

Partner Africa
(A company limited by guarantee)

Report and Financial Statements
for the financial year ended
31 December 2019

COMPANY NUMBER: 7770647
CHARITY NUMBER: 1144815

PARTNER AFRICA
(A company limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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PARTNER AFRICA
(A company limited by guarantee)

TRUSTEES AND OTHER INFORMATION

TRUSTEES

Mr. Martin Ryan (Chair)
Mr. David Governey
Ms. Catherine Fitzgibbon (appointed 17th May 2019)
Mr. Michael Hoevel (resigned 28th June 2019)
Ms. Claire Fourel (resigned 28th June 2019)

SECRETARY

Mr. Malachy Cardiff (resigned 10th April 2020)
Mr. Peter McDevitt (appointed 10th April 2020)

REGISTERED OFFICE

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

COMPANY NUMBER

7770647

CHARITY NUMBER

CHY 1144815

AUDITORS

Deloitte Ireland LLP
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 2019

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 2019. 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 2019).

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 (trading as 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.

COVID-19

The COVID-19 pandemic, which has led to a worldwide slowdown in economic activity, had a significant impact on the organisation's operations with effect from mid-March 2020. Management set to work immediately to assess the various operational and financial scenarios that could arise and drew up plans to mitigate the potential negative impact. Revised budgets and cash flow projections were prepared with a view to reducing costs to the minimum and investigating potential alternative income streams. Management engaged with clients and donors to discuss deferral of expenditure and extension of programme contracts where temporary suspension of work was necessary. At Head Office level, costs were reduced by agreeing a combination of pay decreases and reduced working hours with staff. The Board are deeply appreciative of the sacrifices made by staff at this difficult time. Discussions with suppliers, service providers and landlords also led to cost savings – the Board thanks those whose support for our work in this area has helped us maintain our ability to sustain our work in Africa. We are confident that the organisation will come through the crisis intact and in a position to continue its valuable work.

OBJECTIVES AND ACTIVITIES

OBJECTIVES

Partner Africa is 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

1. Supporting clients identify the salient labour issues in their supply chains

- **Ethical Audits & Assessments**

Partner Africa focuses its work on conducting high quality, worker- centred ethical audits in order to assess the working conditions in factories and farms throughout Africa and identify the salient labour issues for its clients.

All ethical audits involve assessing suppliers against the ILO conventions: - child labour will not be used; freedom of association; no excessive working hours, no discrimination, employment is freely chosen, workers are paid a minimum/living wage; working condition are safe & hygienic, regular employment is provided and no harsh or inhumane treatment is allowed

Partner Africa is a recognised audit provider for several leading global brands and retailers. In 2019 Partner Africa undertook 768 ethical audits, 326 of which were in Southern Africa, 272 East, West and Central Africa and 170 in Northern Africa.

Partner Africa also undertakes Small Producer Assessments to 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.

- **In-depth research**

Partner Africa carries 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 develop an in-depth understanding of issues in their supply chains and 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.

2. Addressing the root causes through providing training and advisory services to clients

Partner Africa takes a 'positive engagement' approach to its work and is committed to forming partnerships with its clients to address the root causes of the salient labour issues identified during ethical audit. With our Pan-Africa reach and experienced local teams in 23 countries we can deliver a wide range of high-end advisory 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 to develop programmes that enable them to prevent and remediate non-compliances identified in their operations and supply chain. Our advisory services include: -

- **Training and supplier forums**

To help prevent and remediate non-compliances Partner Africa offers a range of comprehensive training programmes to help its clients understand the international ethical trade including SMETA, Rainforest Alliance and Fairtrade. We also provide training in: - Ethical Trade Awareness; Improving Workplace Communication; Promoting Equal Treatment of Workers (Supervisor Skills Training); Management Systems for Compliance; Rainforest Alliance Certification Training and Financial Literacy for Workers.

Partner Africa also organises supplier exchange forums where clients exchange best practice around the prevention and remediation of non-compliance issues and develop practical solutions to their issues.

- **Trade development projects**

Partner Africa recognises that central to improving working conditions is the need for smallholders and vulnerable workers to improve their incomes through having greater access to local, regional and international markets and more employment opportunities. To this end Partner Africa strives to work on a number of trade development projects throughout Africa.

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:

- 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.

