

REPORTS & CONSOLIDATED FINANCIAL STATEMENTS

SELF HELP AFRICA

FOR THE YEAR ENDED 31 DECEMBER 2012

SELF HELP AFRICA

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SELF HELP AFRICA

DIRECTORS & OTHER INFORMATION

DIRECTORS:	Tom Corcoran, Chairman Joseph O'Dwyer John Carroll Paula Murray David Martin Jim Kinsella Nigel Clarke Helen Brophy Teddy O'Mahony Tom Kitt (appointed 18 th February 2013) James Stafford (resigned 6 th March, 2012) Sylvia Gavigan (resigned 18 th February 2013)
SECRETARY	Peter McDevitt
CHIEF EXECUTIVE	Ray Jordan
REGISTERED OFFICE	Kingsbridge House, 17-22 Parkgate Street, Dublin 8
REGISTERED NUMBER	105601
CHARITY NUMBER	CHY 6663
BANKERS	Bank of Ireland AIB Bank Barclays Bank
SOLICITORS	McKeever Rowan Solicitors 5 Harbourmaster Place International Financial Services Centre Dublin 1 Withers LLP 16 Old Bailey, London EC4M 7EG
AUDITORS	Baker Tilly Ryan Glennon Registered Auditors Birr Technology Centre Birr Co. Offaly

Report of the Directors for the year ended 31st December 2012

The directors present herewith the audited financial statements for the year ending 31st December 2012.

Principal activity

The company was formed to promote self help development in Africa. The aim of the organisation is to help Africans to become self sufficient by means of long term development projects. The company achieves its objectives by working with and through local people, and using existing local resources.

Statement of Directors' Responsibilities for Financial Statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practices in Ireland including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

Irish company law requires that the directors prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and group and of the income and expenditure of the group for that period. In preparing these statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgments and estimates that are reasonable and prudent and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business

The directors confirm that they have complied with the above requirements in preparing these financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group, and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland, and comply with the Companies Act, 1963 to 2012. 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.

Books and Accounting Records

The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act 1990 are kept by the company and the group. To achieve this, the directors have appointed a Chief Financial Officer who reports to the board to ensure that the requirements of Section 202 are complied with. The books of account are located at the company's registered office at Self Help Africa, Kingsbridge House, 17-22 Parkgate Street, Dublin 8.

Legal Status

Self Help Africa is a company incorporated under the Companies Acts, 1963 to 2012, limited by guarantee and not having a share capital. The company is exempt from corporation tax. The objects of the company are charitable in nature with established charitable status (Charity No. 6663). All income is applied solely towards the promotion of the charitable objectives of the company.

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REPORT OF THE DIRECTORS (Contd.)

Organisational strategy

At organisational level, Self Help Africa is two years into its Strategic Plan for the period 2011-2015. The main provisions of the plan are set out below.

Vision

The vision of Self Help Africa is a rural Africa free from poverty and hunger.

Mission

Self Help Africa's mission is to develop enterprising solutions that enable smallholder farmers to achieve a better quality of life.

Goal

Self Help Africa's goal is to enable 500,000 smallholder farmers make a sustainable improvement in their livelihoods.

Values

Four core values underpin Self Help Africa's approach:

People helping themselves: We enable smallholder farmers, women and men, to prioritise and plan development within their communities and work together to establish the links they need to prosper. We believe, by understanding local concepts of progress and strengthening existing community groups, that people can be proactive in determining their own development.

Viable solutions: We champion practical, low-cost solutions that will have a lasting benefit and are replicable. These solutions aim to be economically, socially, institutionally and environmentally sustainable. We believe markets should work for smallholder farmers and engage with governments, civil society and the private sector to help make this a reality. We support rural communities to organise, develop knowledge, skills and experience to establish the links they need to enable them to continue to prosper. We encourage risk reduction and climate adaptation practices so that today's solutions reduce vulnerability and build resilience in the long-term.

Equality and inclusion: We acknowledge that smallholder farmers are a diverse group of women and men, whose ability to participate in development processes is determined by their access to and tenure of land and resources, age, disability, health and HIV status. We are committed to identifying and removing the barriers that prevent inclusion of more vulnerable groups and ensuring that women and men have equal opportunities to participate and benefit from our programmes.

Transparency and accountability: We strive to be an effective actor in development. We are committed to technical excellence and innovation in programmes, achieving recognised quality standards and demonstrating transparency in our relationships with all stakeholders – beneficiaries, partners and donors. We invest in measuring and reporting the progress of our work and its impact, facilitating learning processes and documenting and disseminating good practice to inform decision making for scale up and to influence policy and practice.

Strategic objectives

Self Help Africa has identified three strategic objectives, which build on the experience of over 25 years working with communities in Africa. For the period 2011-2015, Self Help Africa will:

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REPORT OF THE DIRECTORS (Contd.)

1. Enable smallholders to achieve viable livelihoods from intensification and diversification of agriculture and greater integration into markets
2. Influence others to enable smallholder farmers in Africa to prosper.
3. Strengthen Self Help Africa to ensure we are fit for purpose.

Results for the Year

The financial results for the year ended 31st December 2012 are as set out in the Consolidated Statement of Financial Activities on page 12. Overall income levels for 2012 totalled €9.46 million, an increase of 15% over 2011. There was a net increase in funds of €523,283 in the year which is allocated €332,790 as an increase in unrestricted funds and €190,493 of an increase in restricted funds. The total unrestricted funds balance of €1,923,256 reflects a strong financial position for the organisation at year end.

