriculture Sustainability Initiative in 2018

HEALTH AND SAFETY

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

PUBLIC BENEFIT

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

GOING CONCERN

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

POLITICAL DONATIONS

No political donations were made during the year.

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.

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

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 and signed on their behalf, by:

David Governey

Mr. David Governey
Trustee

Date: 22nd May 2018

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

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 AUDITOR'S REPORT TO THE MEMBERS OF PARTNER AFRICA

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 its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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.

We have audited the financial statements of Partner Africa (the 'charitable company') which comprise:

- the statement of financial activities (including the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 23, 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 OF PARTNER AFRICA

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

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.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNER AFRICA

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 we are required to report in respect of the following matters 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
- 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: June 5th 2018

PARTNER AFRICA
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
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							
Other income	3	-	790,521	790,521	-	567,889	567,889
Total		-	790,521	790,521	-	567,889	567,889
EXPENDITURE ON							
Charitable activities	4	-	701,212	701,212	-	548,997	548,997
Total	6	-	701,212	701,212	-	548,997	548,997
Net income	7	-	89,309	89,309	-	18,892	18,892
Taxation	9	-	(7,197)	(7,197)	-	(3,187)	(3,187)
Net movement in funds	16	-	82,112	82,112	-	15,705	15,705
RECONCILIATION OF FUNDS							
Total funds brought forward	16	-	163,320	163,320	-	147,615	147,615
Total funds carried forward	16	-	245,432	245,432	-	163,320	163,320

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 2017

	<i>Notes</i>	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	<i>10</i>	15,009	15,688
Intangible fixed assets	<i>11</i>	-	-
		<u>15,009</u>	<u>15,688</u>
CURRENT ASSETS			
Debtors	<i>12</i>	532,153	243,646
Cash at bank and in hand		380,107	269,252
		<u>912,260</u>	<u>512,898</u>
CREDITORS: Amounts falling due within one year	<i>13</i>	(615,835)	(285,067)
NET CURRENT ASSETS		<u>296,425</u>	<u>227,831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		311,434	243,519
CREDITORS: amounts falling due after more than one year	<i>14</i>	(66,002)	(80,199)
NET ASSETS		<u>245,432</u>	<u>163,320</u>
FUNDS OF THE CHARITY			
Unrestricted funds	<i>16</i>	245,432	163,320
Acquisition Funding Reserve	<i>17</i>	-	-
Capital Grants	<i>18</i>	-	-
TOTAL FUNDS		<u>245,432</u>	<u>163,320</u>

The financial statements were approved by the Trustees on 22nd May 2018 and signed on their behalf, by:

David Governey

 Mr. David Governey
 Trustee

PARTNER AFRICA
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR 31 ENDING 31 DECEMBER 2017

	<i>Note</i>	2017 £	2016 £
Cash flows from charitable activities			
Net cash used in charitable activities	19	116,765	81,048
Cash provided by investing activities			
Purchase of tangible fixed assets	10	(5,910)	(239)
Net cash provided by investing activities		(5,910)	(239)
Increase in cash and cash equivalents in the reporting year		110,855	80,809
Cash and cash equivalents at beginning of the reporting year		269,252	188,443
Cash and cash equivalents at end of the reporting year		380,107	269,252
Reconciliation to cash at bank and in hand			
Cash and cash equivalents at end of financial year	20	380,107	269,252

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.

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 2017

3. OTHER INCOME

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

	2017	2016
	£	£
Audit Income	691,731	409,925
Training Income	21,796	29,969
Project/Consultancy Income	60,459	113,943
Trade Development Projects	15,203	13,736
Other Income	1,332	316
	790,521	567,889

4. CHARITABLE ACTIVITIES

	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Ethical Audits		598,219	598,219	382,595
Trade Development Projects	-	13,148	13,148	12,821
Capacity Building and Training	-	18,849	18,849	27,971
Consultancy Services	-	52,286	52,286	106,376
Support Costs (Note 5)	-	18,710	18,710	19,234
		701,212	701,212	548,997

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

5. SUPPORT COSTS

	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Audit Fees	-	7,945	7,945	9,210
Legal fees		2,620	2,620	263
Other Governance Costs	-	8,145	8,145	9,761
	<u> </u>	<u>18,710</u>	<u>18,710</u>	<u>19,234</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6. ANALYSIS OF EXPENDITURE BY TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Ethical Audits	157,989	4,256	435,974	598,219	382,595
Trade Development Projects	3,472	94	9,582	13,148	12,821
Capacity Building and Training	4,978	134	13,737	18,849	27,971
Consultancy Services	13,809	372	38,105	52,286	106,376
Support Costs (Note 6)			18,710	18,710	19,234
	<u>180,248</u>	<u>4,856</u>	<u>516,108</u>	<u>701,212</u>	<u>548,997</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. NET INCOME BEFORE TAXATION

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	4,856	5,937
Auditors' remuneration	7,945	9,210
Pension costs	10,544	7,210
	<u> </u>	<u> </u>

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

7. NET INCOME BEFORE TAXATION (CONTINUED)

No trustees received any remuneration (2016: £Nil) or any benefits in kind (2016: £Nil) other than reimbursement of expenses.

During the year, no trustees were reimbursed for travel expenses during the year (2016 – four trustees were reimbursed £389 for travel expenses during the year).

