2015

ANNUAL REPORT

selfhelpafrica.org

gorta
Self Help Africa

OUR VISION IS AN ECONOMICALLY THRIVING AND RESILIENT RURAL AFRICA.

Front Cover: Sangogou Lalle, Tonte Village, Togo.


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OUR MISSION
IS TO SUPPORT
SUSTAINABLE
LIVELIHOODS
FOR AFRICA'S
SMALLHOLDER
FARMERS.

Malidadi Chilongo, Kalonga, Malawi.

Farming for Africa's Future

2015 was a landmark year for Gorta-Self Help Africa. We reached more people than ever before in the fight to end extreme hunger and poverty in Africa.

For most people in Europe however, the enduring images from 2015 will be those of desperate refugees and economic migrants seeking sanctuary in Europe. Many of them are fleeing not war in Syria, but poverty in Africa.

As the head of an international agricultural development organisation working in Africa, I am often asked why we don't work to tackle the human tragedy that has seen record numbers fleeing their homes.

My answer to such questions is a short one. We are.

For it is only by improving the livelihoods of rural poor people in Africa that we will ultimately provide them with an acceptable alternative to the choices currently being made by millions, as they uproot their families from their communities to seek 'a better life' somewhere else.

Only by boosting growth in economies, creating jobs, and ensuring that countries and communities can provide a future for their people, will the current challenge of migration be resolved.

For too long we have failed to properly solve the problem of extreme poverty that casts a shadow across developing countries. There are almost 800 million people worldwide living in extreme poverty - that's one in nine of our global population, and proof that we are continuing to fail the poorest and the most vulnerable.

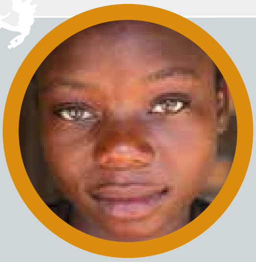
At Gorta-Self Help Africa, our focus will remain on supporting rural poor communities to support themselves through an innovative mix of agricultural and enterprise development activities.

We know how to help lift communities across Africa out of poverty; our goal is to continue, year on year, to deliver these solutions to many more of them.

Raymond Jordan

Raymond Jordan
Chief Executive Officer

OUR WORK IN NINE AFRICAN COUNTRIES IS ENDING POVERTY AND IMPROVING THE LIVES OF LOCAL COMMUNITIES.



ZAMBIA: Purity Mulenga is a teenager living in Luwingu District in Zambia's Northern Province. She is amongst 80,000 people who are benefitting from working with Gorta-Self Help Africa on a five-year local development project being funded by Irish Aid.

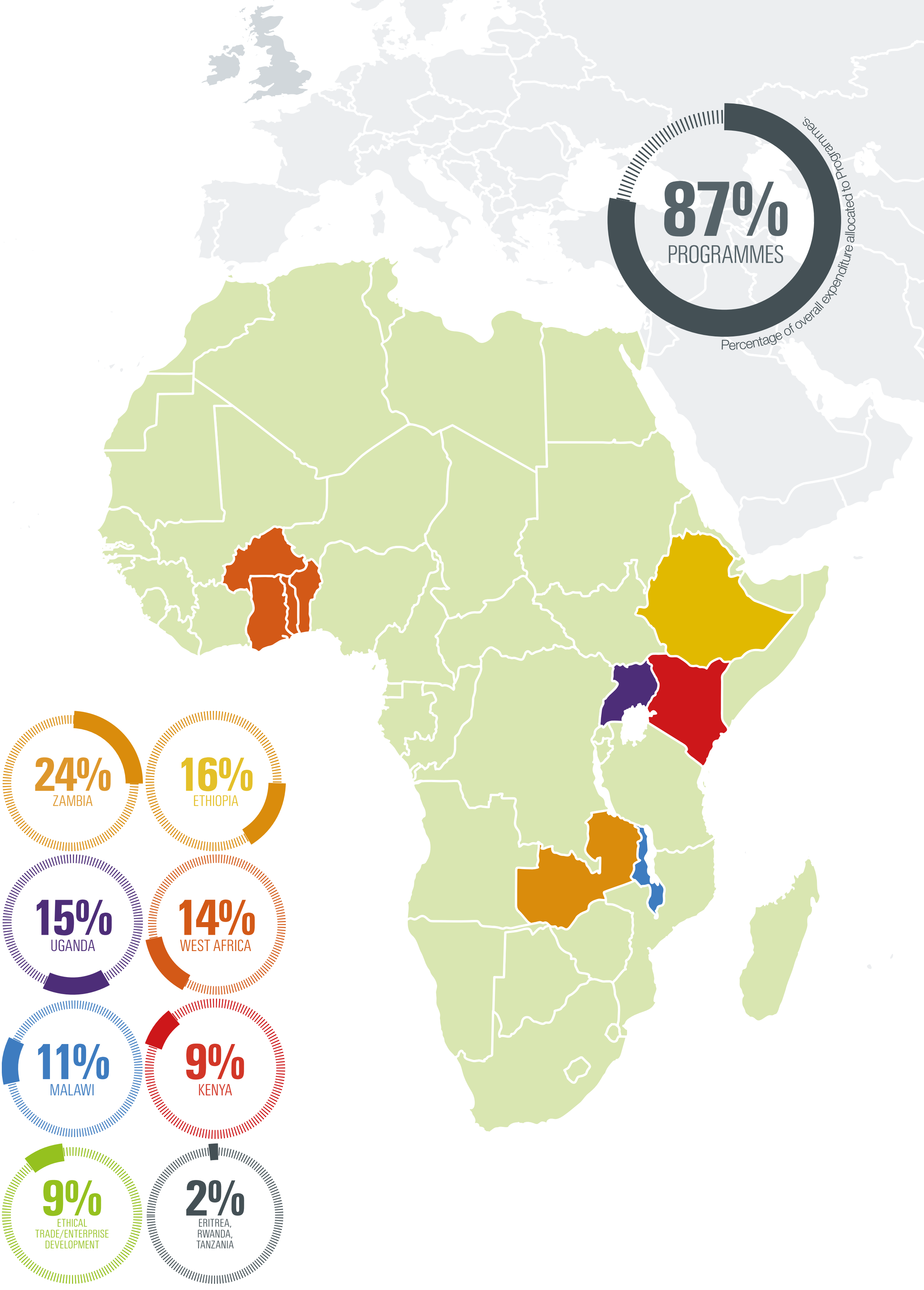
WEST AFRICA: Working with rural youth is becoming increasing important to Gorta-Self Help Africa's work in West Africa. Along with his father, Issouf Kabre from Burkina Faso is being supported to keep bees and produce honey.

MALAWI: Ethel Khundi has been supported to start a small farm business rearing pigs. Gorta-Self Help Africa's work in Malawi is supporting farmers to increase and diversify production, and cope with the impact of climate change.

ETHIOPIA: Kedija Ahmedin's family are being supported on a livestock development project. Gorta-Self Help Africa's work in Ethiopia focuses on helping farmers to increase production, develop new enterprises and have better access to markets.

UGANDA: Rice farmer Flora Nyirangaba is being supported by a project focused on improving household nutrition through better farming practices. Gorta-Self Help Africa is the lead agricultural advisor in 15 districts, on this USAID-backed project.

KENYA: Supporting enterprising farmers like Rose Mutai to move from subsistence to prosperity is at the core of Gorta-Self Help Africa's work in Kenya.


87%
PROGRAMMES
Percentage of overall expenditure allocated to Programmes.
24%
ZAMBIA
16%
ETHIOPIA
15%
UGANDA
14%
WEST AFRICA
11%
MALAWI
9%
KENYA
9%
ETHICAL TRADE/ENTERPRISE DEVELOPMENT
2%
ERITREA, RWANDA, TANZANIA

ZAMBIA: **Gorta-Self Help Africa's largest project is a five-year, Irish Aid-funded local development project that commenced in Northern Province in early 2013.**

Programme focus is on two key areas: sustainable agriculture and nutrition.

Current projects cover: food and nutrition security, research into and production of improved varieties of seeds, rural enterprise development, savings and credit, income generation, watershed management, sustainable agriculture and environmental rehabilitation.

WEST AFRICA: **Gorta-Self Help Africa's West Africa programme operates across four countries - Burkina Faso, Ghana, Togo and Benin. Projects are implemented through local partners, with the focus on adding value to farm production and creating links between small-scale agricultural producers and private sector companies.**

Because of the hot, dry climate and unpredictable weather patterns of the region, there is a particular emphasis on promoting farming approaches that are 'climate-smart', and enable farming communities to diversify their production.

MALAWI: **Gorta-Self Help Africa is working on a combination of directly implemented and partner-led projects in Malawi. The programme goal, to support smallholder farming communities to achieve sustainable livelihoods, is in line with the government's current Growth and Development Strategy II.**

The largest single project is DISCOVER, a five-year collaborative venture with a number of international partners that seeks to support households in adapting to climate change. DISCOVER is at its mid-point, with our work taking place in the far north, in Karonga district.

ETHIOPIA: **Increasing farm production, supporting new enterprise and developing market opportunities for farmers is at the core of Gorta-Self Help Africa's work in Ethiopia.**

Current projects in the country also focus on strengthening community-based seed production, improving the resilience of communities to a changing climate, and improving productivity and livestock value chains.

UGANDA: **Gorta-Self Help Africa is the lead agricultural adviser in a USAID-funded development project in Uganda. The nutrition-focused scheme is underway in 15 districts across the country and is one of Gorta-Self Help Africa's largest projects.**

Elsewhere, work is underway to develop community-based seed enterprises, to promote agri-based enterprises and to tackle the impact of climate change on rural farming households.

KENYA: **Supporting smallholder farmers to move from subsistence to prosperity is central to our programme work in Kenya.**

Our largest scheme in Kenya is supporting 20,000 people to increase farm production and establish enterprises in the Keringet region of the drought-prone Rift Valley Province. The project focusses primarily on dairy and potato production.

OUR BELIEFS:

We believe that food security is a fundamental human right and, in this age of increasing global prosperity, it is an outrage that more than 800 million people suffer from chronic hunger.

We believe in the capacity of the people we work with and we work to empower people to become agents of their own development.

We have a strong belief in solidarity over charity; that interventions can only be solutions if we work in tandem, as equal partners, with local authorities at the community, regional and national level.

In line with the Sustainable Development Goals we believe in long-term, sustainable, market-based solutions that respect the natural environment.

Climate-Smart

Sub-Saharan Africa is one of the most vulnerable regions on earth to global warming. This situation is made worse by its poor state of economic development and by the limited capability of many countries and communities to adapt to a changing climate.

Baba Wedrago, Sika Village, Burkina Faso.

Agricultural production in the belt of countries below the Sahara Desert is particularly vulnerable to climate change, with some projections calculating that global warming could see production of cereal crops alone fall by up to 30% across the region in the coming decade.

> *Global warming could see production of cereal crops alone fall by up to 30%.*

This is a challenge confronting Gorta-Self Help Africa in our bid to lift millions of rural poor people out of poverty. The effects that climate change is having on the length of growing seasons, and on the reliability of rain-fed farming, combined with the threat posed by destructive flooding is making it harder for the most vulnerable – small-scale farming communities – to manage their land and the production that they need to feed their families.

Anecdotal evidence of weather changes are now commonplace, which is why climate-smart agricultural practices are being promoted across our projects, to support communities whose food production systems are at risk.

In the past year extreme weather events that have been blamed on global warming have had a devastating effect on huge numbers of people in two countries Gorta-Self Help Africa works.

In January 2015, the President of Malawi declared a state of emergency in more than a dozen districts because of flooding that affected over one million people. Less than a year later, Malawi faced a severe drought, with hundreds of thousands of farmers affected, and up to 2.8 million people at risk of food shortages, according to the UN World Food Programme.

Meanwhile, in Ethiopia, chronic drought aggravated by an intensified El Niño weather pattern left up to 10 million people at risk of food insecurity, in a country where up to 90% of farming households rely on rain-fed agriculture.


Baba Wedrago, Sika Village, Burkina Faso.

Seed production initiatives that improve community access to early-yielding and drought-tolerant crop varieties, farming techniques such as 'zero tillage' land preparation that provides an alternative to ploughing and the consequent loss of soil moisture, as well as measures that encourage and promote dry season irrigated horticulture are all central to a programme of work being carried out by Gorta-Self Help Africa to support sommunities to cope with a chnaging climate.

Education, information and different farming approaches are also central to this climate-smart approach, with alternative crop varieties, including hardy dry land staples like sorghum and millet, plus root vegetables such as cassava, being promoted as substitutes to more vulnerable cereal crops.

Sylvia Namfukwe, Nsunda village,
Northern Province, Zambia.

1.8 MILLION
Total beneficiaries

290,000
Farming families assisted

55:45
Ratio of female beneficiaries

New Tech Solutions

New technologies have never been as important as they are today in the fight to end hunger and poverty in Africa.

Data-gathering methods to assess and analyse information, early warning systems, and telecommunication technologies to share and disseminate information are all being harnessed today in a bid to improve the efficiency, impact and reach of our programmes to end poverty.