Review of Activities and Future Developments

The organisation continues to grow, and is at a satisfactory level of financial stability. This growth and stability has been achieved in a time of considerable economic uncertainty and insecurity in the wider global economy.

2012 was the second year of implementation of Self Help Africa's strategic plan (2011-2015), and further significant progress was made towards the achievement of our three strategic objectives.

Following the conclusion of the Irish Government's multi-annual (MAPS) funding scheme in 2011, Self Help Africa entered into a new multi-year programming collaboration with Irish Aid, and received €2.6 million under this programme to support our work in 2012.

Furthermore, we received a major funding boost from Irish Aid late in 2012 when we were awarded two contracts to deliver Irish Aid's five year local Development Programme (LDP) in Northern Zambia and Irish Aid's three year Post-Primary Development Education programme, Worldwide Global Schools, which Self Help Africa will implement as part of a consortium including Concern Worldwide and the City of Dublin VEC Curriculum Development Unit.

The new programme in Northern Zambia represents an investment by the Irish Government of €2 million per annum for five years, while the Development Education consortium will invest approximately €800,000 a year, for three years, in strengthening global citizenship in post-primary schools in Ireland.

Alongside Irish Aid, Self Help Africa continues to have strong funding relationships with DFID (UK Aid), during 2012 reaching the mid-point of a three-year consortium project with FARM Africa to deliver against an agreed set of development objectives. DFID also supports our DISCOVER consortium programme on climate change and resilience in Malawi, together with an Energy and Environment Partnership initiative that is supported by DFID, and is also being backed by the governments of Finland and Austria.

We continue to enjoy good working relationships and receive support from the European Union for work in Burkina Faso, Zambia and Ethiopia, and are sub-grantees on projects that are being supported by USAID in Uganda, Kenya and Ethiopia. The multi-million dollar, USAID funded

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REPORT OF THE DIRECTORS (Contd.)

Uganda Community Connectors consortium project became fully operational during 2012, and by year-end Self Help Africa had commenced programme implementation in 18 districts of that country.

A further significant and new departure for SHA during the past year saw the organisation receive backing for its work from the Canadian International Development Agency (CIDA), who are lending their support to a programme of work to improve the climate resilience of smallholder farming communities in the Lake Tana region of north western Ethiopia.

Self Help Africa is also indebted to the UK Big Lottery Fund and to a broad range of other institutional and private donors for their backing.

Our work to achieve Strategic Objective 2, and influence on behalf of smallholder farmers made significant headway in 2012 also, and amongst the notable achievements of this work were:

- The formation, with backing from the UK Economic and Social Research Council and DFID, of a consortium with University of Bath, Evidence for Development and FARM Africa of a pilot model for impact assessment that builds upon the Evidence for Development Individual Household Method (IHM) model that was pioneered by SHA, a year earlier.
- In 2012 we also continued our interaction with the African Union's African Seed Biotechnology Programme (AU ASBP) in conjunction with Wageningen University in The Netherlands, and conducted seed sector assessments in four countries designed to promote local seed breeder opportunities,
- Funded a workshop to bring together national and international practitioners in Malawi to explore how to strengthen community-based resilience, and participated in Seed Act negotiations in Malawi to promote the concept of Integrated Seed Sector Development that is inclusive of local seed breeders.
- SHA continued to liaise with DFID on its investment in agriculture through joint research with Oxfam GB and Concern Worldwide, and is lobbying for a stronger focus on agriculture/nutrition at the G8 summit in Northern Ireland, in 2013
- Produced a policy submission to the Irish Aid White Paper review, and participated in White Paper consultations in Irish Aid priority countries where we work – Ethiopia, Malawi and Uganda.

Self Help Africa recognises the importance of enterprise development as a route out of poverty for communities in sub-Saharan Africa, and established The Mtukula Fund on a pilot basis to support innovative small-scale businesses to develop, initially in Zambia and Malawi.

The endeavour has met with huge success too, with over 120 small-business concerns submitting business plans for consideration to the fund, and four projects in the two countries being awarded grant support to scale-up and develop their activities. These agri-food based activities related respectively to fish farming, mango production, poultry rearing and banana production.

2012 was the first full year of operation for Partner Africa, the ethical trade services company established by Self Help Africa in 2011. A new executive director was appointed to head up the activities of Partner Africa in Nairobi, Kenya and significant progress was made during the year, as the company's continent-wide network of trainers and auditors provided both auditing and training services for western buyers, and also supported a broad range of African businesses to up-skill to meet the standards required in the international marketplace.

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REPORT OF THE DIRECTORS (Contd.)

Partner Africa also assisted a number of organisations, including several tea producing cooperatives in Kenya to secure Rainforest Alliance and Fairtrade certification for their produce.

By year-end Partner Africa had extended its reach to over 30 African countries, and was also involved in similar work in several countries in the Middle East.

During 2012 we were grateful to be joined by the President of Ireland Michael D Higgins as guest speaker, as our sister charity in the USA, Self Help Africa Inc., hosted its inaugural charity ball in Boston, while at a charity event in Dublin we were joined by Bono and his wife, Ali Hewson.