- 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.

3. Impact assessments and Reporting

Partner Africa is committed to supporting clients assess the impact of their responsible business programmes and preparing high quality and robust reports. Partner Africa's team have experience of preparing and reviewing modern slavery reports, ethical trade initiative (ETI) reports, UN Global Compact reports and the organisation of stakeholder panels.

ACHIEVEMENTS IN 2019

The key focus in 2019 for Partner Africa was to continue with the implementation of Partner Africa's five 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 2019 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 2019 progress was made in all these areas with varying degrees of success:

Finances: The financial sustainability of Partner Africa continued to improve in 2019. Positive results were seen in the organisations overall revenue reserves. In 2019 Partner Africa generated an income of £1,502,672 largely from private sector clients. 65% of Partner Africa's income came from ethical audits while 20% came from advisory services.

Clients and services: During 2019 Partner Africa retained all of its top clients and continued to deliver assignments for a range of global brands and retailers.

1. Supporting clients identify the salient labour issues in their supply chains

In 2019 Partner Africa delivered ethical audits and assessments on behalf of a number of global brands in a range of sectors including manufacturing; agri-business; services; mining and extractives. The Audits and Assessment team completed 768 ethical audits in 2019. The main areas of growth were in South, East, Central and West Africa.

2. Addressing the root causes through providing training and advisory services to clients.

In 2019 Partner Africa provided advisory services to 20 clients. It was also awarded a grant of \$90,000

from Trade Mark East Africa to promote cross- border trade for women in Burundi. Partner Africa also carried out several training programmes which included continuing to partner with an extractives company in South Africa to deliver management systems training to small medium and micro enterprise suppliers of the mine.

3 Impact assessments and Reporting In 2019 developed a responsible business reporting self-assessment guide to help companies prepare reports framed around the UN Guiding Principle on Business and Human Rights. In 2020 it intends to use this framework to attract new clients.

People: 2019 was a year of change for Partner Africa, with the departure of the established Executive Director in June 2019, followed by the appointment of an Interim Executive Director for six months and the arrival of a new Executive Director in December 2019. Partner Africa invested in strengthening its advisory services through seconding a senior member of staff from its sister organisation Self Help Africa to champion its advisory work.

Systems, Tools and Industry: In 2019 Partner Africa continued its membership with the Association for Professional Social Compliance Auditors (APSCA). The organisation also made progress in automating services and systems to improve efficiency and quality.

FINANCIAL REVIEW

The Statement of Financial Activities for the year ended 31 December 2019, shows net income of £71,713 before tax credit.

The net assets of the organisation as shown on the balance sheet amount to £427,872. Plans are in place to ensure that Partner Africa maintains financial sustainability, which will enable it 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 the business of Partner Africa in 2020 with the ambition of being the leading responsible business organisation in Africa that significantly improves the livelihoods of vulnerable workers and producers.

To achieve this, in 2020 the organisation will focus on the following: -

Finances: In 2020 Partner Africa is confident of maintaining its financial stability, however the impact of the current Covid-19 pandemic is difficult to predict.

Clients and services: Partner Africa will aim to expand and diversify its client base in 2020. It also intends to consolidate its advisory services so that they are framed around the UN Guiding Principles of Business and Human Rights.

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.

PARTNER AFRICA (A company limited by guarantee)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 organisation's forecasts and projections, taking account of reasonable possible changes in performance, including the impact of COVID-19, 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. Further details regarding the adoption of the going concern basis is included in Note 2b.

POLITICAL DONATIONS

No political donations were made during the year.

POST BALANCE SHEET EVENTS

Subsequent to the financial year end, many of the countries Partner Africa operates in were impacted by the global COVID-19 pandemic. At the financial year end 31 December 2019 there were no impacts on the recognition and measurements of assets and liabilities as this pandemic impact was considered to be a non-adjusting event. The COVID-19 pandemic is a significant economic event and its effects are subject to unprecedented levels of uncertainty, with the full range of possible effects and outcomes currently unknown. It is not possible to reliably estimate the impact of COVID-19 on the financial position and results of Partner Africa for future periods.

There were no other subsequent events since the financial year end.

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/she ought to have taken as a director to make himself/herself 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.

