

GORTA (trading as Gorta-Self Help Africa)

Reports and Consolidated Financial
Statements
for the financial year ended
31 December 2015

GORTA t/a GORTA-SELF HELP AFRICA

**REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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DIRECTORS AND OTHER INFORMATION

BOARD OF 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

CHIEF EXECUTIVE OFFICER

Mr. Ray Jordan

REGISTERED OFFICE

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COMPANY NUMBER

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**CHARITIES REGULATORY
AUTHORITY NUMBER**

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CHARITY NUMBER

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SOLICITORS

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GORTA t/a GORTA-SELF HELP AFRICA

DIRECTORS AND OTHER INFORMATION (CONTINUED)

PRINCIPAL BANKERS

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**REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The directors present herewith the reports and audited consolidated financial statements of the charity for the year ended 31 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, Eritrea and the Gambia.

We support both small projects and large programmes. We seek to leverage small projects into larger programmes to maximise the extent of their positive impact. 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 links that last beyond the life-cycle of projects.

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 country teams gelled in the second half of 2014 to become one of the key international development organisations working through 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 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.

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 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 main 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 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.

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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 farmers 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.

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. 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. In 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 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 and 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 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.

TruTrade

In 2015, Gorta-Self Help Africa was a key supporter in the establishment of 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. It 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.

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Financial review

The financial results are set out in the Consolidated Statement of Financial Activities on page 18. 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. 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.

GORTA t/a GORTA-SELF HELP AFRICA

REPORT OF THE DIRECTORS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 2.

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 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 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 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 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 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.

GORTA t/a GORTA-SELF HELP AFRICA

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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.

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 Hoewel
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

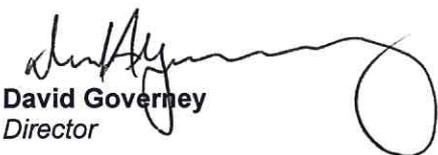
Auditors

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 board and signed on its behalf by:



Tom Kitt
Director



David Governey
Director

26 May 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

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.

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.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure 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 Report of the Directors is consistent with the financial statements.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GORTA t/a GORTA-SELF HELP AFRICA**

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.

Margarita Martin

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

3 June 2016

GORTA t/a GORTA-SELF HELP AFRICA

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including income and expenditure account)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

		2015	2015	2015	2014	2014	2014
		Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	Notes	€	€	€	€	€	€
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.

GORTA t/a GORTA-SELF HELP AFRICA

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 €	2014 €
Fixed Assets			
Tangible assets	17	152,395	224,503
Investments	18	-	42,855
Goodwill	19	-	43,851
		<u>152,395</u>	<u>311,209</u>
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
		<u>10,790,614</u>	<u>12,884,719</u>
Creditors: Amounts due within one financial year	23	<u>(1,111,248)</u>	<u>(1,245,600)</u>
Net current assets		<u>9,679,366</u>	<u>11,639,119</u>
Total assets less current liabilities		<u>9,831,761</u>	<u>11,950,328</u>
Creditors: Amounts falling due after one financial year	24	<u>(164,913)</u>	<u>(204,492)</u>
TOTAL NET ASSETS		<u>9,666,848</u>	<u>11,745,836</u>
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
		<u>9,666,848</u>	<u>11,745,836</u>

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

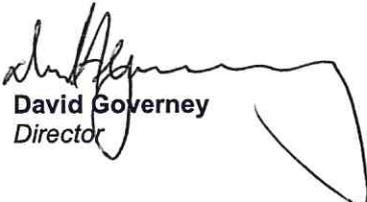
GORTA t/a GORTA-SELF HELP AFRICA

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 €	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	8,320,925	10,283,795
Debtors	22	933,852	1,259,623
		<u>9,402,774</u>	<u>11,661,053</u>
Creditors: Amounts falling due within one financial year	23	<u>(860,463)</u>	<u>(952,624)</u>
Net current assets		<u>8,542,311</u>	<u>10,708,429</u>
Total assets less current liabilities		<u>8,663,279</u>	<u>10,902,408</u>
Creditors: Amount falling due after one financial year	24	<u>(164,913)</u>	<u>(204,492)</u>
TOTAL NET ASSETS		<u>8,498,366</u>	<u>10,697,916</u>
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	-
		<u>8,498,366</u>	<u>10,697,916</u>

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

GORTA t/a GORTA-SELF HELP AFRICA

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<i>Notes</i>	2015 €	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 FINANCIAL YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES

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

Basis of Preparation

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 4 to 14.

- (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 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 1 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.

1. ACCOUNTING POLICIES (CONTINUED)

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.
- (vii) 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 comprise 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.