At a fundraising level, Self Help Africa is grateful to all those who lent their backing to our work during 2012. Hundreds attended the aforementioned charity ball in Boston and its sister event, now three years old, in New York, while there were large numbers also at a charity dinner in Dublin, at an Irish Media Night that raised funds to support our work, and at a host of other events and activities. One of the most notable of these was Sand2Snow adventures, a remarkable 15,000km overland journey by two young Irishmen which by year-end had raised in excess of €40,000 to support our work.

Self Help Africa is grateful and privileged to enjoy the status of charity of choice of the Irish Farmers Association, and is appreciative of the continuing support of its rank and file members who help as volunteers with weekend collections, at events, and lend their support in large numbers by regular donations and giving to Self Help Africa.

During the year Self Help Africa established an office in London with a view to fundraising and raising the profile of the organisation there. We would expect to see the investment in this venture to bear fruit in the years ahead.

Future Developments

With successful growth in the organisation over the last few years, the plan is to continue this trend in 2013 and beyond in line with the 2011-2015 Strategic Plan. To achieve our goal we will continue to work in partnership with local, national and international organisations, be led by the communities we work with and together with others to develop integrated solutions.

In 2013 we will look to build and broker strong relationships with a diverse range of organisations in Africa and internationally. We believe that working with and through local organisations will lead to a more autonomous and effective civil society in Africa. We see the establishment of partnerships between civil society and the public and private sectors as key to creating innovative solutions to rural poverty.

Reserves Policy

Self Help Africa has established and holds reserves sufficient that:

- If from time to time through unplanned circumstances there is a short term shortfall in expected revenue or increase in expected expenditure, there shall be sufficient liquid assets held that, if the board so decides, the organisation could meet any deficit arising from such an event from reserves.
- In the event a decision is taken to wind down the organisation there shall be sufficient readily accessible net assets such that this winding down can be made in an orderly fashion with the organisation meeting all its obligations, both domestic and programme, in a timely fashion.

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REPORT OF THE DIRECTORS (Contd.)

The target level of reserves is currently set at six months of unrestricted expenditure. The organisation is currently in compliance with this target. The board monitors this target level (and compliance therewith) on an annual basis.

Risk Management and internal controls

The directors have responsibility for, and are aware of the risks associated with the operating activities of 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 prepare a risk register which is updated regularly and subject to detailed formal half-yearly reviews by the board. The directors constantly review and adopt policies and procedures that are consistent with best practice and monitor the implementation of these policies through the Finance and Audit Committee (a sub-committee of the board). This committee meets on a regular basis to review financial information and reports, internal and external audit findings, management information systems and internal control systems.

The members of the committee in 2012 were David Martin (Chair), Paula Murray and Colm Dennehy. The committee met five times in 2012 (twice in 2011).

The internal control systems aim to ensure compliance with laws and policies, ensure efficient and effective use of Self Help Africa's resources, safeguard 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 Self Help Africa's operations and financial status. Each of Self Help Africa's field offices is subject to an annual statutory audit by independent external auditors, in addition to periodic internal audit review.

The Programme Advisory Committee (a sub-committee of the board) provides oversight and technical advice and assistance to Self Help Africa's programme team to ensure operational risks are properly managed and that our work on the ground in Africa is carried out in a manner that is consistent with best practice. The members of the committee in 2012 were Prof Adrian Wood (Chair), Joseph O' Dwyer, Dr Mariette Asselbergs, Prof Michael Mortimore, Fiona Meehan and Dr James Copestake. The committee met twice in 2012 (twice in 2011).

Governance

The board is committed to maintaining the highest standards of corporate governance and has determined that Self Help Africa should 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). One of the aims of the Finance and Audit Committee is to continue the development of systems within the organisation in order to achieve full compliance with this code.

As part of this policy, an effective board and a competent executive management team head the organisation. There is a clear distinction between the roles of the board and the management team to which day-to-day management is delegated. The management team prepares matters for consideration and approval by the board e.g. annual budgets, policy papers. The board then monitors their implementation. On areas such as strategic planning, there is board involvement at all stages of preparation but ultimate approval is the responsibility of the board. The board met on five occasions in 2012 (six in 2011). The board membership is set out on page 2.

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REPORT OF THE DIRECTORS (Contd.)

New directors receive background and explanatory materials covering the nature and purpose of Self Help Africa to enable them to familiarise themselves with their duties and responsibilities, the 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, Self Help Africa reaffirms its commitment to best practice in the communication of images and messages in all our public policy statements.

Self Help Africa is grateful for the work of many in making the achievements of the past year possible. Our staff, partners, donors, boards of directors, trustees and subcommittees have all played very valuable and important roles, and we are very grateful to each for their support and commitment.

Health and Safety

The directors continue to ensure a safe work environment for employees as per the requirements of the Safety, Health and Welfare at Work Act 2005. Health and Safety policies and procedures are set out in the Self Help Africa Employee Handbook.

Important Events since the Year End

There were no important events affecting the organisation since the 31st December, 2012.

Transactions Involving Directors

There were no contracts or arrangements, of any significance in relation to the business of the company in which the directors had any interest, as defined in the Companies Act 1990, during the year ended 31st December 2012.

Service on the board and subcommittees of Self Help Africa is undertaken in an entirely voluntary capacity by all board and subcommittee members. No remuneration or other expenses are paid to any board or subcommittee members for their service.