During 2015, mobile phone technology – used to share knowledge and information – assumed a central central role in the work of Gorta-Self Help Africa in sub-Saharan Africa.

For most smallholder farmers across Africa, one of the main challenges to increasing productivity is the lack of reliable farming information. How can you improve your work when there's no available information on improved work practices?

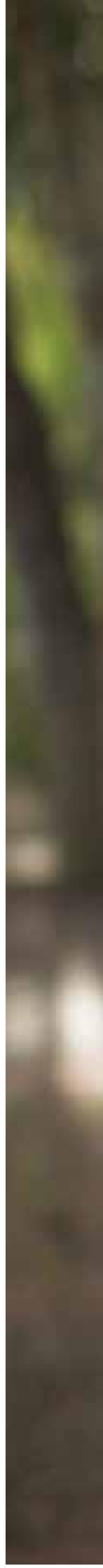
Only 5% of rural households have electricity, but upwards of 65% have access to mobiles.

Farming advice is expensive to provide on a one-on-one basis, so for many years Gorta-Self Help Africa has used a 'lead farmer' model, where information is channeled at a farming community through one model farmer. This cuts the cost of information transfer.

In recent years, the uptake of mobile technology across Africa has offered another, much more cost-effective way, of reaching farmers.

Gorta-Self Help Africa and its mobile partner Human Network International (HNI) have helped to pioneer the development of demand-driven farming information through mobile phone networks.

In Malawi, Uganda, Burkina Faso and Zambia, we are now partnering with a range of mobile network providers to



Charity Kamwala, Nsuda village,
Northern Province, Zambia.

Wendwesen Tesfaye, Buee, Ethiopia.

provide free, on-demand farming information across a range of crops to farmers. Farmers dial in to the service and, using touch-tone technology, access a voice message about a specific crop or farming practice.

For mobile network providers, this free information is a compelling reason for subscribers to continue using their network. For Gorta-Self Help Africa, it's a low-cost way of reaching tens of thousands of farmers with relevant, crop-specific farming information at the right time of the season.

In Malawi, Gorta-Self Help Africa has joined with a range of government and civil society organisations to agree on farming advice for crops ranging from maize and peanut to rice and cassava. That service has recorded an average of 36,000 calls per month from farmers across the country.

In a country where only 5% of rural households have electricity, but upwards of 65% have access to mobiles, the ability of farmers to access information via telephone is invaluable.

Most mobile users across Africa still use non-smart phones, so a service based on voice messaging is still critical. However, with the increasing adoption of lower-cost smart phones in these markets, Gorta-Self Help Africa is about to pilot messaging which allows users to stream video content for free to these phones.

This pilot work will be aimed at delivering information not to farmers, but to extension workers - those employed by government or civil society organisations to teach farmers about new and improved practices.

Gorta-Self Help Africa hopes to continue to roll out new ICT solutions for the agriculture sector, in partnership with mobile network providers, in the years ahead.

36,000
calls per month

OUR APPROACH

The organisation works both with its own African staff, and through local partners to undertake a range of integrated development programmes amongst rural communities. How we do it:

Enterprise Development: Rural enterprise development is at the core of our work. Linking small-scale farmers, cooperatives and producer groups to the market is key to improving 'the bottom line'.

Gender: African women produce up to 80% of the food on small-scale farms yet receive just a fraction of the available support. Gender inequality is a major obstacle to improved outcomes. We are working to level that playing field.

Climate Change: As farming depends on rainfall, a major part of our work is helping vulnerable communities adapt to climate change.

Agriculture & Nutrition: It is not just the quantity of food but also the quality of food being produced that is important. A balanced, diversified diet helps African families to escape from hunger and poverty.

Micro-Finance: Access to affordable micro-finance is vital if smallholders are to invest in developing their farming businesses.

Cooperatives: By working together in farmer cooperatives and producer groups, small-scale farmers can access better prices for their crops. Together is usually better.

Purity Mulenga, Malela Village,
Northern Province, Zambia.

Ejigayehu Bekele and daughter Mebrat Gulilat, Garmama Village, Oromia, Ethiopia.

Strides in Development

Impressive progress was made globally to end extreme hunger and poverty in the 15 years of the Millennium Development Goals (MDGs), which ended in late 2015.

However, although the MDGs are credited with lifting the incomes of 700 million people in poor regions above the 'extreme poverty' threshold of $1.25 a day, hundreds of millions remain mired in poverty, both in fragile states and in poverty pockets within states which have experienced significant economic growth in recent years.

Hundreds of millions remain mired in poverty, both in fragile states and in poverty pockets.

Just a two-hour drive south of the bustling Ethiopian capital, Addis Ababa, is one such poverty pocket, Boset, where nearly all households are subsistence farmers, and up to 85% of people rely on food aid for at least a part of the year.

Getachew Miko, Dirma village,
Oromia, Ehtiopia.

The contrasts between Addis Ababa and Boset could not be starker. One is a burgeoning regional metropolis that launched its own light-rail service in 2015; the other an impoverished region where the struggle for survival is an everyday reality.

Home to a population of over 165,000 people, Boset is characterised by arid conditions and poor soils. Climate change is blamed locally for increasingly erratic rainfall patterns. Agriculture is anything but dependable.

It is here that Gorta-Self Help Africa began working with 6,000 smallholder farming families two years ago. Providing farm training and sharing knowledge about how to farm effectively in challenging climate conditions provided the bedrock for a programme of agricultural support activities that are having a transformational effect within a short time.

Farming families are improving their productivity by using drought-tolerant crop varieties, by inter-cropping nitrogen-fixing beans with cereal crops, and by using innovative measures such as the production and promotion of a locally devised ‘land ripper’ that tills the land in a way that retains moisture in the soil.

Boset experienced its worst drought in half a century in 2015, with high rates of crop failure across the region. Despite this however, farmers working with Gorta-Self Help Africa reported good yields of improved varieties of drought tolerant haricot bean, teff (cereal), peanut and mung bean, the latter being newly introduced to the area. Maize yields increased on average by almost 32%, from 3115 kg per hectare to 4100 kg/ha, and haricot beans by 69% from 1331kg per hectare to 2250 kg/ha.

Shewaye Tegegne, a 48-year-old widow and mother of six from Buta Donkore village, said she recently produced 800 kilos of improved-variety teff on her land and had sold it for more than 11,000 Ethiopian birr (€400). “I used some of this money to buy a calf that I am now rearing,” she said.

Much has been written in recent years about the rising economies and new middle classes across sub-Saharan Africa. It’s refreshing to see news emerging from the continent that is built on a narrative of enterprise, growth and progress.

But there remain many challenges to growth across Africa, especially in areas of extreme fragility, where communities have limited access to support, to markets and to opportunity. While we celebrate the success of Africa Rising, we cannot forget the many millions who remain locked in extreme poverty.

Flora Nyirangaba,
Kamwenge District,
Uganda.

AGRICULTURE
IS THE MAIN
SOURCE OF
INCOME FOR 64%
OF THE PEOPLE
OF AFRICA.

"Good things come to those who are prepared to work hard for them."

Lillian Makukula

Lillian is an enterprising grandmother whose success as a poultry producer in Manjakazi village in Eastern Zambia is an inspiration to others.


Sanqogou Lalle, Tonte Village, Togo.

For the women of Tonte village in the savannahs of Northern Togo, rice has become an important part of life.

Rice first became commonplace in the region when the UN distributed emergency rice rations during a series of food crises in the early years of the new millennium. Since then the grain has become as popular as maize and millet to the local diet. And it has become much more than that for the people of Tonte.

Today, thanks to support from Gorta-Self Help Africa, 100 farming households earn a living from growing, processing, marketing and trading rice across the region. 91 of the farmers involved in the enterprise are women.

Sana Mamata

Sana never had an education, but she is proud that she can now support her own kids through school, and particularly proud to be able to sponsor her eldest son's journey to university.

A farmer who grows rice, millet and sorghum on a six-acre farm in central Burkina Faso, Sana says the money she earns from selling rice and from vegetables she grows on an irrigated communal plot has allowed her to fund her children's education.

Yeshareg Abene

Yeshareg is the accountant for the Kenenisa Rural Savings and Credit Cooperative.

Gorta-Self Help Africa has been supporting RuSACCOs like Yeshareg's in Ethiopia for ten years and in that time their membership has swelled to 50,000 members.

Ethel Khundi

Ethel is a young mum and a pig farmer in Mkhonde village in central Malawi. She's been supported with start-up breeding stock and training in livestock care and management. Ethel has started to earn a good living from her small business.

Annemarie Venegbe

Annemarie is the chairperson of a 57-strong irrigated vegetable production group in Zombrebonghin village in Burkina Faso.

The irrigation support that her group received has enabled the villagers to diversify the food that they grow and improve their yields despite the changing weather conditions in the region.

"Things have changed from when I was young. There is no longer enough rain."

(Left to right) Amrula Hairedin, Hairedin Mekina, Abdishikur Hairedin, Munira Hairedin, Kololoeka Village, Ethiopia.

Reports and Consolidated Financial Statements

Letter from the Chairperson

2015 was an enormously successful and productive year for Gorta-Self Help Africa.

It was the first full year of operation since our formal merger in July 2014 and this report shows how joining Gorta with Self Help Africa has resulted in an organisation that's greater than the sum of the parts.

In 2015, we invested more funds, implemented more programmes, and reached more people than ever before.

Thanks to the backing and generosity of organisations, institutions and individual donors we have seen our annual turnover climb to more than €20 million for the first time ever, with approximately €17.85 million of that revenue being spent on development projects to support food production, enterprise, and the eradication of poverty in Africa.

We are constantly working to improve the quality of that work too. To that end, in 2015 we improved our monitoring and evaluation systems, the management of quality control, our procurement and logistics procedures, and the ICT systems that manage data and record data across the organisation.

Many of these areas might appear to be secondary to our core work – applying agricultural solutions to the problems affecting rural poor communities in Africa – but the systems that are now in place are critical. They allow us to deliver greater impact with more efficiency.

At Gorta-Self Help Africa, we believe that improved productivity and incomes from farming offer a key path out of poverty for millions across Africa.

As the chairman of Gorta-Self Help Africa, I am enormously proud of these achievements and the people who have delivered them.

I am grateful to our Board of Directors for the oversight and guidance that they provide to the organisation, and to the many skilled people who give their time voluntarily to advise and support us, as members of our advisory committees in Programmes, Audit and Finance, and Communications and Marketing.

Enormous credit is also due to our CEO, Ray Jordan, for the manner in which he has led Gorta-Self Help Africa to year on year growth for the past six years. And my thanks also goes to his management team, to our African country directors, and to all of the organisation's staff – across Africa, in Ireland, the UK and United States - for the dedication and commitment and that they show in pursuit of our goals.

There are many others to be acknowledged for the contributions being made to the work that we do. Included amongst these are the many individuals and institutions who lend their backing to us each year, the local NGOs and community-based organisation partners in Africa who assist us in implementing our strategies and our programmes, and the network of international partners with whom we collaborate. To them all I say a heartfelt 'thank you.'

Tasokwa Mzembe and Malidadi Chilongo at the Sanambe Irrigation Scheme, Kalonga, Malawi.

For all of the achievements that have been made during 2015, enormous challenges remain.

Although the number of hungry people in the world has dropped to under 795 million – 200 million fewer than a quarter century ago – and the prevalence of under-nourishment has fallen by over 10% in the same period, the numbers of people across the globe who cannot provide a year-round supply of food for their families remains stubbornly high.

Tackling this challenge is being hampered by the effects of global warming, which is leading to droughts, floods and disease, and is hitting hardest the people who are the least equipped to deal with it – the rural poor in Africa.

The failure of seasonal rains during 2015 in both Ethiopia and Malawi has caused a humanitarian crisis, and in the first half of 2016 the United Nations was coordinating international efforts to provide aid to more than 20 million people.

At Gorta-Self Help Africa, we believe that improved productivity and incomes from farming offer a key path out of poverty for millions across Africa.

Better and more effective farming methods are being devised and deployed to assist small-scale farming households to grow more and earn more from their land, and 'climate-smart' approaches are being rolled out across our projects to assist communities cope with new and unpredictable weather challenges.

At the same time we are working both locally, regionally and internationally to support African farmers to forge new markets for their produce, and with each passing year are witnessing the exciting emergence and growth of profitable businesses that can and will bring lasting positive change to people in the countries where we are working.

Again, allow me to express my gratitude to you for supporting Gorta-Self Help Africa in this journey.

With best wishes

Tom Kitt

Tom Kitt
Chairman

Directors & Other Information

Pascalina Mulenga with baby Efemia and sister-in-law Purity, Malela Village, Zambia.