1. ACCOUNTING POLICIES (CONTINUED)

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 instalments over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

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

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

(i) Financial assets and liabilities

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

1. ACCOUNTING POLICIES (CONTINUED)

Capital Grants

Capital grants are transferred to a capital account in the year of receipt and amortised to the statement of financial activities at the same rates as the depreciation of the assets to which they apply.

Operating Leases

Rentals 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.
- 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.

1. **ACCOUNTING POLICIES (CONTINUED)**

Acquisition Funding Reserve

The Acquisition Funding Reserve relates to a grant received for the purchase of the Ethical Business Services division of Africa Now. The reserve is released to the Statement of Financial Activities over the expected useful lives of the relevant assets purchased by five equal annual instalments.

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 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 (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

3. DONATIONS AND LEGACIES	2015	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
Total	4,276,643	4,349,808

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

4. CHARITABLE ACTIVITIES	2015	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	60,951	-
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 (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. OTHER TRADING ACTIVITIES	2015 €	2014 €
Ethical audits	586,739	555,977
Campaigns, events and treks	650,453	458,214
	<u>1,237,192</u>	<u>1,014,191</u>
	<u><u>1,237,192</u></u>	<u><u>1,014,191</u></u>
6. OTHER	2015 €	2014 €
Income from Investments	80,939	183,735
	<u>80,939</u>	<u>183,735</u>
	<u><u>80,939</u></u>	<u><u>183,735</u></u>
7. CHARITABLE ACTIVITIES	2015 €	2014 €
Field programme expenditure has been incurred against the following thematic areas:		
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
	<u>12,288,118</u>	<u>8,148,233</u>
	<u><u>12,288,118</u></u>	<u><u>8,148,233</u></u>
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 7)	890,225	1,077,816
	<u>17,848,611</u>	<u>13,720,731</u>
	<u><u>17,848,611</u></u>	<u><u>13,720,731</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

7. CHARITABLE ACTIVITIES (CONTINUED)

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

	2015	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:

	2015	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 (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

9. RETAIL INCOME AND EXPENDITURE	2015	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	2015	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 (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

11. NET (EXPENDITURE) / INCOME

	2015 €	2014 €
The net (expenditure) / income for the financial year is stated after charging /(crediting):		
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)
	<u> </u>	<u> </u>

*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

	2015 €	2014 €
Exchange gain on consolidation	59,225	63,868
Gain on investment assets	26,116	17,044
	<u> </u>	<u> </u>
	<u>85,341</u>	<u>80,912</u>

13. TAXATION

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

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

14. STAFF COSTS

	2015	2014
	€	€
Staff costs are comprised as follows:		
Wages and salaries	3,822,158	3,748,813
Social welfare costs	369,832	345,620
Pension costs	214,541	182,313
	<u>4,406,531</u>	<u>4,276,746</u>

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	2014
	Number	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
	<u> </u>	<u> </u>

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

17. FIXED ASSETS

<u>GROUP</u>	Shop Fittings €	Office Furniture and Equipment €	Motor Vehicles €	Total €
Cost				
At 1 st 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 1 st 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 31 st December 2014	113,879	76,772	33,852	224,503

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

17. FIXED ASSETS (CONTINUED)

In respect of prior financial year:

<u>GROUP</u>	Shop Fittings €	Office Furniture and Equipment €	Motor Vehicles €	Total €
Cost				
At 1 st 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 31 st December 2014	<u>270,296</u>	<u>505,707</u>	<u>252,289</u>	<u>1,028,292</u>
Depreciation				
At 1 st January 2014	133,160	385,554	185,480	704,194
Charge for 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
31 st December 2014	<u>156,417</u>	<u>428,935</u>	<u>218,437</u>	<u>803,789</u>
Net book value				
At 31 st December 2014	<u>113,879</u>	<u>76,772</u>	<u>33,852</u>	<u>224,503</u>
At 31 st December 2013	<u>52,114</u>	<u>65,750</u>	<u>80,154</u>	<u>198,018</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

17. FIXED ASSETS (CONTINUED)

<u>COMPANY</u>	Office Furniture and Equipment			Total
	Shop Fittings	Equipment	Motor Vehicles	
	€	€	€	€
Cost				
At 1 st 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 1 st 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 31 st December 2014	113,879	52,089	28,011	193,979

In respect of prior financial year:

<u>COMPANY</u>	Office Furniture and Equipment			Total
	Shop Fittings	Equipment	Motor Vehicles	
	€	€	€	€
Cost				
At 1 st 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 2014	270,296	402,554	226,762	899,612
Depreciation				
At 1 st 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 31 st December 2013	52,114	10,047	69,204	131,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

18. FIXED ASSET INVESTMENTS

GROUP

Market Value	Unlisted Securities €
At 1 st 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:

GROUP

Market Value	Unlisted Securities €
At 1 st January 2014	38,336
Revaluations	1,908
Exchange gain on consolidation	2,611
At 31 st 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 (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