Auditors

In accordance with Section 160(2) of the Companies Act, 1963, the auditors Baker Tilly Ryan Glennon, Chartered Accountants and Registered Auditors, will continue in office.

On behalf of the Board of Directors:

Helen Brophy

DIRECTOR

Jim Kinsella

DIRECTOR

Date: 24th June, 2013

REPORT OF THE INDEPENDENT AUDITORS

We have audited the financial statements of Self Help Africa for the year ended 31st December 2012 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and the related notes. These consolidated financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The group's directors are responsible for the preparation of the consolidated financial statements in accordance with applicable law and generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the group's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the consolidated financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts, 1963 to 2012. We also report to you whether in our opinion proper books of account have been kept by the group and whether the information given in the Directors' Report is consistent with the consolidated financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the group's balance sheet is in agreement with the books of account.

We report to the members if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

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REPORT OF THE INDEPENDENT AUDITORS (Contd.)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the group's affairs at 31st December 2012 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2012.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the group. The consolidated financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the consolidated financial statements.

Suzanne O'Neill

SUZANNE O'NEILL (Senior Statutory Auditor)

(For and on behalf of BAKER TILLY RYAN GLENNON)

***Registered Auditors,
Birr Technology Centre,
Birr,
Co. Offaly***

Date: 26th June, 2013

SELF HELP AFRICA

Consolidated Statement of Financial Activities for the year ended 31 December, 2012

		Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
	Notes	€	€	€	€
Incoming resources					
<i>Income resources from charitable activities</i>					
- Grant income	3	1,882,726	5,073,009	6,955,735	5,886,623
<i>Income resources from generated funds</i>					
- Voluntary income	3	1,666,030	316,081	1,982,111	2,134,713
<i>Other Incoming Resources</i>					
- Interest & investment income		25,492	-	25,492	10,326
- Other income		497,064	-	497,064	216,326
Total incoming resources		<u>4,071,312</u>	<u>5,389,090</u>	<u>9,460,402</u>	<u>8,247,988</u>
Resources expended					
Charitable activities	4	2,965,411	5,210,067	8,175,478	7,346,308
Costs of generating voluntary income	9	662,529	-	662,529	542,186
Governance costs	10	151,922	-	151,922	127,987
Total resources expended		<u>3,779,862</u>	<u>5,210,067</u>	<u>8,989,929</u>	<u>8,016,481</u>
Net incoming resources before other recognised gains and losses	11	291,450	179,023	470,473	231,507
Other recognised gains and losses					
Gain/(loss) on revaluations of investments		2,999		2,999	(1,840)
Foreign branch tax credit	12	28,804	-	28,804	-
Exchange gain on consolidation		9,537	11,470	21,007	49,940
Net movement in funds		<u>332,790</u>	<u>190,493</u>	<u>523,283</u>	<u>279,607</u>
Funds at beginning of year		<u>1,590,466</u>	<u>558,565</u>	<u>2,149,031</u>	<u>1,869,424</u>
Funds at end of year		<u>1,923,256</u>	<u>749,058</u>	<u>2,672,314</u>	<u>2,149,031</u>

There are no recognised gains or losses other than the net movement in funds arising from continuing operations for the year.

The notes on pages 16 to 29 form an integral part of these financial statements.

Approved by the Board on 24th June, 2013

Helen Brophy
DIRECTOR

Jim Kinsella
DIRECTOR

SELF HELP AFRICA

Consolidated Balance Sheet as at 31 December 2012

	<u>Notes</u>	2012 €	2011 €
FIXED ASSETS			
Tangible fixed assets	14	79,916	63,884
Financial assets	14	34,992	31,229
INTANGIBLE ASSETS			
Goodwill	15	125,961	163,857
CURRENT ASSETS			
Stock		2,942	1,626
Debtors	16	1,324,836	650,202
Cash at bank		1,669,298	1,682,178
		-----	-----
		2,997,076	2,334,006
CREDITORS (Amounts falling due within one year)	17	(390,511)	(233,871)
		-----	-----
NET CURRENT ASSETS		2,606,565	2,100,135
		-----	-----
TOTAL NET ASSETS		2,847,434	2,359,105
		=====	=====
REPRESENTED BY:			
Unrestricted funds	18	1,923,256	1,590,466
Restricted funds	18	749,058	558,565
Acquisition funding reserve	19	161,489	210,074
Deferred capital grants	20	13,631	-
		-----	-----
		2,847,434	2,359,105
		=====	=====

The notes on pages 16 to 29 form an integral part of these financial statements.

Approved by the Board on 24th June, 2013

Helen Brophy
DIRECTOR

Jim Kinsella
DIRECTOR

Company Balance Sheet as at 31 December 2012

	<u>Notes</u>	2012 €	2011 €
FIXED ASSETS			
Tangible fixed assets	14	24,503	35,320
		-----	-----
CURRENT ASSETS			
Debtors	16	960,538	213,189
Cash at bank		1,052,960	1,244,554
		-----	-----
		2,013,498	1,457,743
CREDITORS: Amounts falling due within one year	17	(75,534)	(141,884)
		-----	-----
NET CURRENT ASSETS		1,937,964	1,315,859
		-----	-----
TOTAL NET ASSETS		1,962,467	1,351,179
		=====	=====
REPRESENTED BY:			
Unrestricted funds		1,556,606	1,217,626
Restricted funds		405,861	133,553
		-----	-----
		1,962,467	1,351,179
		=====	=====

The notes on pages 16 to 29 form an integral part of these financial statements.

