

GORTA (trading as Gorta-Self Help Africa)

Reports and Consolidated Financial  
Statements  
for the year ended  
31 December 2014

**GORTA t/a GORTA-SELF HELP AFRICA**

**REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**GORTA t/a GORTA-SELF HELP AFRICA**

**REFERENCE AND ADMINISTRATION**

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**BOARD OF DIRECTORS**

Mr. Tom Kitt (Chairman) (Appointed 26<sup>th</sup> July 2014)  
Mr. Seán Gaule  
Mr. Brian Kehoe  
Ms. Deirdre Fox  
Ms. Carmel Fox  
Prof. Denis I. F. Lucey  
Mr. Tom Kirley  
Mr. Pat Murphy  
Mr. Jeremy Woolwich  
Mr. Tom Corcoran (Appointed 26<sup>th</sup> July 2014)  
Mr. Teddy O'Mahony (Appointed 26<sup>th</sup> July 2014)  
Ms. Helen Brophy (Appointed 26<sup>th</sup> July 2014)  
Ms. Paula Murray (Appointed 26<sup>th</sup> July 2014)  
Mr. John Carroll (Appointed 26<sup>th</sup> July 2014)  
Mr. David Martin (Appointed 26<sup>th</sup> July 2014)  
Mr. Michael Hoevel (Appointed 26<sup>th</sup> July 2014)  
Prof. Adrian Wood (Appointed 26<sup>th</sup> July 2014)  
Mr. Paul Adams (Appointed 26<sup>th</sup> July 2014)  
Mr. Joe O' Dwyer (Appointed 26<sup>th</sup> July 2014) (Resigned 3<sup>rd</sup> November 2014)  
Mr. Jim Kinsella (Appointed 26<sup>th</sup> July 2014) (Resigned 24<sup>th</sup> November 2014)

**SECRETARY** Mr. Malachy Cardiff (Resigned 24<sup>th</sup> July 2014) (Appointed 13<sup>th</sup> August 2014)  
Mr. Ambrose Duffy (Appointed 24<sup>th</sup> July 2014) (Resigned 13<sup>th</sup> August 2014)

**CHIEF EXECUTIVE OFFICER** Mr. Ray Jordan

**REGISTERED OFFICE** Kingsbridge House, 17-22 Parkgate Street, Dublin 8

**SOLICITORS** Gallagher Shatter & Co.  
4 Upper Ely Place  
Dublin 2

McKeever Rowan Solicitors  
5 Harbourmaster Place  
International Financial Services Centre  
Dublin 1

Withers LLP.  
16 Old Bailey  
London EC4M 7EG  
England

**PRINCIPAL BANKERS** Bank of Ireland  
Lower Baggot Street  
Dublin 2

Bank of Ireland  
65 St Vincent Street  
Glasgow  
G25HT  
Scotland

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

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**REFERENCE AND ADMINISTRATION**

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**PRINCIPAL BANKERS** Permanent TSB  
2-4 Upper Baggot Street  
Dublin 4

AIB  
1-4 Lower Baggot Street  
Dublin 2

**AUDITORS** Deloitte & Touche  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

**COMPANY NUMBER** 28228

**CHARITIES REGULATORY  
AUTHORITY NUMBER** 20008895

**CHARITY NUMBER** CHY 5678

**GORTA t/a GORTA-SELF HELP AFRICA  
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present herewith the reports and audited consolidated financial statements of the charity for the year ended 31 December 2014.

Gorta-Self Help Africa is a leading international development, non-governmental organisation. 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 beliefs**

Our vision is an economically thriving and resilient Africa with opportunities for all smallholder farmers, women and men, to make a sustainable livelihood and contribute positively to their local economy.

Our mission is to help large numbers of female and male African smallholder farmers to help themselves to grow and sell more food and expand their economic activity in an environmentally sustainable manner.

Our beliefs:

- We believe food security is a fundamental human right and, in this age of increasing global prosperity, it is an outrage that more than 800 million people suffer from chronic hunger.
- We believe in the capacity of the people we work with and, as such, we work to empower people to become agents of their own development.
- We have a strong belief in solidarity over charity, that interventions can only be solutions if we work in tandem, as equal partners, with local authority at the community, national and/or regional level.
- In line with the Sustainable Development Goals we believe in long-term, sustainable, market-based solutions that respect the natural environment.

**Merger**

On 26<sup>th</sup> July, 2014 the members of Gorta and Self Help Africa at their respective extraordinary general meetings approved a merger of their two organisations to form Gorta-Self Help Africa. The complementarities between the two organisations have led to the creation of a strong and vibrant merged entity that aspires to be a leading force in the promotion of agriculture and enterprise as a catalyst for improving the lives of smallholder farmers in sub-Saharan Africa. The merger of Gorta and Self Help Africa allowed us to make significant cost savings, while increasing the impact that we can have in our work with rural poor communities in Africa.

The development programmes of the merged entity across ten countries in sub-Saharan Africa will continue to assist upwards of 500,000 rural households – approximately 3,000,000 people - in their fight to end hunger and poverty in their lives.

The directors of the organisation are particularly grateful to the respective chairmen, Tom Corcoran of Self Help Africa and Sean Gaule of Gorta, for the manner in which they led negotiations that resulted in the historic merger, and to both for their work during the integration period that followed in the second half of 2014.

It was heartening for all associated with Gorta-Self Help Africa that the merger of the two organisations was so well received – with virtually all supporters, donors, members and other stakeholders, embracing the amalgamation of the two charities as a bold and positive step forward for our company.

The historic joining of two of Ireland’s longest established overseas charities was positively welcomed by the Minister for Overseas Development Sean Sherlock. A subsequent function was hosted by President Michael D Higgins at Aras an Uachtaráin, on an occasion that formally marked the 50<sup>th</sup> anniversary of Gorta and 30<sup>th</sup> anniversary of Self Help Africa’s foundation.

We were greatly encouraged too that our merger received extensive positive media coverage, with all of the major national newspapers and several national broadcasters presenting the story in a positive light. At a time when the charity sector more widely had been on the receiving end of considerable negative publicity, the creation of Gorta-Self Help Africa contrasted with much of that commentary.

Due to the relative strengths and recognition of the names of “Gorta” and “Self Help Africa” in different geographical regions, the board have decided to operate as “Gorta-Self Help Africa” in Ireland and “Self Help Africa” in Africa, the UK and the US. This policy will be monitored by the board on an ongoing basis.