Directors	Mr. Tom Kitt (Chairman)	
	Mr. Seán Gaule	
	Ms. Carmel Fox	
	Mr. Tom Kirley	
	Mr. Pat Murphy	
	Mr. Jeremy Woolwich	
	Mr. Michael Hoevel	
	Mr. Paul Adams	
	Mr. David Governey	(Appointed 15 October 2015)
	Ms. Deirdre Fox	(Resigned 28 May 2015)
	Mr. Brian Kehoe	(Resigned 25 August 2015)
	Prof. Denis I. F. Lucey	(Resigned 25 August 2015)
	Mr. Tom Corcoran	(Resigned 25 August 2015)
	Mr. Teddy O'Mahony	(Resigned 25 August 2015)
	Prof. Adrian Wood	(Resigned 25 August 2015)
	Ms. Helen Brophy	(Resigned 8 September 2015)
	Mr. David Martin	(Resigned 15 October 2015)
	Ms. Paula Murray	(Resigned 10 December 2015)
	Mr. John Carroll	(Resigned 10 December 2015)

Directors & Other Information (contd.)

Secretary	Mr. Malachy Cardiff
Chief Executive	Mr. Ray Jordan
Registered Office	Kingsbridge House,17-22 Parkgate Street, Dublin 8.
Company Number	28228
Charities Regulatory Authority Number	20008895
Charity Number	CHY 5678

Solicitors

Gallagher Shatter & Co.
4 Upper Ely Place,
Dublin 2.

McKeever Rowan Solicitors,
5 Harbourmaster Place,
IFSC, Dublin 1.

Withers LLP.
16 Old Bailey,
London,
EC4M 7EG England.

Principal Bankers

Bank of Ireland,
Lower Baggot Street,
Dublin 2.

Bank of Ireland,
65 St Vincent Street,
Glasgow, G25HT Scotland.

Barclays Bank Plc,
P.O. Box 89,
Shrewsbury, Shropshire,
SY1 1QU England.

Permanent TSB,
2-4 Upper Baggot Street,
Dublin 4.

AIB
1-4 Lower Baggot Street,
Dublin 2.

Auditors

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

Report of the Directors

for the year ended 31st December 2015

The directors present herewith the reports and audited consolidated financial statements of the charity for the year ended 31st December 2015.

Objectives and activities

Gorta-Self Help Africa is a leading international development, non-governmental organisation with an expertise in small-scale farming and growing family-farm businesses. We work with farmers and agricultural businesses in Africa to help them grow and sell more food, diversify their income and their diets, and make their livelihoods more sustainable and resistant to external shocks.

Vision, mission and values

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

Our core values are:

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

Strategic objectives

Our primary strategic objectives are to:

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

Activities

Our primary client targets are poor and vulnerable rural communities in sub-Saharan Africa, with particular focus on Benin, Burkina Faso, Ethiopia, Ghana, Kenya, Malawi, Uganda, Tanzania, Togo and Zambia. In addition, we support key initiatives in Rwanda and The Gambia.

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

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

Report of the Directors

for the year ended 31st December 2015 (contd.)

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

Achievements and performance

2015 was the first full year of Gorta-Self Help Africa as a merged entity following the 2014 merger.

Gorta's strong partner network and unrestricted funding base together with Self Help Africa's institutional funding relationships and local country teams gelled in the second half of 2014 to become one of the key international development organisations working though agriculture in sub-Saharan Africa. Due to the presence, greater recognition and active registration of Self Help Africa country teams and their stronger relationships with local government and institutional donors, the Self Help Africa name will continue to be used on the ground in Africa, the UK and USA.

Overseas programmes

Our overseas programmes went from strength to strength in 2015. Summary information on the key events in our countries of operation are set out below.

ETHIOPIA

The strong El Niño phenomenon has contributed to drought in Ethiopia significantly limiting agricultural and pastoral potential, and straining local livelihoods. 10.2 million people are in need of emergency food assistance. The poor main Meher/Kirmet rains have affected most of our project areas and the impact will be felt more strongly in 2016 and into 2017, due to the shortage of seed for planting in the next season. The introduction of improved seed varieties, innovative tools and training on climate-smart agriculture in our project interventions have helped to lessen the impact of the drought on our farmers as evidenced by smaller reductions in yields compared to non-beneficiaries in our project areas. In the Oromia region, average yields in our project areas were over two and a half times those seen in non-project areas.

To strengthen farmer seed producer and other cooperatives, GSHA has supported the construction of six stores, and provided different pre-and post- harvest farm implements such as tractors, seed cleaning machines, threshers, etc. on a cost-sharing basis. Under the STAR project, yields of target crops range from double to triple the figures recorded at the start of the programme. Our Rural Savings & Credit Cooperative (RuSACCO) programme continues to promote higher levels of financial inclusion, helping rural families to access credit with which they can develop enterprise and income-generating opportunities. We have supported a total of 324 SACCOs and their 42,138 members (24,605 of whom are women). As an example of the scale of our seed multiplication and enterprise work, the Edget farmers Seed Production and

Report of the Directors

for the year ended 31st December 2015 (contd.)

Marketing cooperative (ESPM Union) is the first community-based formal seed producer cooperative of its kind in Ethiopia. Since 2012, ESPM Union has increased its activity from meeting 15% of wheat seed demand in the SNNPR to meeting 25% of the demand in 2015.

Our Climate-Smart Agriculture programme, undertaken in conjunction with SOS Sahel, Farm Africa and Vita covering 15 districts is working towards increasing productivity and incomes, enhancing resilience of livelihoods and reducing agriculture's contribution to climate change. The positive outcomes at this early stage of the programme are very encouraging.

ERITREA

GSHA allocated €75,000 (the first tranche of a total of €150,000) to Vita this year for a two-year potato project in Eritrea which is piloting a system for producing quality seed. In 2015, 28 tonnes of seed were imported from Irish Potato Marketing Limited and were distributed to 28 farmers for replication. Training was provided to 128 farmers and improved storage capacity for new seed was constructed. Teagasc, the Irish agriculture and food development authority, is providing technical support to Vita and the Eritrean Ministry of Agriculture.

KENYA

The Kenya programme operates on the fringes of arid and semi-arid lands where the effects of climate change are acutely experienced by smallholder farmers and their families. Unreliable rainfall patterns and prolonged dry spells are common and 2015 was no exception, resulting in low yields in these areas. The country experienced moderate rainfall in the early part of the year and El Niño rains towards the end of the year. Heavy rains led to a number of problems including landslides and mudslides. These rains led to destruction of food storage granaries and the death of cattle and thus affected food security in many areas and increasing risk of vulnerable groups sliding into acute malnutrition. The rains, however were beneficial for many of our smallholder farmers in western Kenya.

The programme continues to focus on climate-smart agriculture, drought-tolerant crops and diversified agriculture to ensure smallholder farmers become increasingly resilient to shocks. We supported 3,159 dairy farmers in Keringet County to bulk and chill their milk and market their produce through two major dairies. Total turnover for Keringet Foods Limited exceeded €1.4 million. Another element of the programme focuses on value addition for cassava, a valuable drought-tolerant crop in Kenya. Working with a partner in Homa Bay county, Rheal Solutions, the cassava project resulted in increasing farmers' yields by 30%.

MALAWI

2015 was particularly difficult due to the El Niño phenomenon, which led to severe droughts in southern and northern areas of Malawi. Due to the poor performance of the tobacco and tea industries, on which the economy is heavily dependent, the Malawian kwacha devalued by 60% over the course of the year. The cost of living had increased accordingly with inflation running at a high of 25%. With the country experiencing a maize deficit, the price of maize increased significantly.

Kedija Ahmedin, Berssa village,
Near Butagira, Ethiopia.

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for the year ended 31st December 2015 (contd.)

In order to reduce the impact of El Niño and poor crop performance on the communities we are working with, we distributed seed for pigeon pea and, in partnership with the International Potato Centre, sweet potato vines for winter cropping. We have also increased the number of activities targeting affected communities to further diversify their production and income base. Business training to seed producer groups in Chitipa saw farmers achieve profit margins of between 50% and 400% due to improved grading and packaging of their soya and bean seed while groundnut farmers reported increases in income of 46%.

As part of our work on resilience, through the Discover project, we have promoted conservation agriculture and in 2015 have witnessed the number of participants doubling from 1,228 to 2,087 (1,320 males, 767 female) from the previous year. Conservation agriculture involves soil management practices that minimise the disruption of the soil's structure, composition and natural biodiversity. It has proven potential to improve crop yields, while improving the long-term environmental and financial sustainability of farming. Our programme led to a total of 158.8 hectares of land being farmed using these techniques. While the Agriculture Production Estimates Survey has seen an average decrease in maize production by 6.5%, GSHA supported farmers implementing conservation agriculture practices, saw increases in production of 8%. We will use this evidence to encourage increased uptake of these methods across our areas of intervention.

We expanded our collaboration with Human Network International (HNI), Airtel Malawi, Ministry of Agriculture and Food Security on mobile on-demand agriculture extension, which has an estimated 300,000 registered users. The service includes information on best practice production techniques for crops including maize, groundnuts, soybeans, dairy production, pigeon peas, common bean, cassava, chicken, cowpeas as well as husbandry techniques goats and other livestock. GSHA is a leading member of the National Agriculture Content Development Committee that develops appropriate content for dissemination in mobile form accompanying this service.

At the 2015 Seed Traders Association of Malawi (STAM) annual conference, SHA Malawi received an award for our valuable contributions towards the development of the seed industry in capacity building of farmers, in production of certified seed, seed value chain development, stakeholder collaborations and policy advocacy.

RWANDA

We worked in partnership with the Medical Missionaries of Mary on the concluding phase of the Kirambi Community Health and Development Programme. This involved increasing farmer production and co-operative development for bulking, storing and marketing of produce.

UGANDA

In 2015, Uganda experienced good rains in the two major growing seasons. Communities where we work experienced bumper harvests during the first season. However, due to more rain and a longer rainy period than normal in the second season, they experienced crop losses due to flooding. A pilot project on crop insurance saw a pay out to farmers who were able to demonstrate that they had applied good agronomic practices meaning that despite poor harvests, they have money to reinvest in inputs for the next agricultural season. The Ministry of Agriculture Animal Husbandry and Fisheries has continued without an effective extension service after the restructuring of the National Agriculture Advisory Service. This restructuring has continued to affect our plant clinics' operations as there are few extension staff to carry on with the programme. GSHA is part of an advisory committee to the government on what a reformed extension service should look like. Our efforts to scale-up plant clinic operations in the five districts of Bukedea, Ngora, Kumi, Kayunga and Nwoya continued and the 287 plant clinics sessions enabled 4,669 smallholder farmers to receive advice on diagnosis and treatment of a variety of crop diseases.

In the USAID-funded Community Connector programme, SHA continued working through 34 agricultural service providers. The programme seeks to reduce poverty and under-nutrition through integrated nutrition and livelihood interventions at community and household level. We have implemented six livelihood options: beekeeping, Irish potato seed production, onion production, passion fruit production, community poultry vaccination and goat breeding. Adoption of newly introduced technologies has steadily increased reaching a level of 85% by the end of 2015. A study on the potato value chain, commissioned by GSHA found that a unit increase in the acreage of land owned by a household, significantly reduced the threat of food insecurity by 9.5%. Access to a large piece of land allows households to grow a number of crops at relatively large scale resulting into higher output and reduction of risk arising from seasonal crop failures. Similarly, ownership of livestock was found to reduce a household's food insecurity level by 29.5%.

In the Community Economic Empowerment project, we continued to work with our partner AFARD using the lead farmer approach to improve agricultural extensions systems, expand access to improved inputs and facilitate market access. In our crop insurance scheme piloted in 2014, the number of participant farmers increased by over 200% in 2015. This demonstrates great potential for crop insurance products to be a strong programme intervention across a number of projects in the future.

TANZANIA

We continued to work with our partner SARI in their programme for the enhancement of food security for smallholder farmers in drought prone areas. This involved the establishment of irrigation facilities and the implementation of different soil management options in resolving hardpan problems in the targeted areas.

WEST AFRICA

In Burkina Faso, 2015 was a challenging year politically, with a transitional government put in place to lead the country to democratic elections. The year was characterised by recurrent tensions between the Regiment de Sécurité Présidentiel (RSP) and the transitional government. This culminated in a failed coup in September by General Gilbert Diendéré, leader of the RSP, less than a month before the presidential election. The coup lasted for two weeks and elections went ahead without major incident

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on the 29th November with the new democratically elected president sworn in on the 29th December. April 2015 saw presidential elections being held in Togo with the re-election of Faure Gnassingbé for his third consecutive term.

Rains across the countries covered by the programme started and finished much later than normal and were relatively good, allowing good harvests in the areas we work in. The harvests of the mains crops (sorghum, millet, maize, rice, sweet potato, soya, cassava and cow peas) started in October and continued in November. The Ministry of Agriculture in Burkina Faso communicated a total harvest of 4,535,939 tonnes of cereals for the 2015-2016 period. This represents a fall of 1.49% compared to the 2014-2015 agricultural season. At the end of 2015, fifteen out of forty-five provinces in Burkina Faso are considered to be in deficit. Among those, five are targeted by our programme. The government planned to implement a resilience plan and to support counter season agriculture as a mechanism to address to the deficits.