Approved by the Board on 24th June, 2013

Helen Brophy
DIRECTOR

Jim Kinsella
DIRECTOR

Consolidated Cash Flow Statement for the year ended 31 December 2012

	<u>Notes</u>	2012 €	2011 €
Net cash inflow from operating activities	21	3,050	356,893
Returns on investments and servicing of finance			
Deposit interest received		20,662	10,326
Fixed asset investment revaluation		(2,999)	1,840
		-----	-----
Net cash inflow from returns on investments and servicing of finance		20,713	12,166
Capital expenditure		(56,045)	(76,487)
Investment funds received re Partner Africa		-	262,592
Receipt from disposal of fixed assets		4,366	-
Capital grants received		18,785	-
Purchase of goodwill		-	(204,822)
Exchange gain on consolidation of fixed assets		(699)	(825)
		-----	-----
(Decrease)/increase in cash		(12,880)	349,517
		=====	=====

Reconciliation of net cash flow to movements in net funds

	<u>Notes</u>	2012 €	2011 €
(Decrease)/increase in cash in the year	21	(12,880)	349,517
Cash at bank at beginning of year	22	1,682,178	1,332,661
		-----	-----
Cash at bank at end of year	22	1,669,298	1,682,178
		=====	=====

The notes on pages 16 to 29 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GROUP TYPE

The group is limited by guarantee and does not have any share capital.

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles and Irish statute comprising the Companies Acts 1963 to 2012. They are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by The Institute of Chartered Accountants in Ireland.

The group has presented the statement of financial activities and the balance sheet in the format set out in “Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities (revised 2008)”.

b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Self Help Africa, Self Help Africa (UK) and Partner Africa, charitable organisations limited by guarantee. Self Help Africa is the sole member of Self Help Africa (UK) and of Partner Africa. The activities of Self Help Africa, Self Help Africa (UK) and Partner Africa are mutually interdependent. The combination of the businesses has been included in the consolidated financial statements using merger accounting rules in line with the criteria stipulated in Financial Reporting Standard No 6 “Acquisitions and Mergers”. In accordance with these provisions the results, assets and liabilities of the individual companies are incorporated in the consolidated financial statements for the whole of the current and prior periods as if the entities had been combined throughout these periods.

c) Accounting Currency

The currency used in these financial statements is the Euro which is denoted by the symbol €.

d) Income Recognition

Income consists of government donations and other funds generated by voluntary activities. These are recognised in the financial statements upon receipt into the headquarters accounting system or on an accruals basis in the case of income arising from contracts signed with institutional donors. It is the policy of Self Help Africa to distinguish restricted income from unrestricted. Restricted income refers to funds given subject to conditions imposed by the donor or implied by the nature of the appeal.

e) Expenditure Recognition

Direct charitable expenditure comprises amounts paid by Self Help Africa to the programme countries for the costs of the development programmes.

Governance costs comprise expenditure incurred by Self Help Africa on the strategic management of the charity and compliance with constitutional and statutory requirements.

Costs of generating voluntary income comprise all expenditure incurred by Self Help Africa on raising funds for the organisation’s charitable activities.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2. ACCOUNTING POLICIES (Contd.)

In notes 5 to 8, expenditure is allocated to organisational strategic objectives in accordance with the proportion of funds spent on each objective in our countries of operation.

f) Depreciation of Fixed Assets

Tangible assets are stated at cost net of accumulated depreciation. The cost of an asset is made up of the purchase price of the asset plus any costs directly attributable to bringing the asset into working condition for its intended use. Depreciation on fixed assets is charged so as to write off their full cost over their expected useful lives at the following rates:-

Motor vehicles	:	33.33% Straight Line
Fixtures, fittings & equipment	:	33.33% Straight Line

g) Intangible Fixed Assets

Intangible fixed assets 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.

h) 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.

i) Foreign Currency

In the Financial Statements transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the average rates of exchange prevailing during the accounting period. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Statement of Financial Activities.

j) Taxation

Self Help Africa has received a certificate of recognition of charitable status. Exemption from taxation has been given by the Revenue Commissioners under Section 207 of Taxes Consolidated Act 1997. Irrecoverable value added tax is expensed as incurred. This exemption certificate does not apply to the Partner Africa which is registered for VAT in the UK and Kenya and is subject to Kenyan corporation tax.

k) Pension schemes

The group operates employer sponsored, defined contribution pension schemes. The group's annual contributions are charged to the Statement of Financial Activities in the period to which they relate.

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3. INCOMING RESOURCES

Grants from Governments and other co-funders	2012	2011
	€	€
Irish Aid	2,575,215	2,810,000
Irish Aid (WorldWise Global Schools)	406,458	-
Department for International Development (UK) - PPA	1,799,113	1,252,443
Department for International Development (UK) - other	393,802	65,455
European Union	784,003	1,182,536
FHI Uganda	366,928	-
Big Lottery Fund (UK)	253,853	221,229
Jersey Overseas Aid Commission	117,080	80,906
FHI Kenya	98,734	-
Guernsey Overseas Aid Commission	48,838	40,346
CSEF Zambia	45,174	-
Isle of Man Overseas Committee	33,117	-
Irish League of Credit Unions	23,150	72,503
PACT Kenya	10,270	34,765
ICCO	-	118,501
UNDP Uganda	-	(2,006)
FAO Uganda	-	(1,306)
Other income	-	11,251
	-----	-----
	6,955,735	5,886,623
	=====	=====
Voluntary Income		
General Donations	1,844,704	1,981,134
Grow Fund (Irish farmers)	137,407	153,579
	-----	-----
	1,982,111	2,134,713
	=====	=====