**GORTA t/a GORTA-SELF HELP AFRICA  
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

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**Our work in Africa**

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

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

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

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.

**Our approach**

Through capacity and capability building, Gorta-Self Help Africa encourages individuals and communities to invest in diversified and economically viable initiatives that lead to sustainable and prosperous livelihoods, while at the same time building communities' resilience to shocks.

Gorta-Self Help Africa has achieved much through the power of collaboration, working with local community groups, exchanging knowledge and learning with other organisations, lobbying and consulting with governments and joining forces with private sector companies on pioneering projects. In 2014 we worked with over 240,000 smallholder farmers to increase their average crop production levels by 25% or more and to more than double turnover from smallholder enterprises.

We focus on the three areas of Food Security and Nutrition, Enterprise Development and Influencing Policy.

- **Food Security & Nutrition:** We support smallholder farmers to improve their agricultural practices by promoting and increasing crop production and diversification while, at the same time, enhancing nutritional outcomes.
- **Enterprise Development:** We support business skills training and value chain interventions to overcome bottlenecks in supply chains and we support access to credit and financial services.
- **Influencing Policy:** We maximise policy impact by using an approach that brings together field experience and community based initiatives with research and advocacy at national and international levels.

**Organisation structure**

Gorta is the parent company of the group and now trades as Gorta-Self Help Africa. On merging, for operational efficiency, Self Help Africa became a subsidiary of Gorta and transferred its assets to 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).

## **Results for the year**

The financial results are set out in the Consolidated Statement of Financial Activities on page 18. The consolidated financial statements have been prepared using the principles of Merger Accounting. Under merger accounting, the results and cash flows of the companies are combined from the beginning of the financial period in which the merger transaction occurred. Income and expenditure account and balance sheet comparatives are restated on a combined basis.

Overall income levels for the year totalled €16.5 million, a decrease of 10% on 2013. There was a net increase in funds of €521,000 in the year which is allocated €967,000 increase in unrestricted funds and €446,000 decrease in restricted funds. The total unrestricted funds balance of €10.3 million at year end reflects a strong financial position for the organisation.

## **Review of activities**

As referenced above, the merger of Gorta with Self Help Africa was the defining event of the year. Gorta's strong partner network and unrestricted funding base together with Self Help Africa's institutional funding relationships and local country teams have 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.

## **Overseas programmes**

### ***Ethiopia***

Ethiopia experienced a bumper harvest in 2014, however production levels still fell short of demand with the government importing wheat from abroad to bridge the gap. Smallholder farmers targeted by SHA Ethiopia continued to fare well above average with noted production and income levels at 80-100% above the base measurement in 2011. A major achievement for the programme in 2014 was to have our community based seed multiplication initiative recognised by the government and incorporated in the Ethiopian seed policy, leading to scale up in seed multiplication. The programme has diversified from wheat seed multiplication to focus on barley seed multiplication to meet the growing demands from breweries for quality grain suitable for malting, a potentially lucrative business for smallholder farmers in a developing economy. SHA Ethiopia conducted an initial project with 22 primary cooperatives affiliated to two unions to improve production and storage of grain, as a result farmers received a 20% premium on grain prices from the government owned malting factory that serves Diageo plc and Heineken plc.

### ***Kenya***

The Kenya programme operates on the fringes of arid and semi-arid lands (ASAL) 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 2014 was no exception resulting in low yields in the ASAL areas. During 2014, the Kenya programme amalgamated projects from Gorta and Self Help Africa into one common programme and began a process of deregistration of Gorta to transfer partner contracts and assets to SHA Kenya. The programme focuses on climate smart agriculture, drought resistant crops and diversified agriculture to ensure smallholder farmers become increasingly resilient to shocks. SHA supported 708 dairy farmers in Keringet County to bulk and chill their milk and market through two major dairies. Total earnings exceeded €378,093 and provided 65 new jobs in the area. The programmes focus on value addition for cassava, a valuable drought tolerant commodity in Kenya, working with a partner in Homa Bay county, Rheel Solutions, the Subaron Cassava Farmers Cooperative sold over 28 tons of dried chipped cassava tubers to the National Cereals and Produce Board (NCPB).

### ***Uganda***

During 2014 the Uganda programme consolidated the Gorta and SHA projects successfully creating an expanded reach geographically and in scale. Uganda achieved an excellent harvest in 2014 thanks to sufficient rains; however this led to a downturn in farm gate prices for grain. With increasing inflation the store prices remained high. The Ugandan government's decision to disband the National Agricultural Advisory services (NAADS), while developing a new approach, left farmers without access to much needed extension support during the year. SHA Uganda bridged the gap by retaining some of the retrenched NAADS staff in our areas of operation to continue to provide plant clinics, an advisory service to farmers to quickly identify and

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

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treat pests and diseases affecting crops to minimize losses in the field. Despite Uganda's bountiful harvests, high levels of malnutrition persist. SHA Uganda continued to combat malnutrition through its Community Connector project in 18 counties in Northern and South Western Uganda. The Community Connector combines crop diversification and improved agriculture practice with public health messaging and food preparation advice. The Uganda team have started to monitor the impact that this approach is having on diet and eating habits through Food Consumption Score surveys. 93% of the surveyed households had an acceptable score demonstrating improvements in the range of foods eaten.

***Malawi***

Prolonged dry spells affected northern Malawi during the main cropping season in 2014 resulting in localised food shortages, which impacted on Karonga district where SHA is supporting smallholder farmers to become resilient to intermittent shocks. SHA Malawi has been promoting drought tolerant winter crops in Karonga, including the nutrient rich sweet potato and cassava, which has benefited targeted smallholder farmers and their families and provided protection against the worst effects of unpredictable weather patterns. 55% of households are now practicing three or more diversification strategies (13 points above baseline) to increase resilience. This includes integration of livestock, crop diversification, conservation agriculture practices, irrigation or agro-forestry. SHA Malawi, along with other INGO partners, entered into a contract with Malawi's largest mobile network provider, Airtel, to develop an innovative platform that is capable of transmitting both push and demand information to farmers in an attempt to support the overstretched extension service in the country. Push messages include weather and planting information, outbreaks of pest or disease affecting crops in certain areas and actions to take, and market prices. The platform is intended to develop further and provide an interactive paid service, where farmers can seek tailored information based on queries sent by text. Development of this innovative service is principally being funded by USAID.