In Togo, harvests across the country are perceived to be generally good in spite of the late start to the rains which didn't allow farmers to plant early millet. In spite of the challenges regarding the late arrival of the rains in northern Togo, seed multipliers still achieved good results in terms of yield as a result of increased organisational capacity and new skills learned by farmers in relation to the cropping cycle. Yields for sorghum increased by 21% in 2015 while soya yields increased by 44%.

In our EU-funded WATSAN project in Burkina Faso, the promotion of EcoSan latrines is beginning to show very encouraging results. The households using the latrines have obtained an average of 1,000 litres of hygienised urine to fertilise their maize in their homestead farm used as demonstration plots. As a direct result, farmers who applied the urine directly to maize saw an average increase in productivity of 46%, while farmers who used a combination of urine and compost saw an average increase of 150%. We will use this evidence to continue the promotion of these types of latrines across our districts of operation and to promote our work with the EU.

In Benin, we are working to bring about a 25% increase in cashew production yields with 2,500 smallholder farmers working in this sector. We are supporting the strengthening of community-based extension services and providing assistance to farmers in value chain development. Farmer cooperatives are being assisted in training in operational and financial management and by linking them to micro-finance institutions. We are partnering with private sector processors and buyers Tolaro Global and Intersnack and with the African Cashew Initiative to support famers in quality control and ensuring they have a ready market for their crops.

Our work in Ghana involved training cashew farmers on increasing production of quality cashew nuts and empowering producers, with a particular focus on women, within the value chain. This programme which will benefit 25,000 smallholder farmers is being carried out in partnership with the African Cashew Alliance and funded by the Walmart Foundation. It will continue to run until the end of 2017.

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In the Gambia we concluded a programme with our partner ADWAC which saw the construction of a training and resource centre to support ADWAC's training programmes and to enhance accommodation for trainees attending courses and workshops from remote rural villages in the North Bank region of the country. This is creating a valuable impact in the provision of training in farming and life skills for farmers, youth and women for sustainable livelihoods.

ZAMBIA

In terms of economic performance, 2015 was one of the worst years in the last decade in Zambia. Inflation rose to 20% (compared to 6% between 2011-2013); a cumulative effect of poor fiscal management and declining copper prices in the last five to six years. Prices of household goods doubled, electricity tariffs increased by over 70%, and prices of some agro-inputs such as fertiliser increased by over 50%. Project budgets tied to the Zambian kwacha were also affected in terms of their ability to procure inputs at the level planned. Prolonged dry spells and drought, particularly in the eastern and southern regions contributed to reduced agriculture production volumes for small holder farmers. The importance of GSHA's training in climate-smart agriculture and increasing access to drought resistant and early maturing seed was particularly evident in this context, with farmers who practiced the recommended methods generally seeing better yields.

We continued to facilitate access to saving and loan schemes. After three years of the Improved Livelihoods for Rural Communities project, 3,271 people (80% women) have become members of Accumulated Savings and Credit Associations. This proved to be instrumental in enabling members to increase their incomes with almost two thirds of members taking a business loan to invest in micro enterprises such as bakeries, small shops and selling second hand clothes. The loans ranged from €2.50 to €200.

At the midway point of the five-year Irish Aid Local Development Programme, significant improvements in food security are being recorded, with 67% of beneficiary households now having access to sufficient food throughout the year, up from 57% in 2013. This broad ranging programme covers a number of interventions across 16,000 households in Northern Province. Support is being provided to local farmer producer groups to increase production of crops, poultry, goats and fish farming. The local government structures are also being supported in identifying community-initiated projects and delivering capacity building training.

Advocacy

In 2015 Gorta-Self Help Africa engaged in a number of policy and advocacy initiatives in Ireland, Africa and globally. Key highlights include:

IN IRELAND:

Work on Climate-Smart Agriculture (CSA). Through the chairing of the Dochas Livelihoods, Food and Nutrition Security Working Group we led the sector in the development of a consultation paper on CSA which was shared with the Irish Government and other stakeholders to inform related technical positions.

Rose Mutai is involved in a biogas project in Semoi Village, Bomet County, Kenya.

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The paper was launched at the Institute of International and European Affairs in May 2015. We subsequently obtained membership in the Irish Aid-led Climate Change and Development Learning Platform, and contributed to some working documents of the Global Alliance on CSA.

IN AFRICA:
Influencing sector reform. Engagements continued in all our programme countries for policy revision in areas of climate-smart agriculture, seed sector development, biotechnology and biosafety, forestry, wetland management, and value chain development.

AT INTERNATIONAL LEVEL:
Contributions to the formulation of the new global agenda for development (Agenda 2030 and Sustainable Development Goals -SDGs), a UN-led process. We contributed to all stages of the negotiations (written and verbal submissions), worked closely with Irish Aid ahead of every UN session they attended and participated in the SDGs Summit which adopted a new agenda for global sustainable development (Agenda 2030). During the same week of the Summit, we took the opportunity of being in New York to present our Resilience Programming Framework at the Third International Conference on Sustainable Development (Columbia University, NY).

Partnerships

We recognise that we cannot achieve our vision on our own. It can only be achieved through developing and working in long term partnership with local and national government, local communities, other organisations, businesses and individuals who have complementary skills to our own. Meaningful partnership is central to our approach.

We seek to collaborate with like-minded organisations in order to implement our work with a greater number of communities, add complementary interventions to partners' ongoing programmes and as a result increase opportunities and to bring improved food and nutrition security to the areas in which we work. It 2015 we worked with a range of Irish organisations such as Concern Worldwide, GOAL, Vita, Value Added in Africa, Traidlinks among others, both in Ireland and in Africa to this end. Towards the end of the year we embarked on a strategic alliance with Concern Worldwide which will see our organisations work more closely in a number of areas such as climate-smart agriculture, implementing GSHA models in fragile states, development education and staff development. We anticipate this alliance to be of significant benefit to both organisations.

Our partnership with Farm Africa in our DFID funded Programme Partnership Arrangement (PPA) had another successful year with joint work implemented on private sector engagement, input subsidies, human resources and resilience. Our joint PPA extension bid was successful (for April - Dec 2016). The PPA is scheduled to end in December 2016 but having established a strong foundation, we anticipate collaboration between the organisations to continue into the future.

We raise funds through a wide range of sources. We are

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indebted to Irish Aid, the UK Department for International Development, Terrafina Micro-finance and the Irish League of Credit Unions Foundation, a range of other trusts and foundations and the public for their generosity in supporting our work. The Big Lottery Fund and Jersey Overseas Aid Commission are major funders of the work of Self Help Africa UK and their support over the years has been invaluable.

The network of volunteers across our retail and community fundraising infrastructure has been a source of great strength and resilience over the years – this is an infrastructure we would like to maintain and develop in the years ahead.

Development Education

In 2015, Gorta-Self Help Africa's Development Education programme continued to focus on the core elements of school workshops; community development education engagement; special projects and networks & awareness.

We have achieved more in-depth engagement with schools in our programme by delivering a suite of themed workshops to each school, on topics central to our work including: 'Agriculture and Poverty Eradication,' 'Coping with Climate Change,' 'Gender Equality' and 'The role of Ethical Trade in Ending Poverty' with presentations by technical members of our staff to bring learning generated from our country programmes. Over the last four years we have extended the scope and the reach of our Development Education programme by more than doubling the number of schools receiving workshops. In 2015, there were approximately 150 school visits delivering an estimated 450 workshops to upwards of 8,000 students. The programme is delivered both by two dedicated staff within the organisation, and a network of six outreach workshop facilitators based in various locations around the country.

On community engagement we are piloting a programme of community-based Development Education engagement. This pilot is being undertaken in the north-west and is carried out in collaboration with Donegal VEC and with the Inishowen Community Development Partnership. FETAC level 4 and 6 Development Education modules have been delivered to community and organisational leaders. We are also working closely on Development Education awareness training with Donegal County Council in a model that we plan to replicate with other county councils throughout the country.

In regard to special projects, we are sponsors of the BT Science for Development Award at the BT Young Scientist Exhibition. This work is carried out in conjunction with World Wise Global Schools. The award acknowledges school projects that seek to address challenges affecting communities we work with in our country programmes. We also organise school study visits to Africa each year. Recent visits have taken upwards of 30 students and teachers on week-long visits to our projects in West Africa, Ethiopia and Uganda. On their return, participating students and teachers give presentations in their schools and communities with several students going on to study

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development courses in college on leaving school.
We are also involved in a number of Development Education networks in Ireland. These include contributions and support to the Development Education.ie online resource, membership of IDEA, the Irish Development Education Association, and Inishowen Development Partnership. At a schools level we also work closely with a number of other Development Education providers to support the delivery of workshops amongst schools networks during the school year, collaborating with One World Centres and with Trócaire and Concern Worldwide on these presentations. We continue to engage with student teachers during themed Development Education weeks in National University Ireland, Maynooth, National University of Ireland Galway and Dublin City University.

The Irish Aid-funded WorldWise Global Schools (WWGS) programme, which Gorta-Self Help Africa manages as part of a consortium with Concern Worldwide and the City of Dublin Education & Training Board Curriculum Development Unit, had another successful year in 2015. The programme has, to date, disbursed 295 grant awards (to schools, school networks and development education NGOs) to a cumulative value of €1,745,997. A further cycle of grant disbursements is scheduled for the summer of 2016, following the most recent grant call, under which WWGS received its highest number of funding applications to date.

WWGS event highlights in 2015 included the second WWGS Annual Conference, which was held in the Aviva Stadium in April and focused thematically on The World We Want, and catered to 331 participants, including 66 teachers. WWGS also hosted, later in the year, a highly successful 2-day Teacher Training Residential in October, which attracted 100 teachers.

The Global Passport Award continued into its second year of operation as a quality standard for schools' development education. It was awarded to 64 schools this year (almost double the number of awards granted in the previous year), and continues to be used as a key planning and audit tool in school settings.

Partner Africa

The Gorta-Self Help Africa subsidiary, Partner Africa is an international not-for-profit social enterprise and a pioneer in the field of ethical and socially responsible business practice that delivers high quality and innovative ethical trade services and trade development projects across Africa and the Near East.

During 2015, while activity was at a similar level to 2014, Partner Africa continued progress in improving structures and systems to drive growth for the future. It continued to maximise its impact on improving the livelihoods of workers and producers in the African supply chain through its ethical trade and audit services and increasing its number of trade development projects. Its work in engaging with private sector enterprises is indicative of the direction in which the Gorta-Self Help Africa group is moving to improve the lives of African farmers.

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TruTrade

In 2015, Gorta-Self Help Africa supported Kenya based social enterprise TruTrade. TruTrade's aim is to unlock the potential of African agribusiness to give smallholder farmers a fairer share of the value of their produce.

TruTrade provides a secure trading and payment service for managing the aggregation of produce. This service links small scale farmers to buyers with controls that enforce quality and transparency and embeds trust along the value chain. The result is efficient and reliable sourcing for buyers, business opportunities in rural communities and a better deal for farmers. In 2016, GSHA will take an equity stake in this enterprise to demonstrate its commitment to TruTrade's success.

Financial review

The financial results are set out in the Consolidated Statement of Financial Activities on page 68. The board are happy that the organisation is in a strong financial position at the end of 2015 and that the objectives set out in the 2011-2015 Strategic Plan have been achieved.

Unrestricted reserves at 31st December 2015 stand at €9.03M and are in accordance with the reserve policy of maintaining reserves of at least the equivalent of 12 months recurring unrestricted expenditure. A relatively conservative policy has been adopted in light of the current economic climate, however the Audit Finance and Risk Committee review the appropriateness of the policy on an annual basis. Key financial indicators for the year are:

- Total unrestricted income received during the year ended 31st December 2015 amounted to €9.05M.
- Total voluntary funds raised in Ireland during 2015 amounted to €4.5M and represents 25% of total consolidated income.
- €3.21 was raised for every €1 spent on fundraising.

Overall income levels for the year totalled €18.2 million, an increase of 10% on 2014.

There was a net decrease in funds of €2,020,000 in the year which is allocated €1,235,000 decrease in unrestricted funds and €785,000 decrease in restricted funds. The total unrestricted funds balance of €9.03 million at year end reflects a strong financial position for the organisation.

Going concern

The directors 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 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.

Structure, governance and management

STRUCTURE

Gorta (trading as Gorta-Self Help Africa) is the parent company of the group.

Issouf Kabre, Kulkinka village,
Burkina Faso.

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Self Help Africa has been a dormant company since the merger of Gorta and Self Help Africa in 2014 and is a subsidiary of Gorta. Both Gorta and Self Help Africa are companies limited by guarantee and registered in Ireland. Gorta is the sole member of Gorta UK and Self Help Africa UK and Self Help Africa is the sole member of Partner Africa. Gorta UK, Self Help Africa UK and Partner Africa are independent charities and companies limited by guarantee, registered in the United Kingdom.