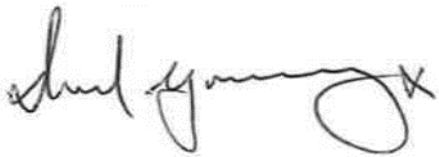
PARTNER AFRICA (A company limited by guarantee)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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:

A handwritten signature in black ink, appearing to read 'David Governey', with a large circular flourish at the end.

Mr. David Governey
Trustee

Date: 23rd July 2020

PARTNER AFRICA
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 of Partner Africa:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 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 20, 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 Financial Reporting Council's (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, 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.

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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.

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.



Margarita Martin FCA (Senior statutory auditor)

For and on behalf of Deloitte Ireland LLP

Statutory Auditor

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

Date: 24 July 2020

PARTNER AFRICA
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(including the income and expenditure account)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
	<i>Notes</i>						
INCOME	3	-	1,502,672	1,502,672	-	1,166,804	1,166,804
Total		-	1,502,672	1,502,672	-	1,166,804	1,166,804
EXPENDITURE ON							
Charitable activities	4	-	1,430,959	1,430,959	-	1,013,127	1,013,127
Total	6	-	1,430,959	1,430,959	-	1,013,127	1,013,127
Net income	7	-	71,713	71,713	-	153,677	153,677
Taxation	9	-	(36,527)	(36,527)	-	(6,423)	(6,423)
Net movement in funds	15	-	35,186	35,186	-	147,254	147,254
RECONCILIATION OF FUNDS							
Total funds brought forward	15	-	392,686	392,686	-	245,432	245,432
Total funds carried forward	15	-	427,872	427,872	-	392,686	392,686

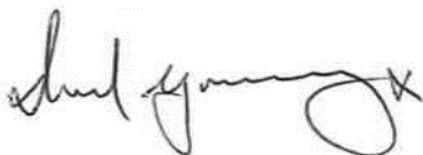
There are no other recognised gains or losses other than those listed above and the net income for the financial year. All income and expenditure derives from continuing activities.

PARTNER AFRICA
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BALANCE SHEET
AS AT 31 DECEMBER 2019

	<i>Notes</i>	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	<i>10</i>	34,574	31,503
CURRENT ASSETS			
Debtors	<i>11</i>	320,913	426,907
Cash at bank and in hand		477,994	459,029
		798,907	885,936
CREDITORS: Amounts falling due within one year	<i>12</i>	(351,107)	(451,264)
NET CURRENT ASSETS		447,800	434,672
TOTAL ASSETS LESS CURRENT LIABILITIES		482,374	466,175
CREDITORS: amounts falling due after more than one year	<i>13</i>	(54,502)	(73,489)
NET ASSETS		427,872	392,686
FUNDS OF THE CHARITY			
Unrestricted funds	<i>15</i>	427,872	392,686
TOTAL FUNDS		427,872	392,686

The financial statements were approved by the Trustees on 23rd July 2020 and signed on their behalf, by:



Mr. David Governey
Trustee

23rd July 2020

PARTNER AFRICA
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	<i>Note</i>	2019 £	2018 £
Cash flows from charitable activities			
Net cash generated by charitable activities	<i>16</i>	35,150	104,258
Cash flows from investing activities			
Purchase of tangible fixed assets	<i>10</i>	(16,185)	(25,336)
Net cash provided by investing activities		(16,185)	(25,336)
Increase in cash and cash equivalents in the reporting year		18,965	78,922
Cash and cash equivalents at beginning of the reporting year		459,029	380,107
Cash and cash equivalents at end of the reporting year		477,994	459,029
Reconciliation to cash at bank and in hand			
Cash and cash equivalents at end of financial year	<i>17</i>	477,994	459,029

PARTNER AFRICA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 in accordance with the Statement of Recommended Practice (SORP 2019) "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 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, including the impact of COVID-19, 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. Further details regarding the adoption of the going concern basis is included in Note 2b.

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.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

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.

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.

2a. 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 trustees 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 trustees do not consider there are any critical judgements or sources of estimation requiring disclosure other than the going concern assumptions which is detailed further in note 2b.