Auditor's remuneration of £7,945 in 2017 consists of £4,292 for the services of Deloitte, Ireland in respect of the 2017 statutory audit and £3,653 paid to PKF Kenya in relation to the 2017 audit of the Kenyan branch.

8. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	169,272	184,150
Social security costs	432	2,597
Other pension costs	10,544	7,210
	<u>180,248</u>	<u>193,957</u>

The average monthly number of employees employed during the year was 12 (2016: 13).

During the year no employee received remuneration between £60,000 and £70,000 (2016: Nil).

The total remuneration for key management personnel for the financial year amounted to £75,856 (2016: £106,011).

9. TAXATION

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

	2017	2016
	£	£
Deferred tax (charge)	(7,197)	(3,187)
	<u>(7,197)</u>	<u>(3,187)</u>

The deferred tax charge and related deferred tax asset in 2017 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 2017

10. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office Furniture & Equipment £	Total £
Cost:			
At 1 January 2017	27,202	36,915	64,117
Additions	-	5,910	5,910
Foreign exchange (loss)	(2,517)	(3,111)	(5,628)
At 31 December 2017	24,685	39,714	64,399
Depreciation:			
At 1 January 2017	21,959	26,470	48,429
Charge for the year	1,903	2,953	4,856
Foreign exchange (loss)	(2,190)	(1,705)	(3,895)
At 31 December 2017	21,672	27,718	49,390
Net book value:			
At 31 December 2017	3,013	11,995	15,009
At 31 December 2016	5,243	10,445	15,688

11. INTANGIBLE FIXED ASSET

Goodwill Cost

At 1 January 2016 and 31 December 2017 **171,600**

Amortisation

At 1 January 2016 and 31 December 2017 **171,600**

Net book value

At 31 December 2016 and 2017 **-**

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.

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

12. DEBTORS	2017	2016
	£	£
Trade debtors	449,031	160,333
Other debtors	4,705	2,471
Prepayments and accrued income	14,291	14,378
Deferred tax	64,126	66,464
	<u>532,153</u>	<u>243,646</u>

13. CREDITORS: (Amounts falling due within one year)	2017	2016
	£	£
Trade creditors	99,336	14,202
Other creditors	430,733	184,113
VAT payable	-	190
Accruals and deferred income	85,766	86,562
	<u>615,835</u>	<u>285,067</u>

14. CREDITORS: (Amounts falling due after more than one year)	2017	2016
	£	£
Amounts owed to parent undertaking (Note 23)	66,002	80,199
	<u>66,002</u>	<u>80,199</u>

15. 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 debtors	449,031	160,333
	<u>449,031</u>	<u>160,333</u>
Financial Liabilities		
<i>Measured at undiscounted amount payable</i>		
• Trade and other creditors	530,069	198,315
• Amounts owed to parent undertaking	66,002	80,199
	<u>596,071</u>	<u>278,514</u>

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

16. FUNDS OF THE CHARITY

(i) Reconciliation of funds:

Total unrestricted funds

	2017	2016
	£	£
Opening balance at 1 January	163,320	147,615
Net income for the year	82,112	15,705
Closing balance at 31 December	245,432	163,320

(ii) Analysis of net assets between funds:

Total unrestricted funds

	2017	2016
	£	£
Tangible fixed assets	15,009	15,688
Intangible assets	-	-
Current assets	912,260	512,898
Liabilities	(681,837)	(365,266)
	245,432	163,320

(iii) Movement in funds:

	Balance	Income	Expenditure	Balance
	01/01/2017			31/12/2017
	£	£	£	£
Unrestricted funds	163,320	790,521	(708,409)	245,432

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

17. ACQUISITION OF FUNDING RESERVE

Funding Received:	2017 £	2016 £
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	-	-

18. CAPITAL GRANTS

Funding Received:	2017 £	2016 £
At 1 January	20,187	17,482
Foreign exchange (loss)/gain	(1,571)	2,705
At 31 December	18,616	20,187
Credited to SOFA		
At 1 January	20,187	17,482
Foreign exchange (loss)/gain	(1,571)	2,705
At 31 December	18,616	20,187
Net capital grant		
At 31 December	-	-

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

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

	2017 £	2016 £
NET INCOME FOR THE REPORTING YEAR (as per the Statement of Financial Activities)	82,112	15,705
<i>Adjustments for:</i>		
Depreciation	4,856	5,937
(Increase) in debtors	(288,507)	(78,751)
Increase in creditors- amounts due within one year	330,767	85,499
(Decrease)/increase in creditors- amounts due over one year	(14,198)	55,578
Foreign exchange on consolidation	1,735	(2,920)
NET CASH FLOWS FROM CHARITABLE ACTIVITIES	116,765	81,048

20. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 January 2017 £	Cashflows 2017 £	At 31 December 2017 £
Cash at bank and in hand	269,252	110,855	380,107

21. COMMITMENTS

At 31 December 2017 the company had total future minimum commitments under non-cancellable operating leases as follows:

	2017 £	2016 £
1 Year	17,788	22,241
Between 2 and 5 years	-	16,681
	17,788	38,922

22. 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 £10,544 (2016: £7,210).

23. 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, Ireland.

During the year, Gorta-Self Help Africa discharged no commitments on behalf of Partner Africa (2016: £18,078) and transferred no funds to Partner Africa (2016: £37,500). The balance due to Gorta-Self Help Africa at 31 December 2017 was £66,001 (2016: £80,199).