Each of the group companies is a registered charity in its own jurisdiction. Gorta UK is a registered charity with the Office of the Scottish Charity Regulatory under registration number SC 272970. Self Help Africa UK is a registered charity with the Charity Commission for England and Wales under registration number 298830. Partner Africa is a registered charity with the Charity Commission for England and Wales under registration number 1144815. Gorta-Self Help Africa's charitable activities in the developing world are carried out in association with each of the group companies. Gorta-Self Help Africa was established as a legal charitable entity in the Republic of Ireland in 1965 and its governing document is the Memorandum and Articles of Association (most recently amended in July 2014).

GOVERNANCE

The board is committed to maintaining the highest standards of corporate governance and has determined that Gorta-Self Help Africa must comply with the basic principles outlined in the "Irish Development NGOs Code of Corporate Governance" (as produced by the Corporate Governance Association of Ireland; partnered with Dóchas). Over the course of the year, the organisation has put in place the systems and structures to ensure that we are fully compliant with this code. As part of the pursuit of the highest standards in governance, an effective board and a competent executive management team head the organisation. There is a clear distinction between the roles of the board and the management team to which day-to-day management is delegated. The management team prepares matters for consideration and approval by the board e.g. annual budgets, policy papers. The board then monitors their implementation.

On areas such as strategic planning, there is board involvement at all stages of preparation and ultimate approval is the responsibility of the board.

The board met on twelve occasions in 2015 (eleven in 2014). The board membership is set out on page 40.

New directors receive background and explanatory materials covering the nature and purpose of Gorta-Self Help Africa to enable them to familiarise themselves with their duties and responsibilities, the Gorta-Self Help Africa governance framework and its work overseas. Any relevant training requirements of directors are facilitated by the organisation.

As a signatory to the Dóchas Code of Conduct on Images and Messages, Gorta-Self Help Africa reaffirms its commitment to best practice in the communication of images and messages in all our public policy statements.

As a signatory to the ICTRG Guiding Principles for

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Fundraising, Gorta-Self Help Africa confirms its commitment to its code of practice for fundraising in all forms.

Gorta-Self Help Africa is grateful for the work of many people in making the achievements of the past year possible. Our volunteers, partners, donors, boards of directors, trustees, subcommittees and members have all played valuable and important roles, and we are grateful to each for their support and commitment. The public have been very generous in providing gifts in kind, particularly donations of items for resale through our network of charity shops in Ireland.

Board sub-committees

AUDIT, FINANCE AND RISK COMMITTEE

The function of the Audit, Finance and Risk Committee is to review internal financial controls, treasury and risk management processes. It liaises with external auditors and reports directly to the Board. It meets on a regular basis to monitor and review the financial performance of the organisation, internal and external audit findings, management information systems and internal control systems. It provides independent oversight of the annual budgets, management and statutory accounts and makes recommendations to the Board where relevant. The members of the committee in 2015 were David Governey (current Chair), Paula Murray, James Wyse, Colm Dennehy, Michael Butler and Chris McDonald. David Martin, the former chair of the committee, stepped down from the committee in October giving over eight years of valuable service. The committee met three times in 2015 (five times in 2014).

PROGRAMME REVIEW COMMITTEE

This committee oversees the quality and depth of programme performance on behalf of the board and provides advisory support for management on the development and delivery of programmes. In particular, it has the following delegated responsibilities:

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

The members of the committee are Pat Murphy (current Chair), Bob Sherriff, Joe Phelan, Anne Fitzgerald, Martin Flatley, Prof Adrian Wood, Prof Michael Mortimore, Val Ponder and Dr James Copestake. John Geraghty and Fiona Meehan also served on this committee in 2015. The committee met four times in 2015 (six times in 2014).

FUNDRAISING, COMMUNICATIONS AND ADVOCACY COMMITTEE

This committee has responsibility for reviewing and advising the board on the three key functions of fundraising, communications and advocacy. Its function is to ensure these functions are carried out in accordance with

Mekides Deyu, daughter of farmers Teje Debele and Deyu Teka, Nisir Tirign Village, Abichu Gma'a District, Ethiopia.

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for the year ended 31st December 2015 (contd.)

board approved policies and that they are consistent with the agreed strategic direction of the organisation as set out in the strategic plan.

REMUNERATION COMMITTEE
The function of the Remuneration Committee is to devise and recommend remuneration policy to the board for all Gorta-Self Help Africa staff.

NOMINATIONS COMMITTEE
The function of the recently established Nominations Committee is to facilitate the ongoing process of board renewal, making recommendations to the board and membership having identified skills gaps and appropriate and willing members who would have the potential to fill such gaps. All new directors to be co-opted to the board must go before the membership for election at the following AGM.

Risk management and internal controls

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

Management prepares a risk register which is updated regularly and subject to detailed half-yearly reviews by the board. The directors regularly review and adopt policies and procedures that are consistent with best practice and monitor the implementation of these policies through the Audit, Finance and Risk Committee. During the year new policies on reserves and treasury management were reviewed by the committee and approved by the board.

The internal control systems aim to ensure compliance with laws and policies, ensure efficient and effective use of Gorta-Self Help Africa's resources, safeguard Gorta-Self Help Africa's assets and maintain the integrity of financial information produced.

Financial information is subject to detailed review at director level allowing for continuous monitoring of Gorta-Self Help Africa's operations and financial status. Each of our field offices is subject to an annual audit by independent external auditors, in addition to periodic internal audit review.

Management and staff

We appreciate and acknowledge the role played by Gorta-Self Help Africa's staff, based in Ireland, the UK and in Africa. The ongoing growth of the organisation's work is due to their dedication and commitment.

We are committed to the development of our staff and will continue to allocate resources annually towards a comprehensive training and development programme. Gorta-Self Help Africa is an equal opportunities employer and we recognise the need to ensure we have high calibre staff and volunteers to achieve our vision and objectives.

Gorta-Self Help Africa is committed to managing and conducting its work activities in such a way as

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for the year ended 31st December 2015 (contd.)

to ensure - so far as is reasonably practicable - the safety, health and welfare at work of its employees and volunteers. The Safety Statement, in accordance with Section 20 of the Safety, Health and Welfare at Work Act 2005, outlines the policy of Gorta-Self Help Africa in relation to the management of health, safety and welfare. Gorta-Self Help Africa management continuously monitors compliance in line with legislative requirements.

Future developments

A new strategic plan covering the period 2016 to 2020 has been prepared and was approved by the board in December 2015. The plan is the result of a detailed review of our past and ongoing activities, the needs of the communities in which we work, documentation of lessons learned and mapping out of or operations for the years ahead to ensure we allocate the charity's resources to best effect. The main strategic direction set out in the plan is to continue the work we are doing with smallholder farmers in existing countries of operation but building in a market based approach with a focus on co-operative and enterprise development. In addition, we intend to continue to implement our traditional programme model and expand it to more fragile states and poorer areas of our existing countries of operation.

Events since the financial year end

There have been no significant events effecting the group since the financial year end.

Political contributions

The group did not make any political contributions in the financial year (2014 - €nil).

Accounting records

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Kingsbridge House, 17-22 Parkgate Street, Dublin 8.

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Directors and Secretary

The directors and secretary, who served at any time during the financial year except as noted, were as follows:

Directors:

Mr. Tom Kitt (Chairman)
Mr. Seán Gaule
Ms. Carmel Fox
Mr. Tom Kirley
Mr. Pat Murphy
Mr. Jeremy Woolwich
Mr. Michael Hoevel
Mr. Paul Adams
Mr. David Governey (Appointed 15 October 2015)
Ms. Deirdre Fox (Resigned 28 May 2015)
Mr. Brian Kehoe (Resigned 25 August 2015)
Prof. Denis I. F. Lucey (Resigned 25 August 2015)
Mr. Tom Corcoran (Resigned 25 August 2015)
Mr. Teddy O'Mahony (Resigned 25 August 2015)
Prof. Adrian Wood (Resigned 25 August 2015)
Ms. Helen Brophy (Resigned 8 September 2015)
Mr. David Martin (Resigned 15 October 2015)
Ms. Paula Murray (Resigned 10 December 2015)
Mr. John Carroll (Resigned 10 December 2015)

Secretary: Mr. Malachy Cardiff

Auditors

The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the directors and signed on their behalf by:

Tom Kitt
DIRECTOR

David Governey
DIRECTOR

Date: 23 May 2016

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Parent Company and the group Financial Statements and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the 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 company's website.

Florence Nyambura, Haraka
Village, Nakuru County, Kenya.

Independent Auditors' Report

to the members of Gorta t/a Gorta-Self Help Africa

We have audited the financial statements of Gorta for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 37. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Consolidated Financial Statements for the financial year ended 31 December 2015 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditors’ Report

to the members of Gorta t/a Gorta-Self Help Africa (contd.)

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and of the company as at 31st December 2015 and of the group’s net incoming resources for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors’ report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors’ remuneration and transactions specified by law are not made.

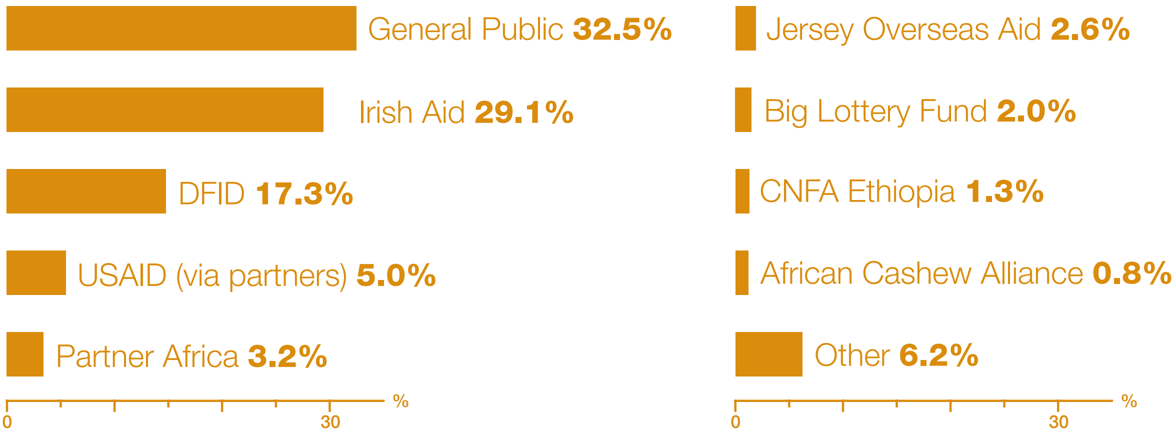
Marguarita Martin

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

Date: 3rd June 2016

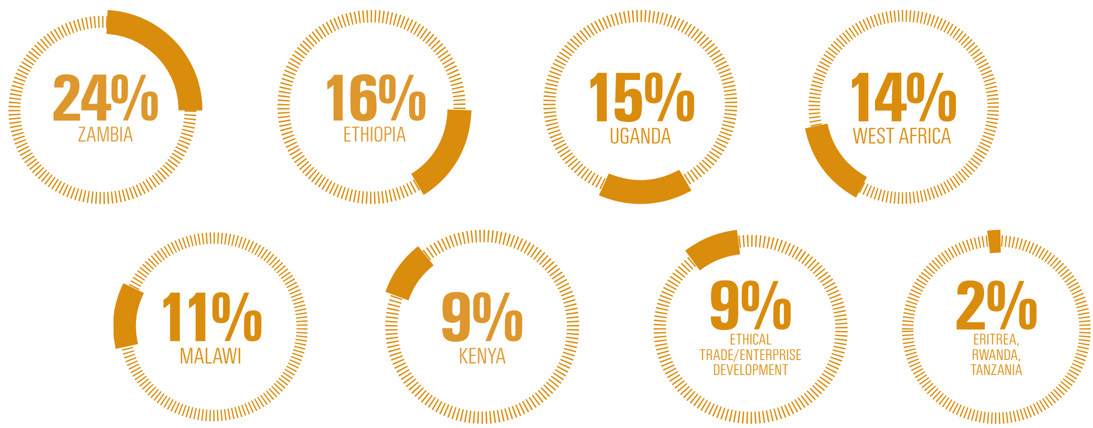
2015 in Figures

Our donors in 2015



Our charitable expenditure in 2015

Our programme spend in 2015




87%
PROGRAMMES

Consolidated Statement of Financial Activities for the year ended 31st December 2015

	Notes	2015 Restricted Funds €	2015 Unrestricted Funds €	2015 Total €	2014 Restricted Funds €	2014 Unrestricted Funds €	2014 Total €
INCOME FROM							
Donations and legacies	3	**132,548**	**4,144,095**	**4,276,643**	294,134	4,055,674	4,349,808
Charitable activities	4	**8,893,029**	**2,796,269**	**11,689,298**	7,983,369	2,109,734	10,093,103
Retail income	9	**-**	**910,957**	**910,957**	-	852,365	852,365
Other trading activities	5	**116,295**	**1,120,897**	**1,237,192**	-	1,014,191	1,014,191
Other	6	**-**	**80,939**	**80,939**		183,735	183,735
Total		**9,141,872**	**9,053,157**	**18,195,029**	8,277,503	8,215,699	16,493,202
EXPENDITURE ON							
Charitable activities	7	**9,950,762**	**7,897,849**	**17,848,611**	8,744,151	4,976,580	13,720,731
Raising funds - Retail	9	**-**	**896,014**	**896,014**	-	852,659	852,659
Raising funds - Other	8	**-**	**1,568,034**	**1,568,034**	-	1,491,276	1,491,276
Total		**9,950,762**	**10,361,897**	**20,312,659**	8,744,151	7,320,515	16,064,666
Net (expenditure) / income	**11**	**(808,890)**	**(1,308,740)**	**(2,117,630)**	(466,648)	895,184	428,536
Other recognised gains	12	**23,318**	**62,023**	**85,341**	20,204	60,708	80,912
Taxation	13	**-**	**11,741**	**11,741**	-	11,766	11,766
Net movement in funds	**32**	**(785,572)**	**(1,234,976)**	**(2,020,548)**	(446,444)	967,658	521,214
RECONCILIATION OF FUNDS							
Total funds brought forward	32	**1,418,906**	**10,262,748**	**11,681,654**	1,865,350	9,295,090	11,160,440
Total funds carried forward	**32**	**633,334**	**9,027,772**	**9,661,106**	1,418,906	10,262,748	11,681,654

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.