***Zambia***

Zambia experienced a regular cropping season in most parts of the country in 2014 with the exception of Eastern province, however declining copper prices (Zambia's main export), depreciation of the Kwacha and rising inflation continued to have a negative effect on the purchasing power of smallholder farmers. In Eastern province, delayed onset of rains from the normal start in November to end of December affected farmers who were practicing conventional ploughing. SHA Zambia has promoted conservation agriculture in the province to address the volatility, allowing farmers to dry plant a few weeks before the rains are predicted to start, while maintaining soil cover that conserves moisture and soil fertility. The Irish Aid funded Local Development Programme (IALDP) in Northern Province completed its second year of implementation. SHA Zambia made concerted efforts to address gender inequality and nutrition through the IALDP. A survey of women in Mbala district, Northern Province highlighted the limited decision making power of women in crop production and post harvest trading with 65% of women reporting that they had input into crop selection, 56% had no input into sale of livestock and 45% reported that they needed their husband's permission to sell grain. However the IALDP demonstrated improvements in dietary diversity as a result of the project with 81% of households achieving an acceptable food consumption score in 2014 compared with 65% in 2013.

***West Africa***

While rains across Burkina Faso, northern Togo and northern Ghana started later than anticipated, harvests have in general been good. With its partner, Welthungerhilfe, SHA West Africa was awarded a UK DFID Building Resilience Against Climate Extremes and Disasters (BRACED) grant valued at £5.28 million for three years. During the inception phase, our team tested a number of different irrigation techniques with smallholder farmers to identify the most efficient and effective system that smallholder farmers could adopt for scale up during the implementation phase. The programme team also piloted the Plant Clinic approach that has been successfully developed in the Uganda, Malawi and Zambia programmes and following a positive reception from farmers will also scale up this service during the implementation of the programme. We are now three quarters way through our EU funded water and sanitation programme that aims to improve access to safe and hygienic toilet facilities in rural areas. This programme was selected by the EU mission in Burkina Faso for inclusion in a documentary to showcase the impact of EU funding in the country.

***Tanzania***

We continued to support two partners in Tanzania SAIPRO Trust Funds and the Sellan Agriculture Research Institute (SARI) while initiating a review of programme focus in the country. The programme focus has been on integrated watershed management, working with over 1,500 smallholder farmers to regenerate the natural resource base and introduce simple technology to conserve and manage limited water resources effectively.



### **Rwanda**

We continued to support the Medical Missionaries of Mary in Kirambi Prefecture with funding to implement the Kirambi Community Health and Development Programme. A review conducted in October 2014 recommended that the programme consolidate on its achievements to date and refocus to avoid creating dependence on subsidies. A new phase of the programme starting in 2015 will therefore build on increasing farmer production to address bottlenecks in value chains through co-operative development for bulking, storing and marketing of produce.

### **Gambia**

We finalised funding to the Agency for Development of Women and Children (ADWAC) in the Gambia to construct a training and resource centre which will promote the ongoing creation of sustainable livelihoods and improve food security for rural communities in the North Bank Division.

### **Advocacy**

In parallel to the announcement of the Global Alliance for Climate Smart Agriculture at the UN Climate Summit in September 2014, Gorta-Self Help Africa hosted a technical workshop in Burkina Faso for our agriculture coordinators and representatives from the Ministry of Agriculture, Burkina Faso, the West Africa Monetary Union, GIZ, FAO, ICRAF, IFAD and numerous national and international NGOs. The event discussed policies, strategies and enabling environment required to practically promote Climate Smart Agriculture. A range of advocacy initiatives were undertaken at headquarter and country level to call for greater focus and ultimately funding to be directed towards agriculture as the key driver for poverty reduction in Africa.

### **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 raise funds through a wide range of sources. We are indebted to Irish Aid, the UK Department for International Development, the Big Lottery Fund, Jersey Overseas Aid Commission, 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 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**

Gorta-Self Help Africa's Development Education unit undertook a broad range of activities in 2014 designed to deliver information and increase awareness and understanding amongst Irish post-primary students of the issues and challenges causing, and affecting those living with hunger and poverty in the world.

The Irish Aid funded Worldwide Global Schools programme, which Gorta-Self Help Africa manages as part of a consortium with Concern Worldwide and the City of Dublin Curriculum Development Unit, Education and Training Board, had another successful year in 2014. The programme has to date disbursed 166 grant awards (to schools, school networks and DE NGOs) to a cumulative value of €1,277,781, with a further cycle of grant disbursements scheduled for early 2015. Other key achievements of the programme in 2014 were the successful hosting of the first ever WWGS Annual Conference 2014 in Croke Park, the development and launch of a development education award for the post primary sector, entitled the WWGS Global Passport, and the development and launch of a monitoring tool for post primary schools to measure development education, called the WWGS Self Assessment Tool (SAT).

### **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 2014, continued progress was made in maintaining and expanding the business. 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.

### **Future developments**

2015 sees the organisation engaging in the development of a new strategic plan to take us up to 2020. Smallholder farmers and the focus on making a sustainable improvement on their livelihoods will remain the core of what we do. To maximise our impact we intend to deepen operations in current programme countries but implement financially self-sustaining, cost-effective and market-oriented programming in high growth economies and also consider, where appropriate, expansion into more fragile countries where the hunger problem is particularly severe.

In the broader context, in September 2015 UN Member States are expected to adopt 17 new Sustainable Development Goals (SDGs), which will effectively replace the Millennium Development Goals (MDGs). The correlation between our work and the post-2015 agenda is particularly encouraging, with eight of the 17 SDGs being directly relevant, and a further five partly relevant, to what we do. The SDGs will therefore place Gorta-Self Help Africa's priority areas at the heart of the global development agenda.

### **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). One of the aims of the Audit Finance and Risk 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 and ultimate approval is the responsibility of the board. The board met on eleven occasions in 2014 (seven in 2013). 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 of directors**

The directors in office at the date of this report are set out on page 2. At the date of the merger, the directors of Self Help Africa were co-opted to the Gorta board bringing the total number of directors to twenty. With the resignation of Joe O'Dwyer and Jim Kinsella in November the number now stands at eighteen. The board is currently undergoing a review process which aims to further reduce size of the board while ensuring that it continues to have the necessary competency mix to ensure appropriate oversight of a leading modern INGO.