4. CHARITABLE ACTIVITIES

Ethiopia

Co-op Development – Food facility	509,567	659,188
Malt Barley Value Chain	227,187	-
Livelihood Diversification	121,424	118,586
On Farm Seed Production	45,778	-
MISF	39,581	-
SACCO Development	-	359,691
Sodo	-	91,963
Market Innovation programme	-	26,360
Bedenno	-	18,696
	-----	-----
Total Ethiopia	943,537	1,274,484
	-----	-----

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

4. CHARITABLE ACTIVITIES (Contd.)

	2012	2011
	€	€
<u>Eritrea</u>		
Elabered	-	75,780
Gogne	-	41,497
Bee keeping programme	-	29,662
Emni Haili	-	12,658
Kimira	-	7,301
Total Eritrea	-	166,898
<u>Malawi</u>		
DISCOVER / Karonga RDP	533,595	65,455
MAEF programme	157,853	10,906
Machinga programme	119,176	11,443
Kalembo/Balaka	101,467	235,830
Irrigation/Safe Drinking Water	75,522	-
COMSIVA	66,166	87,194
FOCUS/Karonga ADD	64,831	110,989
Integrated Seed Sector Development	25,654	-
Masumba Nkhunda	3,306	209,914
Total Malawi	1,147,570	731,731
<u>Kenya</u>		
Seed Systems and Bulking	317,502	-
Sustainable livelihoods for vulnerable families	113,172	-
Gilgil	81,605	312,945
Thome	56,947	5,427
Renewable Energy	47,525	-
Baraka Agricultural College	-	71,917
Rongai	-	41,678
Total Kenya	616,751	431,967

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

4. CHARITABLE ACTIVITIES (Contd.)	2012	2011
	€	€
<u>Uganda</u>		
Uganda Community Connector Programme	366,927	-
Kumi – Bukedea	303,361	141,106
Beekeeping	172,080	-
Amuru	87,536	135,726
Kayunga	37,907	159,753
Nutritional Practices	18,494	-
Amuria	-	(1,306)
Kamuli	-	(2,006)
Total Uganda	986,305	433,273
<u>Zambia</u>		
MAEF	441,765	25,664
CNTFP	128,712	-
Liteta	123,558	264,125
ILRC	110,175	-
SPEED	83,051	46,736
PF-MORE	74,790	-
FSSF – Microfinance programme	65,754	68,166
ELC4EM	53,240	-
Seed Enterprises/Crop Improvement	37,005	-
Integrated Seed Sector Development	22,035	24,522
FSNV – Food security & nutrition for vulnerable households	-	486,172
SEEDSFS	-	430,339
Total Zambia	1,140,085	1,345,724
<u>West Africa</u>		
<u>Ghana/Togo</u>		
Trax - Ghana	120,604	69,968
Trax - Togo	39,034	67,739
<u>Burkino Faso</u>		
EU rural water and livelihoods programme	279,543	79,645
PER	57,495	30,185
RAFIA	42,440	8,934
Market Garden Sustainability	41,299	-
Market Oriented Cashew Production	20,264	-
A.De.C.Co.L	-	70,232
Organic	-	29,603
Wend Yam	-	27,193
A.De.C.Co.L (Phase 2)	-	18,174
ASCDIS	-	15,982
GADIB	-	13,874
Code Utile	-	10,428
Total West Africa	600,679	441,957

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

4. CHARITABLE ACTIVITIES (Contd.)

<u>Other Direct Programme Expenditure</u>	2012 €	2011 €
Salary costs	1,176,186	1,078,400
Development education	18,352	54,485
Research, advocacy, communications	244,738	273,390
Programme support	267,709	328,195
Ethical trade services	771,332	424,668
Administration	<u>262,234</u>	<u>361,136</u>
Total other direct programme expenditure	<u>2,740,551</u>	<u>2,520,274</u>
Total Charitable Activities	<u>8,175,478</u>	<u>7,346,308</u>

5. DIRECT CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted funds €	Restricted funds €	Total 2012 €	Total 2011 €
Agricultural intensification, diversification and market integration	1,779,246	3,126,040	4,905,286	4,407,785
Influence agricultural development policies	889,624	1,563,020	2,452,644	2,203,892
Governance and systems development	<u>296,541</u>	<u>521,007</u>	<u>817,548</u>	<u>734,631</u>
	<u>2,965,411</u>	<u>5,210,067</u>	<u>8,175,478</u>	<u>7,346,308</u>

6. DIRECT CHARITABLE EXPENDITURE BY EXPENDITURE TYPE

	Staff costs €	Depreciation €	Other costs €	Total 2012 €	Total 2011 €
Agricultural intensification, diversification and market integration	915,013	20,384	3,969,889	4,905,286	4,407,785
Influence agricultural development policies	457,506	10,192	1,984,946	2,452,644	2,203,892
Governance and systems development	<u>152,503</u>	<u>3,397</u>	<u>661,648</u>	<u>817,548</u>	<u>734,631</u>
	<u>1,525,022</u>	<u>33,973</u>	<u>6,616,483</u>	<u>8,175,478</u>	<u>7,346,308</u>