Consolidated Balance Sheet as at 31st December 2015

	Notes	Total 2015 €	Total 2014 €
Fixed Assets			
Tangible assets	17	**152,395**	224,503
Investments	18	**-**	42,855
Goodwill	19	**-**	43,851
		152,395	311,209
Current Assets			
Short term investments	20	**147,997**	117,635
Cash at bank and in hand	21	**9,203,186**	11,532,232
Debtors	22	**1,435,913**	1,232,041
Stocks		**3,518**	2,811
		10,790,614	12,884,719
Creditors: Amounts due within one financial year	23	**(1,111,248)**	(1,245,600)
Net current assets		**9,679,366**	11,639,119
Total assets less current liabilities		**9,831,761**	11,950,328
Creditors: Amounts falling due after one financial year	24	**(164,913)**	(204,492)
TOTAL NET ASSETS		**9,666,848**	11,745,836
FUNDS OF THE CHARITY			
Accumulated funds – restricted	32	**633,334**	1,418,906
Accumulated funds – unrestricted	32	**9,027,772**	10,262,748
Acquisition Funding Reserve	33	**-**	56,210
Deferred Capital Grants	34	**5,742**	7,972
		9,666,848	11,745,836

The financial statements were approved and authorised for issue by the Board of Directors on 26 May 2016 and signed on its behalf by:

Tom Kitt
DIRECTOR

David Governey
DIRECTOR

Company Balance Sheet as at 31st December 2015

	Notes	Total 2015 €	Total 2014 €
Fixed Assets			
Tangible assets	17	**120,968**	193,979
Current Assets			
Short term investments	20	**147,997**	117,635
Cash in bank and at hand	21	**8,320,9254**	10,283,795
Debtors	22	**933,852**	1,259,623
		9,402,774	11,661,053
Creditors: Amounts falling due within one financial year	23	**(860,463)**	(952,624)
Net Current Assets		**8,542,311**	10,708,429
Total Assets Less Current Liabilities		**8,663,279**	10,902,408
Creditors: Amounts falling due after one year	24	**(164,913)**	(204,492)
TOTAL NET ASSETS		**8,498,366**	10,697,916
FUNDS OF THE CHARITY			
Accumulated funds - restricted	32	**355,342**	1,066,243
Accumulated funds - unrestricted	32	**8,137,282**	9,631,673
Deferred capital grants	34	**5,742**	-
		8,498,366	10,697,916

The financial statements were approved and authorised for issue by the Board of Directors on 26th May 2016 and signed on its behalf by:

Tom Kitt

Tom Kitt
DIRECTOR

David Governey
DIRECTOR

Consolidated Cash Flow Statement for the year ended 31st December 2015

	Notes	Total 2015 €	Total 2014 €
Cash flows from charitable activities			
Net cash used in charitable activities	30	**(2,400,754)**	(2,841,178)
Cash provided by investing activities			
Interest received	6	**80,939**	183,735
Proceeds from disposal of tangible fixed assets		**-**	684
Purchase of tangible assets	17	**(56,183)**	(133,794)
Proceeds on disposal of financial investments		**46,952**	-
Net cash provided by investing activities		**71,708**	50,625
Change in cash and cash equivalents in the reporting year	30	**(2,329,046)**	(2,790,553)
Cash and cash equivalents at the beginning of the reporting year		**11,532,232**	14,322,785
Cash and cash equivalents at the end of the reporting year		**9,203,186**	11,532,232
Reconciliation to cash at bank and in hand:		-	-
Cash and cash equivalents at end of financial year		**9,203,186**	11,532,232

Notes to the Consolidated Financial Statements for the year ended 31 December 2015

1. Statement of Accounting Policies

Basis of Preparation

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

Gorta (t/a Gorta-Self Help Africa) is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is First Floor, Kingsbridge House, 17-22 Parkgate Street, Dublin 8. The nature of the company's operations and its principal activities are set out in the report of the trustees on pages 42 to 61.

i. In accordance with Section 1180(8) of the Companies Act, 2014, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee and has no share capital.
ii. In prior financial years, companies not trading for gain for the members were not within the scope of company law requirements with regard to formats and content of financial statements which applied to not-for-profit companies, thus permitting the adoption of a format appropriate to a charity. Accordingly, the organisation adopted and reported its performance in accordance with the format provided for in the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" as published by the Charity Commission for England and Wales. In particular Gorta reports its performance for the financial year in the format of the SORP's Statement of Financial Activities (SOFA).

    The Charity Commission for England and Wales, is recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK, and the SORP has heretofore been recognised as best practice for financial reporting by charities in Ireland.

    The Companies Act 2014 became effective in law on 1 June 2015 and from that date applies the format and content of financial statements requirements appropriate for a company trading for the profit of its members to a company that is a not-for-profit organisation such as Gorta. This would require Gorta for example, to present a profit and loss account and report on items such as turnover, cost of sales, profit or loss on ordinary activities before taxation, along with related notes. In the view of the directors this is neither an appropriate presentation nor terminology for a not-for-profit organisation.

    In order to provide information relevant to understanding the stewardship of the directors and the performance and financial position of the charity, Gorta has prepared its financial statements in accordance with the formats provided for in the SORP consistent with the prior financial year.

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

Notes to the Consolidated Financial Statements

1. Statement of Accounting Policies (contd.)

of Recommended Practice (SORP 2015) "Accounting and Reporting by Charities", in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Financial Reporting Council, and promulgated for use in Ireland by the Institute of Chartered Accountants Ireland, effective 1st January 2015 and the Companies Act 2014. No material adjustments were required on adoption of FRS 102 in the current year. For more information see note 37.

The functional currency of Gorta is considered to be euro because that is the currency of the primary economic environment in which the company operates.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings, Self Help Africa, Self Help Africa (UK), Partner Africa and Gorta UK. The activities of all five companies are mutually interdependent.

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.

Income

i. Income from voluntary donations is recognised when received. As with many similar charitable organisations, independent groups from time to time organise fundraising activities and may operate bank accounts in the name of Gorta-Self Help Africa. However, as amounts collected in this way are outside the control of the company, they are not included in the financial statements until received by Gorta-Self Help Africa.

ii. Proceeds from the sale of donated goods are recognised in the financial statements in the period in which they are realised. Volunteer time is not included in the financial statements

iii. Grants from the government and other agencies have been included as income from activities in furtherance of the charity's objects and accounted for on a receivable basis.

iv. Legacies are included when the amount is to be received is probably and can be measured with certainty.

v. Interest income is recognised on a receivable basis.

vi. Revenue refunds in respect of tax relief on voluntary donations are recognised on a receivable basis in so far as the receivable can be established with a reasonable amount of accuracy.

Notes to the Consolidated Financial Statements

1. Statement of Accounting Policies (contd.)

i. Other income reflects income earned by Partner Africa in respect of ethical trade related assignments and is recognised on a receivable basis. Such income is deferred until such time as the assignment occurs and the related expenditure is incurred.

Expenditure

Charitable activities comprises expenditure incurred by the programme countries for the costs of the development programmes as well as costs incurred at headquarters that are directly related to the implementation of programmes. Expenditure is recognised in the period to which it relates. Expenditure incurred but unpaid at the balance sheet date is included in accruals and other creditors.

Expenditure on raising funds comprise all expenditure incurred by Gorta-Self Help Africa on raising funds for the organisation's charitable activities.

Gifts in Kind

Items donated for resale are included in shop income when sold and no value is placed on stock at the year end. Any other gifts in kind which are deemed non-material are not included in the financial statements. Gifts in kind that can be valued with reasonable confidence will be included in the financial statements.

Fixed Assets and Depreciation of Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of fixed assets is provided on cost in equal installments over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

Shop fittings:	20%
Office furniture and computer equipment:	33.3%
Motor vehicles:	33.3%

Funds Accounting

Funds held by the charity are:

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

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

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial Instruments

Financial assets and financial liabilities are recognised

1. Statement of Accounting Policies (contd.)

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 & liabilities**
All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charitable company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charitable company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

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 applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities (SOFA).

Reserves Policy

In order to secure the long term viability of Gorta-Self Help Africa and to maintain the smooth operation of the organisation, it is critical to ensure that the organisation has adequate reserves.

The level of reserves is required to cover the following activities of the organisation:

- Provide funding for sustainable programmes.
- Meet contractual liabilities such as lease agreements, statutory staff payments and payments to creditors.
- Maintain a required level of funding available for overseas programmes during times of financial difficulty where fundraising income is diminished.

Notes to the Consolidated Financial Statements

1. Statement of Accounting Policies (contd.)

- To facilitate programme/ project continuation especially where a partner submits a new or additional phase proposal in advance of the current activity being completed, in order to meet seasonal requirements (i.e. farming season) and prevent development gaps.
- Meet unanticipated expenses such as repairs and maintenance, currency variances and legal costs.
- Cover day to day expenditure of Gorta-Self Help Africa.
- Ensure there is adequate funding should any winding up costs ever arise.
- Provide for any other unanticipated expenditure of significance.

The Board may designate unrestricted reserves for specific future expenditure such as Long Term Programmes, sinking funds to cover repairs to Fixed Assets (or as required under the terms of any lease relating to premises etc.) and any other potential future requirement(s).

The board has adopted a reserves policy based on foreseeable expenditure and in particular, long-term commitments to projects. In addition, a general reserve of €7million is specifically set aside to ensure the operation of the organisation for 12 months, based on historical running costs and programme expenditure.

Investment Policy

All cash balances for planned development work are held in demand deposit accounts or short term investment accounts at the highest interest rates available at the time of investment. Long term investments acquired by donation or through merger will not be held in the long term and will be disposed of within a reasonable time frame.

Intangible Fixed Assets

Intangible fixed assets including Goodwill are stated at cost less amortisation. The asset is amortised over a period of five years which is management's best estimate of the asset's useful economic life.

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 installments.

Pension Scheme

The charity operates defined contribution schemes for employees. The assets of the scheme are held and managed separately from those of the charity by independently administered funds. The annual contributions are charged to the Statement of Financial Activities (SOFA).

Foreign Currencies

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities

Notes to the Consolidated Financial Statements

1. Statement of Accounting Policies (contd.)

denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities (SOFA).

The balances sheet for the subsidiaries are translated at the prevailing year end rates and included in the consolidated balance sheet. The statements of financial activities for the subsidiaries are translated at an average rate for the year and included in the consolidated statement of financial activities. Any exchange gains or losses arising on consolidation are recognised in the statement of financial activities.

Taxation

No charge to tax arises due to the exempt status of the Company and its subsidiaries, Self Help Africa, Self Help Africa (UK) and Gorta UK. Irrecoverable value added tax is expensed as incurred in these companies.

Partner Africa is registered as a charity and benefits from corporation tax exemptions available to charitable bodies. It is however registered for VAT in the UK and Kenya and is subject to Kenyan corporation tax.

Concessionary loans

Concessionary loans are initially recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and accrued interest as well as being adjusted if necessary for any impairment.

Onerous Contracts

Provision is made in respect of onerous contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and a reliable estimate can be made of such obligations and benefits.

Comparative Amounts

Certain comparative amounts have been reclassified, where necessary, to ensure comparability with current financial year disclosure and to ensure compliance with SORP 2015.