### **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.

**GORTA t/a GORTA-SELF HELP AFRICA  
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

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The members of the committee in 2014 were David Martin (current Chair), Paula Murray, James Wyse, Colm Dennehy, Michael Butler and Chris McDonald. Noreen Fahy and Pat Murphy also served on this committee during 2014. The committee met five times in 2014 (four times in 2013).

**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.

***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, John Geraghty, Val Ponder, Fiona Meehan and Dr James Copestake. Tom Kirley also served on this committee in 2014. The committee met six times in 2014 (five times in 2013).

**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.

**Environment**

As part of our vision we strive to achieve environmental justice for all. Our programmes embrace the UN Millennium Development Goals which challenge all of us to respond to tackle poverty, hunger, disease, lack of shelter and exclusion – while promoting gender equality, healthcare, education, environmental sustainability and economic opportunity.

We proactively support specialist educational institutions in Uganda and Kenya focusing on agriculture, horticulture, hydrology and agro-forestry to produce graduates equipped to tackle the challenges their communities face. Gorta-Self Help Africa has a proactive approach to conducting our business in a manner that protects the environment. We are compliant with relevant environmental legislation.

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

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**Health and Safety**

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.

**Companies (Amendment) Act, 1986**

The reporting requirements of the Companies (Amendment) Act, 1986 relating to financial statements do not apply to the Company, as it is a company limited by guarantee not having a share capital.

**Books of Account**

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act, 1990, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the company's office at Kingsbridge House, 17-22 Parkgate Street, Dublin 8.

**Auditors**

Deloitte & Touche, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Approved by the directors and signed on their behalf by:

David Martin

Tom Kitt

Director

Director

28 May 2015

**GORTA t/a GORTA-SELF HELP AFRICA  
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2013. 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.

## **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 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company'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 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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law 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 group's and parent 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 year ended 31 December 2014 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**

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's net incoming resources for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

### **Matters on which we are required to report by the Companies Acts, 1963 to 2013**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company's financial statements are in agreement with the books of account.
- 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 Acts, 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Thomas Cassin  
For and on behalf of Deloitte & Touche  
Chartered Accountants and Statutory Audit Firm  
Dublin

28 May 2015

## **GORTA t/a GORTA-SELF HELP AFRICA STATEMENT OF ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statutes comprising the Companies Acts 1963 to 2013. The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) (Revised 2005) "Accounting and Reporting by Charities". The financial statements are presented in Euro (€) under the historical cost convention.

### **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. At the point of the merger between Gorta and Self Help Africa, the assets of Self Help Africa were transferred to Gorta with Self Help Africa becoming a subsidiary of Gorta. Gorta is the sole member of Gorta UK and Self Help Africa UK with Self Help Africa in turn being the sole member of Partner Africa. The activities of all five companies are mutually interdependent. The financial statements have been prepared under merger accounting principles. Under merger accounting the results, assets and liabilities of the individual companies are incorporated in the consolidated financial statements for the whole of the current period in which the merger occurred and prior periods as if the entities had been combined throughout these periods.

### **INCOMING RESOURCES**

- (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 received by the charity or into an executor bank account for distribution to the charity at a near future date.
- (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.

### **RECOGNITION OF EXPENDITURE**

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

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

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



**GORTA t/a GORTA-SELF HELP AFRICA  
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

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**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.

**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).

**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

**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.

**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.

**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.

**GORTA t/a GORTA-SELF HELP AFRICA  
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

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**RESERVES POLICY (CONTINUED)**

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

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

**INVESTMENT POLICY**

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

**INTANGIBLE FIXED ASSETS**

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

**ACQUISITION FUNDING RESERVE**

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

**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.

**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).

**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.

**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.

GORTA t/a GORTA-SELF HELP AFRICA

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014	2014	2014	2013
	Notes	Restricted Funds €	Unrestricted Funds €	Total €	Combined Total €
<b>INCOMING RESOURCES</b>					
<b>Incoming Resources From Generated Funds</b>					
<b>Voluntary Income</b>					
Donations and Fundraising income	1	386,241	4,513,888	4,900,129	6,158,251
<b>Incoming Resources from Charitable Activities</b>					
Revenue Based Grants	2	7,891,262	2,109,734	10,000,996	10,424,733
<b>Other Incoming Resources</b>					
Trading Activities Income	3	-	852,365	852,365	807,505
Investment Income	27	-	183,735	183,735	252,361
Other – Ethical Trade Services		-	555,977	555,977	683,761
<b>Total incoming resources</b>		<b>8,277,503</b>	<b>8,215,699</b>	<b>16,493,202</b>	<b>18,326,611</b>
<b>RESOURCES EXPENDED</b>					
<b>Charitable Activities</b>					
Programme Costs	5	8,744,151	4,385,766	13,129,917	14,644,623
<b>Costs of Generating Funds</b>					
Costs of Generating Trading Income	3	-	852,659	852,659	732,578
Costs of Generating Voluntary Income	4	-	1,491,276	1,491,276	1,706,722
<b>Governance Costs</b>					
Governance Costs	7	-	590,814	590,814	173,035
<b>Total Resources Expended</b>		<b>8,744,151</b>	<b>7,320,515</b>	<b>16,064,666</b>	<b>17,256,958</b>
<b>Net (Outgoing)/Incoming Resources before Other Recognised Gains and Losses</b>					
	8	(466,648)	895,184	428,536	1,069,653
Exchange gain/(loss) on consolidation		20,204	43,664	63,868	(11,923)
Investment Revaluation Gain		-	17,044	17,044	4,009
Foreign Branch Tax Credit	9	-	11,766	11,766	8,849
<b>Net Movement in funds</b>	24	<b>(446,444)</b>	<b>967,658</b>	<b>521,214</b>	<b>1,070,588</b>
Total funds Brought forward	24	1,865,350	9,295,090	11,160,440	10,089,852
<b>Total Funds Carried Forward</b>	24	<b>1,418,906</b>	<b>10,262,748</b>	<b>11,681,654</b>	<b>11,160,440</b>

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

The financial statements were approved by the Board of Director on 28<sup>th</sup> May, 2015 and signed on its behalf by:

David Martin  
Director

Tom Kitt  
Director

**GORTA t/a GORTA-SELF HELP AFRICA**

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014**

	Notes	2014 €	2013 Combined €
<b>FIXED ASSETS</b>			
Tangible assets	12	224,503	198,018
Investments	12	42,855	38,336
		<u>267,358</u>	<u>236,354</u>
<b>INTANGIBLE ASSETS</b>			
Goodwill	13	43,851	82,224
<b>CURRENT ASSETS</b>			
Short term investments	14	117,635	115,697
Cash in bank and at hand	15	11,532,232	14,322,785
Debtors	16	1,232,041	1,591,961
Stocks		2,811	2,422
		<u>12,884,719</u>	<u>16,032,865</u>
<b>CREDITORS - AMOUNTS DUE WITHIN ONE YEAR</b>			
Creditors, accruals and deferred income	17	(1,245,600)	(3,522,790)
		<u>11,639,119</u>	<u>12,510,075</u>
<b>NET CURRENT ASSETS</b>			
		<u>11,950,328</u>	<u>12,828,653</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>Long term liabilities</b>			
Creditors ( Amount falling due after one year)	18	(204,492)	(1,550,781)
		<u>11,745,836</u>	<u>11,277,872</u>
<b>RESERVES</b>			
Accumulated funds – restricted	24	1,418,906	1,865,350
Accumulated funds – unrestricted	24	10,262,748	6,046,502
Accumulated funds – designated	24	-	3,248,588
Acquisition Funding Reserve	25	56,210	105,412
Deferred Capital Grants	26	7,972	12,020
		<u>11,745,836</u>	<u>11,277,872</u>

The financial statements were approved by the Board of Directors on 28<sup>th</sup> May, 2015 and signed on its behalf by:

David Martin  
Director

Tom Kitt  
Director

**GORTA t/a GORTA-SELF HELP AFRICA****COMPANY BALANCE SHEET AS AT 31 DECEMBER 2014**

	<i>Notes</i>	<b>2014</b> €	2013 €
<b>FIXED ASSETS</b>			
Tangible assets	12	<b>193,979</b>	131,365
<b>CURRENT ASSETS</b>			
Short term investments	14	<b>117,635</b>	115,697
Cash in bank and at hand	15	<b>10,283,795</b>	10,561,897
Debtors	16	<b>1,259,623</b>	153,936
		<b>11,661,053</b>	10,831,530
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors, accruals and deferred income	17	<b>(952,624)</b>	(1,862,388)
<b>NET CURRENT ASSETS</b>			
		<b>10,708,429</b>	8,969,142
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>10,902,408</b>	9,100,507
<b>Long term liabilities</b>			
Creditors (Amount falling due after one year)	18	<b>(204,492)</b>	(1,550,781)
<b>NET ASSETS</b>			
		<b>10,697,916</b>	7,549,726
<b>RESERVES</b>			
Accumulated funds - restricted	24	<b>1,066,243</b>	-
Accumulated funds - unrestricted	24	<b>9,631,673</b>	4,301,138
Accumulated funds - designated	24	-	3,248,588
		<b>10,697,916</b>	7,549,726

The financial statements were approved by the Board of Directors on 28th May, 2015 and signed on its behalf by:

David Martin  
Director

Tom Kitt  
Director

GORTA t/a GORTA-SELF HELP AFRICA

CONSOLIDATED CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014

	<i>Notes</i>	2014 €	2013 Combined €
<b>Net cash outflow from charitable activities</b>	22	<b>(2,841,178)</b>	(1,640,236)
<b>Capital expenditure and financial investment</b>			
Interest received	27	<b>183,735</b>	252,361
Receipts from disposal of tangible fixed assets		<b>684</b>	-
Capital grants received		-	3,846
Payments to acquire tangible fixed assets	12	<b>(133,794)</b>	(167,938)
		<b>50,625</b>	88,269
<b>Decrease in cash</b>	22	<b>(2,790,553)</b>	(1,551,967)
Net funds at 1 January		<b>14,322,785</b>	15,874,752
<b>NET FUNDS AT 31 DECEMBER</b>		<b>11,532,232</b>	14,322,785

**GORTA t/a GORTA-SELF HELP AFRICA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. VOLUNTARY INCOME	2014 Restricted Funds €	2014 Unrestricted Funds €	2014 Total Funds €	2013 Total Funds €
Committed giving	-	3,393,918	3,393,918	3,553,009
Legacies	-	96,419	96,419	199,679
Church gate collections and Committee income	8,679	221,402	230,081	292,457
General donations	377,562	658,017	1,035,579	1,879,814
Grow Fund	-	111,490	111,490	146,075
Gift Aid refunds	-	32,642	32,642	87,217
<b>Total</b>	<b>386,241</b>	<b>4,513,888</b>	<b>4,900,129</b>	<b>6,158,251</b>

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	2014 €	2013 Combined €
Irish Aid	2,527,080	2,575,215
Irish Aid (Zambia Northern Province)	1,884,112	1,335,170
Irish Aid (WorldWise Global Schools)	775,625	914,542
Department for International Development (UK) – PPA	1,784,812	1,785,881
Department for International Development (UK) – Other	655,029	393,298
FHI Uganda	829,719	593,942
Jersey Overseas Aid Commission	318,961	79,439
European Union	245,229	863,199
Canadian Government	214,506	841,534
Big Lottery Fund (UK)	192,344	227,939
CNFA Ethiopia	168,290	-
Ethiopian Agricultural Transformation Agency	112,363	-
Energy and Environment Partnership	94,379	47,294
FHI Kenya	70,625	114,088
Irish League of Credit Unions	58,577	15,902
Food and Agriculture Organisation	39,345	8,960
ICCO Terrafina Microfinance- Farm Africa	30,000	106,757
Department of Agriculture, Food and the Marine	-	485,000
CSEF Zambia	-	22,000
Isle of Man Overseas Committee	-	11,114
	-	3,459
	<b>10,000,996</b>	<b>10,424,733</b>

3. ACTIVITIES FOR GENERATING FUNDS: TRADING INCOME	2014 €	2013 €
Turnover from donated goods	852,365	807,505
Less costs:		
Operating expenses	(744,397)	(644,511)
Management expenses	(108,262)	(88,067)
	<b>(852,659)</b>	<b>(732,578)</b>
Total net trading (outgoing)/incoming resources	<b>(294)</b>	<b>74,927</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**
**4. COST OF GENERATING VOLUNTARY INCOME**