2b. GOING CONCERN

The trustees have given careful consideration to the potential impact of COVID-19 on the organisation. Several measures have been implemented to give the trustees 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 the financial statements. Among the measures taken to mitigate impact on unrestricted reserves are:

- Revision of budgets and cash flow projections to identify potential economies.
- Negotiations with suppliers, service providers and landlords, combined with general cost cutting measures across the organisation, to minimise depletion of unrestricted reserves.
- Reduction of staff working hours and salary reductions.
- Engaging with clients and to agree deferral of work programmes and extension of project timeframes as appropriate.

In addition to these measures, the trustees have reviewed the restricted elements of its income and expenditure, in order to understand the impact of the pandemic on its operations on the ground in Africa with the least possible disruption to or suspension of the organisation's work.

The organisation has an unrestricted reserves figure of £427,872 on hand at year end. In addition, the Gorta Group (of which Partner Africa is a member) holds reserves of €6.7 million. The Gorta Group has committed to provide financial support to Partner Africa (should it be required) for a period of not less than twelve months from the approval of the financial statements. This gives the trustees additional comfort in continuing to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

3. INCOME

Income is earned from the delivery of ethical trade services and capacity building programmes in Africa as follows:-

	2019	2018
	£	£
Audit Income	979,782	887,801
Training Income	75,063	17,104
Project/Consultancy Income	290,760	251,744
Trade Development Projects	-	9,376
Other Income	157,067	779
	1,502,672	1,166,804

4. CHARITABLE ACTIVITIES

	Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	2019	2019	2019	2018
	£	£	£	£
Ethical Audits	-	1,025,082	1,025,082	762,722
Trade Development Projects	-	78,533	78,533	14,695
Capacity Building and Training	-	-	-	8,055
Consultancy Services	-	304,204	304,204	216,277
Support Costs (Note 5)	-	23,140	23,140	11,378
	-	1,430,959	1,430,959	1,013,127

5. SUPPORT COSTS

	Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	2019	2019	2019	2018
	£	£	£	£
Audit Fees	-	15,020	15,020	6,928
Legal Fees	-	1,303	1,303	96
Other Governance Costs	-	6,817	6,817	4,354
	-	23,140	23,140	11,378

The basis of allocation of the support costs identified above is the percentage of time spend on each activity.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

6. ANALYSIS OF EXPENDITURE BY TYPE

	Staff costs	Depreciation	Other costs	Total	Total
	2019	2019	2019	2019	2018
	£	£	£	£	£
Ethical Audits	255,110	8,346	761,626	1,025,082	762,722
Trade Development Projects	19,544	639	58,350	78,533	14,695
Capacity Building and Training	-	-	-	-	8,055
Consultancy Services	75,706	2,477	226,021	304,204	216,277
Support Costs (Note 5)	-	-	23,140	23,140	11,378
	350,360	11,462	1,069,137	1,430,959	1,013,127

7. NET INCOME BEFORE TAXATION

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	11,462	8,590
Auditors' remuneration	9,543	3,600
Auditors' remuneration – other oversea auditors for branches	5,477	3,328
Pension costs	17,355	11,420

No trustees received any remuneration (2018: £Nil) or any benefits in kind (2018: £Nil) other than reimbursement of expenses.

During the year, no trustees were reimbursed for travel expenses during the year (2018 – None noted).

Auditor's remuneration of £15,020 in 2019 consists of £9,543 for the services of Deloitte Ireland LLP, in respect of the 2019 statutory audit and £3,877 paid to PKF Kenya in relation to the 2019 audit of the Kenyan branch and £1,600 in relation to South Africa branch audit.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

8. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	332,190	231,950
Social security costs	816	183
Other pension costs	17,355	11,420
	<u>350,361</u>	<u>243,553</u>

The average monthly number of employees employed during the year was 20 (2018: 15).

During the year no employee received remuneration between £60,000 and £70,000 (2018: £Nil).

The total remuneration for key management personnel for the financial year amounted to £87,463 (2018: £82,313).