Notes to the Consolidated Financial Statements

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

3. Donations and Legacies

	Total 2015 €	Total 2014 €
Committed giving	**3,227,768**	3,393,918
General donations	**425,832**	485,258
Legacies	**223,708**	96,419
Church gate collections and committee income	**214,707**	230,081
Grow Fund	**148,977**	111,490
Gift Aid refunds	**35,651**	32,642
	4,276,643	4,349,808

Notes to the Consolidated Financial Statements

4. Charitable Activities

	Total 2015 €	Total 2014 €
Irish Aid	**2,469,510**	2,527,080
Irish Aid (Zambia Northern Province)	**1,607,310**	1,884,112
Irish Aid (WorldWise Global Schools)	**975,625**	775,625
Irish Aid (Ethiopia)	**247,044**	-
Department for International Development (UK) – PPA	**2,444,509**	1,784,812
Department for International Development (UK) – Other	**705,142**	655,029
FHI Uganda	**853,515**	829,719
Jersey Overseas Aid Commission	**475,374**	318,961
Canadian Government	**-**	214,506
Big Lottery Fund (UK)	**364,393**	192,344
CNFA Ethiopia	**245,401**	168,290
African Cashew Alliance	**137,288**	44,274
European Union	**133,406**	245,229
Food and Agriculture Organisation	**124,939**	39,345
Ethiopian Agricultural Transformation Agency	**124,655**	112,363
GSMA MAgri Challenge Fund/Airtel Malawi	**112,255**	-
Irish League of Credit Unions	**90,500**	58,577
Vitol Foundation	**81,628**	47,833
CRS Malawi	**75,572**	-
Millennium Challenge Account Malawi	**62,363**	-
Intersnack	**60,591**	-
FHI Kenya	**58,764**	70,625
Ministry of Agriculture & Livestock (Zambia)	**52,833**	-
African Cashew Initiative	**52,665**	-
ICCO Terrafina Microfinance	**35,000**	30,000
Tullow Uganda/Traidlinks	**25,301**	-
Energy and Environment Partnership Kenya	**20,876**	94,379
Oxfam Malawi	**16,468**	-
African Agriculture Fund - Technical Assistance Facility	**13,433**	-
Centre for Agriculture and Biosciences International	**8,102**	-
International Potato Centre	**7,466**	-
International Seed Sector Development	**7,010**	-
	11,689,298	10,093,103

Notes to the Consolidated Financial Statements

5. Other Trading Activities

	Total 2015 €	Total 2014 €
Ethical audits	**586,739**	555,977
Campaigns, events and treks	**650,453**	458,214
	1,237,192	1,014,191

6. Other

	Total 2015 €	Total 2014 €
Income from Investments	**80,939**	183,735

7. Charitable Activities

Field programme expenditure has been incurred in the following thematic areas:

	Total 2015 €	Total 2014 €
Agriculture Production	**4,083,893**	3,815,372
Agribusiness Development	**4,712,859**	2,885,595
Nutrition	**125,597**	179,827
Gender/Inclusion	**81,075**	19,173
Advocacy/Policy	**449,115**	104,085
Water, Sanitation & Health	**1,291,898**	447,860
Renewable Energy	**31,040**	27,505
Partner Capacity Building	**1,512,641**	668,816
	12,288,118	8,148,233
Development Education	**1,179,214**	1,110,052
Direct Salaries	**2,498,749**	2,220,979
Programme Support and Quality	**532,148**	308,413
Research Advocacy & Communications	**288,441**	311,915
Governance	**171,716**	543,323
Support Costs (Note 10)	**890,225**	1,077,816
	17,848,611	13,720,731

Notes to the Consolidated Financial Statements

7. Charitable Activities (contd.)

Field programme expenditure has been incurred in the following geographic areas:

	Total 2015 €	Total 2014 €
Zambia	**2,936,506**	2,594,384
Uganda	**1,798,585**	2,002,694
Ethiopia	**1,918,665**	1,632,433
Kenya	**1,156,004**	1,283,958
Malawi	**1,388,424**	1,119,606
West Africa	**1,718,074**	1,118,532
Ethical trade services/enterprise development *	**1,113,259**	909,770
Tanzania	**82,447**	264,155
Rwanda	**101,154**	40,272
Eritrea	**75,000**	-
	12,288,118	10,965,804
Adjustments**	-	(2,817,571)
	12,288,118	8,148,233

* This work is carried on in over forty countries throughout Africa.

** Adjustments relate to programme expenditure previously approved which did not proceed and liabilities previously reflected as project deferred expenditure which have now been reversed due to revised contracts with the relevant implementing partners.

8. Raising Funds - Other

Expenditure on raising funds represents fundraising costs to raise both restricted and unrestricted income. This is analysed as follows:

	Total 2015 €	Total 2014 €
Staff Costs	**722,727**	799,926
Fundraising & Promotional Expenses	**845,307**	691,350
	1,568,034	1,491,276

Notes to the Consolidated Financial Statements

9. Retail Income and Expenditure

	Total 2015 €	Total 2014 €
Turnover from donated goods	**910,957**	852,365
Less costs:		
Operating expenses	**(789,550)**	(744,397)
Management expenses	**(106,464)**	(108,262)
	(896,014)	(852,659)
Total net trading income / (expenditure)	**14,943**	(294)

Trading income represents income from the sale of donated goods through the charity's shops.

10. Support Costs

	Total 2015 €	Total 2014 €
Human resources	**156,264**	116,494
IT/Computer	**40,439**	39,944
Postage, stationery & communications	**72,461**	51,879
Premises	**197,996**	512,699
Professional fees	**121,735**	178,643
Other support costs	**172,490**	253,581
Foreign exchange loss/ (gain)	**128,840**	(75,424)
	890,225	1,077,816

Notes to the Consolidated Financial Statements

11. Net Expenditure / Income

The net (expenditure) / income for the financial year is stated after charging /(crediting):	Total 2015 €	Total 2014 €
Auditors' remuneration*	**67,363**	47,649
Depreciation	**113,169**	110,251
Amortisation of capital grants	**(16,649)**	(4,949)
Gain/(loss) on fixed asset disposal	**15,462**	(468)
Amortisation of intangible asset	**47,262**	42,577
Acquisition reserve amortisation	**(60,583)**	(54,591)

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

12. Other Recognised Gains

	Total 2015 €	Total 2014 €
Exchange gain on consolidation	**59,225**	63,868
Gain on investment assets	**26,116**	17,044
	85,341	80,912

13. Taxation

	Total 2015 €	Total 2014 €
Tax has been provided for in the Kenyan branch of Partner Africa as follows:		
Deferred tax credit	**11,741**	11,766

No charge to tax arises due to the exempt status of the Company and its subsidiaries, Self Help Africa, Self Help Africa (UK) and Gorta UK. Irrecoverable value added tax is expensed as incurred in these companies.

Partner Africa is registered as a charity and benefits from corporation tax exemptions available to charitable bodies. It is however registered for VAT in the UK and Kenya and is subject to Kenyan corporation tax.

14. Staff Costs

	Total 2015 €	Total 2014 €
Wages and salaries	**3,822,158**	3,748,813
Social welfare costs	**369,832**	345,620
Pension costs	**214,541**	182,313
	4,406,531	4,276,746

The average number of employees during the financial year was 101 (2014: 99).
No employee of the group acts as director.

The total remuneration package of the chief executive comprised salary of €112,750 (2014: €112,750) plus 6.5% employer pension contribution.

The number of employees whose salaries (excluding employer pension contributions) were greater than €60,000 were as follows:

	2015 Number	2014 Number
€60,001 – €70,000	5	5
€70,001 – €80,000	5	4
€80,001 – €90,000	2	2
€90,001 – €100,000	0	1
€100,001 – €110,000	0	0
€110,001 – €120,000	1	1

Notes to the Consolidated Financial Statements

15. Director Remuneration and Expenses

Directors are not remunerated, but are entitled to be reimbursed for out of pocket expenses incurred in the course of carrying out their duties.

16. Key Management Compensation

The total remuneration for key management personnel for the financial year amounted to €442,394 (2014: €449,162).

17. Fixed Assets

Fixed Assets - Group	Shop Fittings €	Furniture and equipment €	Motor Vehicles €	Total 2015 €
Cost				
At 1st January 2015	270,296	505,707	252,289	1,028,292
Additions	-	46,543	9,640	56,183
Disposals	(47,607)	(320,958)	(3,749)	(372,314)
Exchange gain on consolidation	-	3,536	(387)	3,149
At 31st December 2015	**222,689**	**234,828**	**257,793**	**715,310**
Depreciation				
At 1st January 2015	156,417	428,935	218,437	803,789
Charge for financial year	28,316	50,906	33,947	113,169
On disposal	(38,743)	(314,437)	(3,672)	(356,852)
Exchange loss on consolidation	-	3,183	(374)	2,809
At 31st December 2015	**145,990**	**168,587**	**248,338**	**562,915**
Net book value At 31st December 2015	**76,699**	**66,241**	**9,455**	**152,395**
At 31st December 2014	113,879	76,772	33,852	224,503

17. Fixed Assets (contd.)

In respect of prior financial year:

Fixed Assets - Group	Shop Fittings €	Furniture and equipment €	Motor Vehicles €	Total 2014 €
Cost				
At 1st January 2014	185,274	451,304	265,634	902,212
Additions	85,022	48,772	-	133,794
Disposals	-	(1,236)	(17,068)	(18,304)
Exchange gain on consolidation	-	6,867	3,723	10,590
At 31st December 2014	**270,296**	**505,707**	**252,289**	**1,028,292**
Depreciation				
At 1st January 2014	133,160	385,554	185,480	704,194
Charge for the financial year	23,257	39,791	47,203	110,251
On disposal	-	(1,020)	(17,068)	(18,088)
Exchange loss on consolidation	-	4,610	2,822	7,432
At 31st December 2014	**156,417**	**428,935**	**218,437**	**803,789**
Net book value At 31st December 2014	**113,879**	**76,772**	**33,852**	**224,503**
At 31st December 2013	52,114	65,750	80,154	198,018

17. Fixed Assets (contd.)

Fixed Assets - Company	Shop Fittings €	Furniture and equipment €	Motor Vehicles €	Total 2015 €
Cost				
At 1st January 2015	270,296	402,554	226,762	899,612
Additions	-	37,759	-	37,759
Disposals	(47,607)	(318,530)	-	(366,137)
At 31st December 2015	**222,689**	**121,783**	**226,762**	**571,234**
Depreciation				
At 1st January 2015	156,417	350,465	198,751	705,633
Charge for financial year	28,316	39,940	27,714	95,970
On disposal	(38,743)	(312,594)	-	(351,337)
At 31st December 2015	**145,990**	**77,811**	**226,465**	**450,266**
Net book value At 31st December 2015	**76,699**	**43,972**	**297**	**120,968**
At 31st December 2014	113,879	52,089	28,011	193,979

Notes to the Consolidated Financial Statements

17. Fixed Assets (contd.)

In respect of prior financial year:

Fixed Assets - Company	Shop Fittings €	Furniture and equipment €	Motor Vehicles €	Total 2015 €
Cost				
At 1st January 2014	185,274	112,136	226,762	524,172
Additions	85,022	45,180	-	130,202
Transfer from Self Help Africa	-	245,238	-	245,238
At 31st December 2015	**270,296**	**402,554**	**226,762**	**899,612**
Depreciation				
At 1st January 2014	133,160	102,089	157,558	392,807
Charge for financial year	23,257	26,894	41,193	91,344
Transfer from Self Help Africa	-	221,482	-	221,482
At 31st December 2014	**156,417**	**350,465**	**198,751**	**705,633**
Net book value At 31st December 2014	**113,879**	**52,089**	**28,011**	**193,979**
At 31st December 2013	52,114	10,047	69,204	131,365

Notes to the Consolidated Financial Statements

18. Fixed Asset Investment - Group

Market Value	Unlisted Securities €
At 1st January 2015	42,855
Disposals	(46,189)
Revaluations	763
Exchange gain on consolidation	2,571
At 31st December 2015	**-**

In respect of prior financial year: **Market Value**	Unlisted Securities €
At 1st January 2014	38,336
Revaluations	1,908
Exchange gain on consolidation	2,611
At 31st December 2014	**42,855**

The company did not hold any fixed asset investments in the current or prior financial year.

Notes to the Consolidated Financial Statements

19. Goodwill - Group

	Total 2015 €
Cost	
At 1st January 2015	**219,253**
Exchange gain on consolidation	**13,608**
At 31st December 2015	**232,861**
Amortisation	
At 1st January 2015	**175,402**
Amortised for the financial year	**47,262**
Exchange gain on consolidation	**10,197**
At 31st December 2015	**232,861**
Net book value At 31st December 2015	-
At 31st December 2014	**43,851**

Goodwill was purchased as part of the acquisition of the Ethical Business Services division of Africa Now in 2011. This business unit is now contained within a separate company limited by guarantee called Partner Africa. Self Help Africa is the sole member of Partner Africa.

20. Short Term Investments

Group and company:

Investments relate to a bequest of shares, the market value of which at 31st December 2015 was €147,997 (2014: €117,635).