Cost of generating voluntary income represents fundraising costs to raise both restricted and unrestricted income, excluding trading sales. This is analysed as follows:

	2014	2013
	€	Combined €
Staff Costs	799,926	904,694
Fundraising & Promotional Expenses	691,350	802,028
	<u>1,491,276</u>	<u>1,706,722</u>

**5. CHARITABLE ACTIVITIES EXPENDITURE**

	2014	2013
	€	Combined €

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

Agriculture	3,815,372	4,557,866
Agribusiness Development	2,885,595	2,349,346
Nutrition	179,827	257,909
Gender/Inclusion	19,173	73,556
Advocacy/Policy	104,085	316,340
Water, Sanitation & Health	447,860	1,620,857
Renewable Energy	27,505	34,677
Partner Capacity Building	668,816	764,105
	<u>8,148,233</u>	<u>9,974,656</u>

Development Education	1,110,052	839,433
Direct Salaries	2,173,488	1,988,011
Programme Support and Quality	308,413	553,123
Research Advocacy & Communications	311,915	220,239
Support Costs (Note 6)	1,077,816	1,069,161
	<u>13,129,917</u>	<u>14,644,623</u>

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

Zambia	2,594,384	2,541,220
Uganda	2,002,694	1,711,694
Ethiopia	1,632,433	1,648,365
Kenyan	1,283,958	661,506
Malawi	1,119,606	1,223,435
West Africa	1,118,532	850,259
Ethical trade services/enterprise development *	909,770	904,161
Tanzania	264,155	308,656
Rwanda	40,272	279,991
	<u>10,965,804</u>	<u>10,129,287</u>
Adjustments **	<u>(2,817,571)</u>	<u>(154,631)</u>
	<u>8,148,233</u>	<u>9,974,656</u>

\* 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.



**GORTA t/a GORTA-SELF HELP AFRICA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

<b>6. SUPPORT COSTS</b>	<b>2014</b>	2013
	€	Combined €
Human resources	116,494	294,270
IT/Computer	39,944	126,224
Postage, stationery & communications	51,879	48,005
Premises (Note 21)	512,699	109,982
Professional fees	178,643	302,890
Other support costs	178,157	187,790
	<u>1,077,816</u>	<u>1,069,161</u>
<b>7. GOVERNANCE COSTS</b>	<b>2014</b>	2013
	€	Combined €
The net incoming resources for the year are stated after charging:		
Auditors' remuneration	55,405	51,166
Staff costs	47,491	33,876
Legal, professional and similar costs *	426,430	45,506
General governance costs	61,488	42,487
	<u>590,814</u>	<u>173,035</u>
* Includes costs associated with the merger of Gorta and Self Help Africa.		
<b>8. NET INCOMING RESOURCES</b>	<b>2014</b>	2013
	€	Combined €
The net incoming resources for the year are stated after charging/(crediting):		
Auditors' remuneration	55,405	51,166
Depreciation	110,251	93,706
Amortisation of capital grants	(4,949)	(4,896)
Loss on fixed asset disposal	(468)	-
Amortisation of intangible asset	42,577	40,436
Acquisition reserve amortisation	(54,591)	(51,844)
	<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.		
<b>9. FOREIGN BRANCH TAX CREDIT</b>	<b>2014</b>	2013
	€	Combined €
Tax has been provided for in the Kenyan branch of Partner Africa as follows:		
Deferred tax credit	11,766	8,849
	<u></u>	<u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**
**10. STAFF COSTS**

	2014	2013
	€	Combined €
The average number of employees during the year was 99 (2013 – 100). No employee of the group acts as director. Staff costs are comprised as follows:		
Wages and salaries	3,748,813	3,502,582
Social welfare costs	345,620	311,314
Pension costs	182,313	160,466
	<u>4,276,746</u>	<u>3,974,362</u>

The total remuneration package of the chief executive comprised salary of €112,500 (2013 - €112,500) plus 6.5% employer pension contribution.

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

	2014	2013
€70,001 - €80,000	4	5
€80,001 – €90,000	2	1
€90,001 – €100,000	1	-
€100,001 - €110,000	-	-
€110,001 - €120,000	1	1

**11. DIRECTOR RENUMERATION 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.

**12. FIXED ASSETS****GROUP**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**12. FIXED ASSETS****COMPANY**

	Shop Fittings €	Office furniture and Equipment €	Motor Vehicles €	Total €
<b>Cost</b>				
At 1 <sup>st</sup> 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
<b>At 31<sup>st</sup> December 2014</b>	<b>270,296</b>	<b>402,554</b>	<b>226,762</b>	<b>899,612</b>
<b>Depreciation</b>				
At 1 <sup>st</sup> January 2014	133,160	102,089	157,558	392,807
Charge for year	23,257	26,894	41,193	91,344
Transfer from Self Help Africa	-	221,482	-	221,482
<b>At 31<sup>st</sup> December 2014</b>	<b>156,417</b>	<b>350,465</b>	<b>198,751</b>	<b>705,633</b>
<b>Net book value</b>				
<b>At 31<sup>st</sup> December 2014</b>	<b>113,879</b>	<b>52,089</b>	<b>28,011</b>	<b>193,979</b>
At 31 <sup>st</sup> December 2013	52,114	10,047	69,204	131,365

**FIXED ASSET INVESTMENTS****GROUP****Market Value****Unlisted Securities**  
€

At 1 <sup>st</sup> January 2014	38,336
Revaluations	1,908
Exchange gain on consolidation	2,611
<b>At 31<sup>st</sup> December 2014</b>	<b>42,855</b>

**13. GOODWILL****GROUP****Cost**

	<b>Total</b> €
At 1 <sup>st</sup> January 2014	205,560
Exchange gain on consolidation	13,693
<b>At 31<sup>st</sup> December 2014</b>	<b>219,253</b>

**Amortisation**

	<b>Total</b> €
At 1 <sup>st</sup> January 2014	123,336
Amortised for the year	42,577
Exchange loss on consolidation	9,489
<b>At 31<sup>st</sup> December 2014</b>	<b>175,402</b>

**Net book value**

<b>At 31<sup>st</sup> December 2014</b>	<b>43,851</b>
At 31 <sup>st</sup> December 2013	82,224

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**13. GOODWILL (CONTINUED)**

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.