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

7. DIRECT COSTS

	Agricultural intensification, diversification and market integration €	Influence agricultural development policies €	Governance and systems development €	Total 2012 €	Total 2011 €
Programme expenditure	3,766,346	1,883,175	627,725	6,277,246	5,603,679
Wages and Salaries	859,758	429,879	143,293	1,432,930	1,056,619
Depreciation	<u>20,384</u>	<u>10,191</u>	<u>3,398</u>	<u>33,973</u>	<u>28,108</u>
	<u>4,646,488</u>	<u>2,323,245</u>	<u>774,416</u>	<u>7,744,149</u>	<u>6,688,406</u>

8. SUPPORT COSTS

	Agricultural intensification, diversification and market integration €	Influence agricultural development policies €	Governance and systems development €	Total 2012 €	Total 2011 €
Human resources	58,643	29,321	9,774	97,738	89,936
Organisational services and ICT	76,361	38,180	12,727	127,268	135,760
Finance costs	1,263	631	210	2,104	10,822
Ethical trade service	-	-	-	-	211,122
Other support costs	<u>122,531</u>	<u>61,267</u>	<u>20,421</u>	<u>204,219</u>	<u>210,262</u>
	<u>258,798</u>	<u>129,399</u>	<u>43,132</u>	<u>431,329</u>	<u>657,902</u>

9. COSTS OF GENERATING VOLUNTARY INCOME

	2012 €	2011 €
Staff costs	321,266	316,059
Fundraising and promotion expenses	238,756	188,630
Contract staff	99,682	35,027
Merchandising costs	2,825	2,470
Total cost of generating voluntary income	<u>662,529</u>	<u>542,186</u>

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

10. GOVERNANCE COSTS	2012	2011
	€	€
Audit fees	45,089	30,619
Staff costs	28,474	15,234
Legal, professional and similar costs	67,611	70,430
General governance costs	10,748	<u>11,704</u>
Total governance costs	<u>151,922</u>	<u>127,987</u>

11. NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS/LOSSES

	2012	2011
	€	€
Net incoming resources for the year are stated after charging/(crediting):		
Depreciation of tangible fixed assets	39,128	28,108
Amortisation of capital grants	(5,154)	-
Gain on disposal of fixed asset	(2,643)	-
Auditors remuneration	45,089	31,932
Amortisation of intangible assets	37,896	40,965
Credit from acquisition funding reserve	<u>(48,585)</u>	<u>(52,518)</u>

During the year no trustee received any remuneration, benefits in kind or was reimbursed for travel expenses. (2011 - €NIL)

12. FOREIGN BRANCH TAX CREDIT

Tax has been provided for in the Kenyan branch of Partner Africa as follows:

	2012	2011
	€	€
Current tax charge	(62)	-
Deferred tax credit	<u>28,866</u>	<u>-</u>
	<u>28,804</u>	<u>-</u>

13. STAFF COSTS

The average number of employees during the year was 48 (2011 - 36). No employee of the company acts as a director. Staff costs are comprised as follows:-

	2012	2011
	€	€
Salary costs	1,629,802	1,260,705
Social security	144,692	123,865
Pension	93,363	<u>77,352</u>
	<u>1,867,857</u>	<u>1,461,922</u>

The number of employees whose emoluments, excluding employer pension contributions, were greater than €70,000 was as follows:

	2012	2011
€70,000 - €80,000	3	3
€90,000 - €100,000	1	1

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

14. TANGIBLE FIXED ASSETS - GROUP

<u>Tangible fixed assets</u>	Motor vehicles	Furniture, fittings and equipment	Total
	€	€	€
<u>Cost</u>			
At 1 st January 2012	15,945	275,972	291,917
Additions	24,753	31,292	56,045
Disposals	-	(3,999)	(3,999)
Exchange gain on consolidation	397	2,769	3,167
	-----	-----	-----
At 31 st December 2012	41,095	306,034	347,129
	-----	-----	-----
<u>Depreciation</u>			
At 1 st January 2012	15,945	212,088	228,033
Charge for the year	5,482	33,646	39,128
Disposals	-	(2,276)	(2,276)
Exchange loss on consolidation	1,677	651	2,328
	-----	-----	-----
At 31 st December 2012	23,104	244,109	267,213
	-----	-----	-----
<u>Net Book Value</u>			
At 31 st December 2012	17,991	61,925	79,916
	=====	=====	=====
At 31 st December 2011	-	63,884	63,884
	=====	=====	=====

<u>Fixed asset investments</u>	Subsidiary undertaking	Unlisted Securities	Total
	€	€	€
Market Value			
At 1 st January 2012	2	31,227	31,229
Revaluations	-	2,999	2,999
Exchange gain on consolidation	-	764	764
At 31 st December 2012	2	34,990	34,992

Subsidiary undertakings

The following was a subsidiary undertaking of the group:

Name	Holding
Harvest Help Trading Ltd (dormant company)	100%

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

14. TANGIBLE FIXED ASSETS - COMPANY

<u>Tangible fixed assets</u>	Furniture, fittings and equipment	Total
<u>Cost</u>	€	€
At 1 st January 2012	206,092	206,092
Additions	14,460	14,460
Disposals	(3,999)	(3,999)
	-----	-----
At 31 st December 2012	216,553	216,553
	-----	-----
<u>Depreciation</u>		
At 1 st January 2012	170,772	170,772
Charge for the year	23,554	23,554
Disposals	(2,276)	(2,276)
	-----	-----
At 31 st December 2012	192,050	192,050
	-----	-----
<u>Net Book Value</u>		
At 31 st December 2012	24,503	24,503
	=====	=====
At 31 st December 2011	35,320	35,320
	=====	=====

15. GOODWILL

	Total
<u>Cost</u>	€
Cost at 1st January 2012 and 31 st December 2012	204,822

<u>Amortisation</u>	
At 1 st January 2012	40,965
Charge for the year	37,896

At 31 st December 2012	78,861

<u>Net Book Value</u>	
At 31 st December 2012	125,961
	=====
<u>Net Book Value</u>	
At 31 st December 2011	163,857
	=====

Goodwill was purchased as part of the acquisition of the Ethical Business Services division of Africa Now. 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.

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

16. DEBTORS

	Group 2012 €	Group 2011 €	Company 2012 €	Company 2011 €
Due from group undertakings	-	-	487,565	193,735
Due from Self Help Africa Inc.	13,621	-	13,621	-
Accrued income	616,028	424,422	-	-
Deferred tax	27,900	-	-	-
Sundry debtors & prepayments	667,287	<u>225,780</u>	459,352	<u>19,454</u>
	<u>1,324,836</u>	<u>650,202</u>	<u>960,538</u>	<u>213,189</u>

17. CREDITORS – Amounts falling due within one year

	Group 2012 €	Group 2011 €	Company 2012 €	Company 2011 €
Trade creditors and accruals	<u>390,511</u>	<u>233,871</u>	<u>75,534</u>	<u>141,884</u>

18. MOVEMENT ON RESERVES

	Unrestricted €	Restricted €	2012 €	2011 €
Balance at beginning of year	1,590,466	558,565	2,149,031	1,869,424
Net movement in funds	<u>332,790</u>	<u>190,493</u>	<u>523,283</u>	<u>279,607</u>
Balance at end of year	<u>1,923,256</u>	<u>749,058</u>	2,672,314	2,149,031
Acquisition funding reserve (note 19)			161,489	210,074
Deferred capital grant (note 20)			<u>13,631</u>	-
Total year end reserves			<u>2,847,434</u>	<u>2,359,105</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**19. ACQUISITION FUNDING RESERVE**

<u>Cost</u>	€
Cost at 1st January 2012 and 31 st December 2012	262,592

<u>Amortisation</u>	
At 1 st January 2012	52,518
Charge for the year	48,585

At 31 st December 2012	101,103

<u>Net Reserve</u>	
At 31 st December 2012	161,489
	=====
<u>Net Reserve</u>	
At 31 st December 2011	210,074
	=====

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

20. DEFERRED CAPITAL GRANTS

	€
Capital grants received during the year	18,785

Amortised during the year	(5,154)

<u>Net Reserve</u>	
At 31 st December 2012	13,631
	=====

Capital grants are amortised to unrestricted funds over the same useful life as the assets to which they relate.

SELF HELP AFRICA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

21. RECONCILIATION OF OPERATING SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2012	2011
	€	€
Operating surplus	449,811	221,181
Depreciation	39,128	28,108
Amortisation of capital grants	(5,154)	-
Gain on fixed asset disposal	(2,643)	-
Amortisation of acquisition funding reserve	(48,585)	(52,518)
Amortisation of purchased goodwill	37,896	40,965
Movement in debtors	(648,049)	(67,062)
Movement in creditors	156,640	138,119
Gain /(loss) on revaluations of investment assets	2,999	(1,840)
Exchange gain on consolidation	<u>21,007</u>	<u>49,940</u>
Net cash inflow from operating activities	<u><u>3,050</u></u>	<u><u>356,893</u></u>

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 31.12.2011	Cash Flows	Other Changes	At 31.12.2012
	€	€	€	€
Cash at bank and in hand	1,682,178	(12,880)	-	1,669,298
Net funds	<u>1,682,178</u>	<u>(12,880)</u>	<u>-</u>	<u>1,669,298</u>

23. 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 year, Self Help Africa advanced grants amounting to €79,483 to Self Help Africa Inc. A loan of €13,621 from Self Help Africa to Self Help Africa Inc. remained outstanding at 31st December 2012. The grants advanced are included in the expenditure of Self Help Africa and analysed according to the purposes for which the funds were applied.

24. PENSION SCHEME

The charity operates an employer sponsored, defined contribution pension scheme. During the year, the charity made contributions in respect of its employees. The assets of the scheme are held separately from those of the charity, in externally managed funds. The pension expense for the year amounted to €93,363 (2011: €77,352).

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

25. LEGAL STATUS OF COMPANY

- (i) In accordance with Section 24 of the Companies Act, 1963, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee and has no share capital.
- (ii) The company, as a charity, is exempt from the reporting and disclosure requirements of the Companies (Amendment) Act 1986.

26. POST BALANCE SHEET EVENTS

There are no significant events since the year end, which would have an impact on financial position as at the balance sheet date.

27. CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date.

28. COMPARATIVES

Comparative amounts have been regrouped, where necessary, on the same basis as those for the current year.

29. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved the financial statements and authorised them for issue on 24th June, 2013.