19. GOODWILL

<u>GROUP</u>	Total
Cost	€
At 1 st January 2015	219,253
Exchange gain on consolidation	13,608
At 31st December 2015	232,861
	Total
Amortisation	€
At 1 st 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 31 st 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 31 December 2015 was €147,997 (2014: €117,635).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

21. CASH AT BANK AND IN HAND	2015 €	2014 €
(a) GROUP:		
By fund designation:		
Restricted	355,342	1,006,433
Unrestricted	8,847,844	10,525,799
	<u>9,203,186</u>	<u>11,532,232</u>
By account type:		
	2015 €	2014 €
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
	<u>9,203,186</u>	<u>11,532,232</u>
	2015 €	2014 €
(b) COMPANY:		
By fund designation:		
Restricted	355,342	1,066,243
Unrestricted	7,965,583	9,217,552
	<u>8,320,925</u>	<u>10,283,795</u>
By account type:		
	2015 €	2014 €
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
	<u>8,320,925</u>	<u>10,283,795</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

22. DEBTORS	2015 €	2014 €
(a) GROUP:		
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
	<u>1,435,913</u>	<u>1,232,041</u>
(b) COMPANY:		
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
	<u>938,852</u>	<u>1,259,623</u>
23. CREDITORS: (Amounts falling due within one financial year)	2015 €	2014 €
(a) GROUP:		
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
	<u>1,111,248</u>	<u>1,245,600</u>
(b) COMPANY:		
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
	<u>860,463</u>	<u>952,624</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

	2015 €	2014 €
(a) GROUP AND COMPANY		
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:-

	2015 €	2014 €
Financial Assets		
<i>Measured at undiscounted amount receivable</i>		
(a) GROUP (Note 22)		
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)		
Amount due from subsidiaries	349,398	794,658
Due from Self Help Africa Inc. (Note 30)	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
Financial Liabilities		
<i>Measured at undiscounted amount payable</i>		
(a) GROUP (Note 23 and 24)		
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)		
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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

26. COMMITMENTS

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

	2015 €	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
	<u>427,386</u>	<u>536,732</u>

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)

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 31 December 2015.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

30. RECONCILIATION OF NET (EXPENDITURE)/ INCOME TO NET CASH OUTFLOW FROM CHARITABLE ACTIVITIES

	2015	2014
	€	€
NET (EXPENDITURE) / INCOME FOR THE REPORTING YEAR (as per the Statement of Financial Activities)	(2,117,630)	428,536
<i>Adjustments for:</i>		
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	<u>(2,400,754)</u>	<u>(2,841,178)</u>

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 January 2015 €	Cashflows 2015 €	At 31 December 2015 €
Cash at bank and in hand	11,532,232	(2,329,046)	9,203,186
	<u> </u>	<u> </u>	<u> </u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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

	Restricted Funds	Unrestricted Funds	Total Funds
	€	€	€
GROUP:			
(i) Reconciliation of funds:			
Fund balance at 1 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 31 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

(iii) Movements in funds:

	Balance as at 01/01/2015	Income & Endowments	Expenditure	Balance 31/12/2015
	€	€	€	€
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

32. FUNDS OF THE CHARITY (CONTINUED)

	Restricted Funds €	Unrestricted Funds €	Total Funds €
(i) Reconciliation of funds:			
Fund balance at 1 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 31 December 2015	355,342	8,137,282	8,492,624

	Deferred Restricted Funds €	Unrestricted Funds €	Capital Grants €	Balance 31/12/2015 €
(ii) Analysis of net assets between funds:				
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 01/01/2015 €	Income €	Expenditure €	Balance 31/12/2015 €
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 (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

33. ACQUISITION FUNDING RESERVE	€
<u>Cost:</u>	
At 1 January 2015	281,094
Exchange gain on consolidation	17,446
At 31 December 2015	298,540
<u>Amortisation:</u>	
At 1 January 2015	224,884
Amortised for the financial year	60,583
Exchange gain on consolidation	13,073
At 31 December 2015	298,540
<u>Net book value:</u>	
At 31 December 2015	-
At 31 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

34. DEFERRED CAPITAL GRANTS

€

Cost:

At 1 January 2015	23,735
Received during the year	13,799
Exchange loss on consolidation	(12)

At 31 December 2015	37,522
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Amortisation:

At 1 January 2015	15,763
Amortised for the financial year	16,649
Exchange loss on consolidation	(632)

At 31 December 2015	31,780
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Net book value:

At 31 December 2015	5,742
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At 31 December 2014	7,972
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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.

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 €64,980 remained outstanding at 31 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 31 December 2014 and the date of transition to FRS 102 was therefore 1 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 31 December 2014 or 1 January 2014 and there was no effect on losses previously reported for the year ended 31 December 2014.