**14. SHORT TERM INVESTMENTS****GROUP and COMPANY:**

Investments relate to a bequest of shares, the market value of which at 31 December 2014 was €117,635 (2013: €115,697).

**15. CASH AT BANK AND IN HAND**

	2014	2013 Combined
(a) <u>GROUP:</u>	€	€

**By fund designation:**

Restricted	1,006,433	1,378,259
Unrestricted	10,525,799	9,827,303
Designated	-	3,117,223
	<b>11,532,232</b>	<b>14,322,785</b>

**By account type:**

	2014	2013 Combined
	€	€
Deposit accounts	9,167,473	11,647,651
Current accounts	2,177,405	2,492,038
County committee accounts	177,442	175,050
Petty cash	9,912	8,033
Prize bonds	-	13
	<b>11,532,232</b>	<b>14,322,785</b>

**(b) COMPANY:**

	2014	2013
	€	€

**By fund designation:**

Restricted	1,066,243	-
Unrestricted	9,217,552	7,444,674
Designated	-	3,117,223
	<b>10,283,795</b>	<b>10,561,897</b>

**By account type:**

	2014	2013
	€	€
Deposit accounts	8,664,900	10,007,195
Current accounts	1,433,448	374,384
County committee accounts	177,442	175,050
Petty cash	8,005	5,255
Prize bonds	-	13
	<b>10,283,795</b>	<b>10,561,897</b>

GORTA t/a GORTA-SELF HELP AFRICA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014

16. DEBTORS	2014	2013 Combined
	€	€
<b>(a) GROUP:</b>		
Due from Self Help Africa Inc (Note 28)	76,172	65,913
Tax refunds on donations receivable	170,963	96,192
Deferred tax	51,415	34,871
VAT recoverable	10,663	1,214
Prepayments and other debtors	431,377	441,303
Accrued income	491,451	952,468
	<u>1,232,041</u>	<u>1,591,961</u>
	2014	2013
	€	€
<b>(b) COMPANY:</b>		
Amount due from subsidiaries	794,658	86,529
Due from Self Help Africa Inc (Note 28)	76,172	-
Tax refunds on donations receivable	23,985	-
Prepayments and other debtors	318,960	60,934
Accrued Income	45,848	6,473
	<u>1,259,623</u>	<u>153,936</u>
	2014	2013
	€	€
<b>17. CREDITORS, ACCRUALS AND DEFERRED INCOME</b>		
	2014	2013 Combined
	€	€
<i>Amounts falling due within one year:</i>		
<b>(a) GROUP:</b>		
Projects deferred expenditure	-	2,368,449
Trade creditors and accruals	936,128	737,279
Grants payable	-	89,019
Deferred revenue	52,440	180,023
Other amounts payable (Note 21)	88,094	-
VAT liability	3,048	659
Pension liability	14,465	20,838
PAYE/PRSI liability	151,425	126,523
	<u>1,245,600</u>	<u>3,522,790</u>
	2014	2013
	€	€
<i>Amounts falling due within one year:</i>		
<b>(b) COMPANY:</b>		
Projects deferred expenditure	-	1,578,209
Trade creditors and accruals	717,001	233,731
Pension liability	10,381	1,279
Other amounts payable (Note 21)	88,094	-
PAYE/PRSI liability	137,148	49,169
	<u>952,624</u>	<u>1,862,388</u>

**GORTA t/a GORTA-SELF HELP AFRICA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**18. CREDITORS:** *(Amounts falling due after more than one year)*

	2014	2013
	€	Combined €
<b>(a) GROUP:</b>		
Other amounts payable (Note 21)	204,492	-
Projects deferred expenditure	-	1,550,781
	<u>204,492</u>	<u>1,550,781</u>
<b>(b) COMPANY:</b>		
Other amounts payable (Note 21)	204,492	-
Projects deferred expenditure	-	1,550,781
	<u>204,492</u>	<u>1,550,781</u>

Projects deferred expenditure falling due after one year represents the balance arising on approved projects payable in 2015 or later. During 2014 the contracts with implementing partners were re-issued with the result that only grants relevant to the current financial year are reflected in the SOFA and no requirement for deferred expenditure.

**19. COMMITMENTS**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	€	Combined €
<b>Expiry date:</b>		
1 year	40,478	89,152
Between 2 and 5 years	51,108	17,969
Over 5 years	445,146	329,039
	<u>536,732</u>	<u>436,160</u>

**20. 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 year amounted to €182,313 (2013: €160,466).

Balance outstanding at year end €14,465 (2013: € 20,838)

**21. ONEROUS CONTRACT**

Provision has been made in the financial statements for the year ended 31<sup>st</sup> December 2014 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 €292,586 of which €88,094 is expected to arise within one year and €204,492 after one year.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

<b>22.</b>	<b>RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH OUTFLOW FROM CHARITABLE ACTIVITIES</b>	<b>2014</b>	2013 Combined
		€	€
	<b>NET INCOMING RESOURCES</b>	<b>428,536</b>	1,069,653
	Depreciation	110,251	93,706
	Amortisation of capital grants	(4,949)	(4,896)
	Amortisation of purchased goodwill	42,577	40,436
	Amortisation of acquisition funding reserve	(54,591)	(51,844)
	(Loss)/gain on fixed asset disposal	(468)	2
	Exchange gain/(loss) on consolidation	63,868	(11,923)
	Exchange (loss)/gain on deferred tax asset	(4,778)	1,878
	Exchange (loss)/gain on consolidated fixed assets and related reserves	(3,684)	2,470
	Decrease/(Increase) in Investments	13,197	(19,804)
	(Increase)/decrease in stock	(389)	520
	Decrease in debtors	376,466	212,726
	Decrease in creditors- amounts due within one year	(2,277,190)	(3,075,750)
	(Decrease)/increase in creditors- amounts due over one year	(1,346,289)	354,951
	Adjustment for interest received or similar	(183,735)	(252,361)
	<b>NET CASH OUTFLOW FROM CHARITABLE ACTIVITIES</b>	<b>(2,841,178)</b>	<b>(1,640,236)</b>

**ANALYSIS OF CHANGES IN CASH BALANCES**

	At 1 January 2014 €	Cashflows 2014 €	At 31 December 2014 €
Cash at bank and in hand	<u>14,322,785</u>	<u>(2,790,553)</u>	<u>11,532,232</u>

**23. 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 incoming resources for the year, and the retained reserves of each of the group companies at the year-end are detailed below.