Notes to the Consolidated Financial Statements

21. Cash at Bank and in Hand

a) Group	Total 2015 €	Total 2014 €
By fund designation:		
Restricted	**355,342**	1,006,433
Unrestricted	**8,847,844**	10,525,799
	9,203,186	11,532,232
By account type:		
Deposit accounts	**1,485,147**	9,167,473
Current accounts	**7,603,206**	2,177,405
County committee accounts	**106,182**	177,442
Petty cash	**8,651**	9,912
	9,203,186	11,532,232

b) Company	Total 2015 €	Total 2014 €
By fund designation:		
Restricted	**355,342**	1,066,243
Unrestricted	**7,965,583**	9,217,552
	8,320,925	10,283,795
By account type:		
Deposit accounts	**1,325,450**	8,664,900
Current accounts	**6,882,836**	1,433,448
County committee accounts	**106,182**	177,442
Petty cash	**6,457**	8,005
	8,320,925	10,283,795

22. Debtors

a) Group	Total 2015 €	Total 2014 €
Due from Self Help Africa Inc (Note 36)	**71,601**	76,172
Tax refunds on donations receivable	**297,217**	170,963
VAT recoverable	**-**	10,663
Prepayments and other debtors	**632,622**	482,792
Concessionary loan (Note 29)	**88,731**	-
Accrued income	**345,742**	491,451
	1,435,913	1,232,041

b) Company	Total 2015 €	Total 2014 €
Amount due from subsidiaries	**349,398**	794,658
Due from Self Help Africa Inc (Note 36)	**71,601**	76,172
Tax refunds on donations receivable	**84,323**	23,985
Prepayments and other debtors	**412,499**	318,960
Accrued income	**16,031**	45,848
	938,852	1,259,623

Notes to the Consolidated Financial Statements

23. Creditors (Amounts falling due within one financial year)

a) Group	Total 2015 €	Total 2014 €
Trade creditors and accruals	**894,352**	936,128
Deferred revenue	**42,199**	52,440
Other amounts payable (Note 28)	**48,487**	88,094
VAT liability	**6,896**	3,048
Pension liability	**14,466**	14,465
PAYE/PRSI liability	**104,848**	151,425
	1,111,248	1,245,600

b) Company	Total 2015 €	Total 2014 €
Trade creditors and accruals	**710,696**	717,001
Pension liability	**10,837**	10,381
Other amounts payable (Note 28)	**48,487**	88,094
PAYE/PRSI liability	**90,443**	137,148
	860,463	952,624

24. Creditors (Amounts falling due after more than one financial year)

a) Group and Company	Total 2015 €	Total 2014 €
Other amounts payable (Note 28)	**164,913**	204,492

25. Financial Instruments

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

Financial Assets

Measured at undiscounted amount receivable

a) Group (Note 22)	Total 2015 €	Total 2014 €
Due from Self Help Africa Inc.	**71,601**	76,172
Tax refunds on donations receivable	**297,217**	170,963
VAT recoverable	**-**	10,663
Prepayments and other debtors	**632,622**	482,792
Concessionary loan	**88,731**	-
Accrued income	**345,742**	491,451

b) Company (Note 22)	Total 2015 €	Total 2014 €
Amount due from subsidiaries	**349,398**	794,658
Due from Self Help Africa Inc. (Note 36)	**71,601**	76,172
Tax refunds on donations receivable	**84,323**	23,985
Prepayments and other debtors	**412,499**	318,960
Accrued Income	**16,031**	45,848

Notes to the Consolidated Financial Statements

25. Financial Instruments (contd.)

Financial Liabilities

Measured at undiscounted amount payable

a) Group (Note 23 and 24)	Total 2015 €	Total 2014 €
Trade creditors and accruals	**894,352**	936,128
Deferred revenue	**42,199**	52,440
Other amounts payable (Note 28)	**213,400**	292,586
VAT liability	**6,896**	3,048
Pension liability	**14,466**	14,465
PAYE/PRSI liability	**104,848**	151,425

b) Company (Note 23 and 24)	Total 2015 €	Total 2014 €
Trade creditors and accruals	**710,696**	717,001
Pension liability	**10,837**	10,381
Other amounts payable (Note 28)	**213,400**	292,586
PAYE/PRSI liability	**90,443**	137,148

26. Commitments

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

	Total 2015 €	Total 2014 €
Expiry date:		
1 year	**93,000**	40,478
Between 2 and 5 years	**180,157**	51,108
Over 5 years	**154,229**	445,146
Group total	**427,386**	536,732

27. Pension Scheme

The company operates employer sponsored defined contribution pension schemes which are available to all staff. During the year, the charity made contributions in respect of its employees who elected to contribute. The assets of the scheme are held separately from those of the company, in externally managed funds.

The pension expense for the financial year amounted to €214,541 (2014: €182,313).

Balance outstanding at financial year end €14,466 (2014: €14,465).

Notes to the Consolidated Financial Statements

28. Onerous Contract

Provision has been made in the financial statements for the financial year ended 31 December 2015 in respect of a property lease where the unavoidable costs of meeting the obligations under the lease exceed the economic benefits expected to be received under it. This excess of costs over benefits has been calculated at €213,400 (2014: €292,586) of which €48,487 (2014: €88,094) is expected to arise within one year and €164,913 (2014: €204,492) after one year.

29. Concessionary Loan

A concessionary loan was advanced by Self Help Africa (UK) to TruTrade, during the year under review. The carrying amount of the concessionary loan was £65,387 at 31 December 2015. The loan was advanced exclusively for the purposes of liquidity support for trading transactions and not, for the avoidance of doubt, for any operational support. At the close of each calendar year, the charitable company shall consider whether to continue with this investment. In the event that the charitable company decides not to liquidate its investment, it shall continue to be used by TruTrade for the same trading finance purposes, and under the same terms. In the event that the charitable company decides to liquidate this investment, the full investment minus any incurred trading losses shall be returned to the charitable company within 90 days of communicating that decision to TruTrade's company secretary. There is no interest charged on the loan and no security provided.

Self Help Africa (UK) has not committed to any further concessionary loans as at 31st December 2015.

30. Reconciliation of Net (Expenditure)/Income to Net Cash Outflow from Charitable Activities

	Total 2015 €	Total 2014 €
Net (Expenditure)/Income for the Reporting Year	**(2,117,630)**	428,536
(as per the Statement of Financial Activities)		
Adjustments for:		
Depreciation	**113,169**	110,251
Amortisation of capital grants	**(8,592)**	(4,949)
Amortisation of purchased goodwill	**47,262**	42,577
Amortisation of acquisition funding reserve	**(60,583)**	(54,591)
Loss/(gain) on fixed asset disposal	**15,462**	(468)
Exchange gain on consolidation	**59,225**	63,868
Exchange gain on deferred tax asset	**(2,680)**	(4,778)
Exchange loss/(gain) on consolidated fixed assets	**569**	(3,684)
Decrease in investments	**12,493**	13,197
Increase in stock	**(707)**	(389)
(Increase)/decrease in debtors	**(203,872)**	376,466
Decrease in creditors- amounts due within one year	**(134,352)**	(2,277,190)
Decrease in creditors- amounts due over one year	**(39,579)**	(1,346,289)
Interest received	**(80,939)**	(183,735)
Net Cash used in Charitable Activities	**(2,400,754)**	**(2,841,178)**

Analysis of Changes in Cash and Cash Equivalents	At 1st January 2015 €	Cashflows 2015 €	At 31st December 2015 €
Cash at bank and in hand	11,532,232	(2,329,046)	**9,203,186**

Notes to the Consolidated Financial Statements

31. Legal Status of the Company

Gorta's consolidated financial statements combine the activities of Gorta in Ireland and Self Help Africa (UK), Gorta UK and Partner Africa. The net expenditure for the year, and the funds of the charity of each of the group companies at the financial year-end are detailed below.

	Net income (expenditure) for the year €	Funds of the charity at the year end €
Gorta	(2,231,214)	8,498,366
Self Help Africa (UK)	6,826	756,131
Partner Africa	104,058	200,314
Gorta UK	2,700	212,037
Group total	**(2,117,630)**	9,666,848

32. Funds of the Charity

Group

(i) Reconcilliation of funds	Restricted Funds €	Unrestricted Funds €	Total Funds €
Fund balance at 1st January 2015	1,418,906	10,262,748	11,681,654
Net expenditure for the year	(785,572)	(1,234,976)	(2,020,548)
Fund balances at 31st December 2015	**633,334**	**9,027,772**	**9,661,106**

(ii) Analysis of net assets between funds	Restricted Funds €	Unrestricted Funds €	Balance 31/12/2015 €
Tangible Fixed Assets	-	146,653	146,653
Current Assets	633,334	10,157,280	10,790,614
Liabilities	-	(1,276,161)	(1,276,161)
Total funds	**633,334**	**9,027,772**	**9,661,106**

32. Funds of the Charity (contd.)

Group

(iii) Movements in funds:	Balance as at 01/012016 €	Income & Endowments €	Expenditure €	Balance 31/12/2016 €
Restricted funds	1,418,906	9,165,190	(9,950,762)	633,334
Unrestricted funds	10,262,748	9,126,921	(10,361,897)	9,027,772
Total funds	**11,681,654**	**18,292,111**	**(20,312,659)**	**9,661,106**

Company

(i) Reconciliation of funds:	Restricted Funds €	Unrestricted Funds €	Total Funds €
Fund balance at 1st January 2015	1,066,243	9,631,673	10,697,916
Net expenditure for the year	(710,900)	(1,494,391)	(2,205,292)
Fund balances at 31st December 2015	**355,342**	**8,137,282**	**8,492,624**

(ii) Analysis of net assets between funds:	Deferred Restricted Funds €	Unrestricted Funds €	Capital Grants €	Balance 31/12/2016 €
Tangible Fixed Assets	-	115,226	5,742	120,968
Current Assets	355,342	9,047,432	-	9,402,774
Liabilities	-	(1,025,376)	-	(1,025,376)
Total funds	**355,342**	**8,137,282**	**5,742**	**8,498,366**

(iii) Movements in funds:	Balance as at 01/012016 €	Income & Endowments €	Expenditure €	Balance 31/12/2016 €
Restricted funds	1,066,243	6,589,084	(7,299,985)	355,342
Unrestricted funds	9,631,673	6,018,467	(7,603,463)	8,137,281
Deferred capital grants	-	5,742	-	5,742
Total funds	**10,697,916**	**12,613,293**	**(14,812,843)**	**8,498,366**

Notes to the Consolidated Financial Statements

33. Acquisition Funding Reserve

	€
Cost	
At 1st January 2015	281,094
Exchange gain on consolidation	17,446
At 31st December 2015	**298,540**
Amortisation	
At 1st January 2015	224,884
Amortised for the financial year	60,583
Exchange gain on consolidation	13,073
At 31st December 2015	**298,540**
Net book value	
At 31st December 2015	**-**
At 31st December 2014	56,210

The acquisition funding reserve arises from the company's acquisition of the Ethical Business Division of Africa Now in 2011 (now renamed and incorporated as Partner Africa). The funding of this investment is amortised to unrestricted funds over 5 years as management's best estimate of the economic lives of the assets acquired.

34. Deferred Capital Grants

	Total 2015 €
Cost	
At 1st January 2015	23,735
Received during the year	13,799
Exchange loss on consolidation	(12)
At 31st December 2015	**37,522**
Amortisation	
At 1st January 2015	15,763
Amortised for the year	16,649
Exchange gain on consolidation	(632)
At 31st December 2015	**31,780**
Net book value At 31st December 2015	**5,742**
At 31st December 2014	7,972

35. Financial Risk Management

Currency risk:
Much of the organisation's costs, particularly overseas costs, are denominated in euro and local currency while most income is received in euro. A strengthening of the local currency against the euro could have an adverse effect on Gorta's ability to deliver its planned programme of work. These currency risks are monitored on an ongoing basis.

Cash flow risk:
Gorta hold a number of bank accounts deposited in a number of different financial institutions ensuring the security of our funds and also endeavouring to maximise the return available. Gorta earned investment income of €80,939 in 2015 (2014: €183,735). The organisation's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets are held at fixed rates to ensure certainty of cash flows.

Credit risk:
The organisation's principal financial assets are bank balances and cash, trade and other receivables, and current asset investments. The credit risk on cash at bank and current asset investments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The organisation has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Notes to the Consolidated Financial Statements

36. Self Help Africa Inc.

Self Help Africa Inc. is a not for profit organisation registered in the United States of America. Self Help Africa Inc. is governed by an independent board of directors which retains full control over the financial and operating policies of the company. During the financial year Self Help Africa Inc. on-granted €Nil of restricted income received (2014: €14,527) and €90,519 of voluntary income raised (2014: €52,777) to Gorta projects. Total amounts granted by SHA Inc. to Gorta of €90,519 (2014: €67,304) have been included in the accounts of Gorta under income and endowments and expenditure. A balance of €71,601 remained outstanding at 31st December 2015 (2014: €76,172) represented by a loan repayable by Self Help Africa Inc. to Gorta.

37. Explanation of Transition to FRS 102

This is the first year the company has presented its financial statements under Financial Reporting Standards 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous Irish GAAP were for the year ended 31st December 2014 and the date of transition to FRS 102 was therefore 1st January 2014. As a consequence of adopting FRS 102, a number of accounting policies have been changed to comply with that standard. None of these changes have resulted in an adjustment to equity reported under previous Irish GAAP at 31st December 2014 or 1st January 2014 and there was no effect on losses previously reported for the year ended 31st December 2014.

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1.8 MILLION
People supported

290,000
Farming families assisted

19 MILLION
Invested in ending poverty