9. TAXATION

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

	2019	2018
	£	£
Deferred tax charge	36,527	6,423

The deferred tax charge and related deferred tax asset in 2019 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 UK corporation tax is required.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

10. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office Furniture & Equipment £	Total £
Cost:			
At 1 January 2019	26,430	62,952	89,382
Additions	-	16,185	16,185
Disposals	-	(4,314)	(4,314)
Foreign exchange translation	(694)	(1,360)	(2,054)
At 31 December 2019	25,736	73,463	99,199
Depreciation:			
At 1 January 2019	25,242	32,637	57,879
Charge for the year	1,188	10,274	11,462
Disposals	-	(2,723)	(2,723)
Foreign exchange translation	(694)	(1,128)	(1,992)
At 31 December 2019	25,736	38,889	64,625
Net book value:			
At 31 December 2019	-	34,574	34,574
At 31 December 2018	1,188	30,315	31,503

11. DEBTORS

	2019 £	2018 £
Trade debtors	220,951	302,246
Other debtors	10,455	5,377
Prepayments and accrued income	26,227	37,576
Deferred tax	63,280	81,708
	320,913	426,907

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. CREDITORS: (Amounts falling due within one year)	2019	2018
	£	£
Trade creditors	43,098	52,169
Other creditors	189,109	123,433
VAT payable	9,828	(5,532)
Accruals and deferred income	109,072	275,662
	351,107	451,264

13. CREDITORS: (Amounts falling due after more than one year)	2019	2018
	£	£
Amounts owed to parent undertaking (Note 20)	54,502	73,489

14. FINANCIAL INSTRUMENTS

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

	2019	2018
	£	£
Financial Assets		
<i>Measured at undiscounted amount receivable</i>		
• Trade debtors	220,951	302,246
Financial Liabilities		
<i>Measured at undiscounted amount payable</i>		
• Trade creditors	43,098	52,169
• Amounts owed to parent undertaking	54,502	73,489

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

15. FUNDS OF THE CHARITY

(i) Reconciliation of funds:

Total unrestricted funds

	2019	2018
	£	£
Opening balance at 1 January	392,686	245,432
Net income for the year	35,186	147,254
Closing balance at 31 December	427,872	392,686

(ii) Analysis of net assets between funds:

Total unrestricted funds	2019	2018
	£	£
Tangible fixed assets	34,574	31,503
Current assets	798,907	885,936
Liabilities	(405,609)	(524,753)
	427,872	392,686

(iii) Movement in funds:

	Balance	Income	Expenditure	Balance
	01/01/2019			31/12/2019
	£	£	£	£
Unrestricted funds	392,686	1,502,672	1,467,486	427,872

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

	2019	2018
	£	£
NET INCOME FOR THE REPORTING YEAR (as per the Statement of Financial Activities)	35,186	147,254
<i>Adjustments for:</i>		
Depreciation	11,462	8,590
Increase in debtors	105,994	105,246
Decrease in creditors- amounts due within one year	(100,157)	(164,571)
(Decrease)/increase in creditors- amounts due over one year	(18,987)	7,487
Foreign exchange on consolidation	1,652	252
NET CASH FLOWS FROM CHARITABLE ACTIVITIES	35,150	104,258

17. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 January 2019 £	Cashflows 2019 £	At 31 December 2019 £
Cash at bank and in hand	459,029	18,965	477,994

18. COMMITMENTS

At 31 December 2019 the company had total future minimum commitments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Within 1 year	34,691	40,258
Between 1 and 5 years	103,808	154,321
	138,499	194,579

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

19. 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 £17,355 (2018: £11,420).

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The results of Partner Africa are consolidated into the financial statements of Gorta (trading as Gorta Self Help Africa). The trustees consider that Gorta is the charity's ultimate holding company. Copies of the group financial statements of Gorta may be obtained from the charity's registered office at Kingsbridge House, 17 – 22 Parkgate Street, Dublin 8.

During the year, Gorta Self Help Africa discharged no commitments on behalf of Partner Africa (2018: £Nil) and transferred no funds to Partner Africa (2018: £Nil). The balance due to Gorta Self Help Africa at 31 December 2019 was £54,502 (2018: £73,489).

21. SUBSEQUENT EVENTS

Subsequent to the financial year end, many of the countries Partner Africa operates in were impacted by the global COVID-19 pandemic. At the financial year end 31 December 2019 there were no impacts on the recognition and measurements of assets and liabilities as this pandemic impact was considered to be a non-adjusting event. The COVID-19 pandemic is a significant economic event and its effects are subject to unprecedented levels of uncertainty, with the full range of possible effects and outcomes currently unknown. It is not possible to reliably estimate the impact of COVID-19 on the financial position and results of Partner Africa for future periods.

There were no other subsequent events since the financial year end.