	Net incoming resources for the year €	Retained reserves at the year end €
Gorta	532,490	10,697,916
Self Help Africa (UK)	(127,406)	705,433
Partner Africa	44,451	81,168
Gorta UK	<u>71,679</u>	<u>197,137</u>
Group total	<u>521,214</u>	<u>11,681,654</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**24. TOTAL FUNDS**

	Restricted Funds €	Unrestricted Funds €	Designated Funds €	Total Funds €
<b>(i) Reconciliation of funds:</b>				
<b>(a) GROUP:</b>				
Fund balance at 1 January 2014	1,865,350	6,046,502	3,248,588	11,160,440
Net incoming resources for the years	(446,444)	967,658	-	521,214
Transfer between funds	-	3,248,588	(3,248,588)	-
<b>Fund balances at 31 December 2014</b>	<b>1,418,906</b>	<b>10,262,748</b>	<b>-</b>	<b>11,681,654</b>

	Restricted Funds €	Unrestricted Funds €	Designated Funds €	Total Funds €
<b>(b) COMPANY</b>				
Fund balance at 1 January 2014	-	4,301,138	3,248,588	7,549,726
Funds transferred from Self Help Africa	2,725,742	637,666	-	3,363,408
Net incoming/(outgoing) resources for the year(1,659,500)	-	1,444,282	-	(215,218)
Transfer between funds	-	3,248,588	(3,248,588)	-
<b>Fund balances at 31 December 2014</b>	<b>1,066,242</b>	<b>9,631,674</b>	<b>-</b>	<b>10,697,916</b>

**(ii) Analysis of net assets between funds:**

<b>(a) GROUP:</b>	Restricted Funds €	Unrestricted Funds €	Deferred Capital Grants €	Acquisition Funding Reserve €	Balance 31/12/2014 €
Tangible Fixed Assets	-	247,027	7,972	12,359	267,358
Intangible Assets	-	-	-	43,851	43,851
Current Assets	1,418,906	11,465,813	-	-	12,884,719
Liabilities	-	(1,450,092)	-	-	(1,450,092)
<b>Total funds</b>	<b>1,418,906</b>	<b>10,262,748</b>	<b>7,972</b>	<b>56,210</b>	<b>11,745,836</b>

<b>(b) COMPANY:</b>	Restricted Funds €	Unrestricted Funds €	Balance 31/12/2014 €
Tangible Fixed Assets	-	193,979	193,979
Current Assets	1,066,243	10,594,810	11,661,053
Liabilities	-	(1,157,116)	(1,157,116)
<b>Total funds</b>	<b>1,066,243</b>	<b>9,631,673</b>	<b>10,697,916</b>



GORTA t/a GORTA-SELF HELP AFRICA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014

24. TOTAL FUNDS (*continued*)

(iii) Movements in funds:

(a) <u>GROUP</u> :	Balance as at 01/01/2014 €	Incoming Resources €	Resources expended €	Transfer between Funds €	Balance 31/12/2014 €
Restricted funds	1,865,350	8,277,503	(8,723,947)	-	1,418,906
Unrestricted funds	6,046,502	8,215,699	(7,248,041)	3,248,588	10,262,748
Designated funds	3,248,588	-	-	(3,248,588)	-
<b>Total funds</b>	<b>11,160,440</b>	<b>16,493,202</b>	<b>(15,971,988)</b>	<b>-</b>	<b>11,681,654</b>

(b) COMPANY:

	Balance as at 01/01/2014 €	Transferred from Self Help Africa €	Incoming resources €	Resources expended €	Transfer between Funds €	Balance 31/12/2014 €
Restricted funds	-	2,725,742	2,714,613	(4,374,113)	-	1,066,243
Unrestricted funds	4,301,138	637,666	4,640,550	(3,196,268)	3,248,588	9,631,673
Designated funds	3,248,588	-	-	-	(3,248,588)	-
<b>Total funds</b>	<b>7,549,726</b>	<b>3,363,408</b>	<b>7,355,163</b>	<b>(7,570,381)</b>	<b>-</b>	<b>10,697,916</b>

25. ACQUISITION FUNDING RESERVE

Cost

At 1 <sup>st</sup> January 2014	263,538	<b>Total</b>
Exchange gain on consolidation	17,556	€
<b>At 31<sup>st</sup> December 2014</b>	<b>281,094</b>	

Amortisation

At 1 <sup>st</sup> January 2014	158,126	<b>Total</b>
Amortised for the year	54,591	€
Exchange gain on consolidation	12,167	
<b>At 31<sup>st</sup> December 2014</b>	<b>224,884</b>	

Net book value

<b>At 31 Dec 2014</b>	<b>56,210</b>
At 31 Dec 2013	105,412

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 YEAR ENDED 31 DECEMBER 2014**

**26. DEFERRED CAPITAL GRANTS**

	<b>Total €</b>
<b><u>Cost</u></b>	
At 1 <sup>st</sup> January	21,434
Exchange loss on consolidation	2,301
<b>At 31<sup>st</sup> December</b>	<b>23,735</b>
<b><u>Amortisation</u></b>	<b>Total €</b>
At 1 <sup>st</sup> January	9,414
Amortised for the year	4,949
Exchange gain on consolidation	1,400
<b>At 31<sup>st</sup> December</b>	<b>15,763</b>
<b>Net book value</b>	
<b>At 31 Dec 2014</b>	<b>7,972</b>
At 31 Dec 2013	12,020

**27. FINANCIAL RISK MANAGEMENT**

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.

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 €183,735 in 2014 (2013: €252,361).

**28. 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 Inc. on-granted €14,527 of restricted income received (2013: €41,488) and €52,777 of voluntary income raised (2013: 25,919) to Gorta projects. Total amounts granted by SHA Inc to Gorta of €67,304 (2013: €67,507) have been included in the accounts of Gorta under incoming resources and resources expended. A balance of €76,172 remained outstanding at 31<sup>st</sup> December 2014 represented by a loan repayable by Self Help Africa Inc. to Gorta.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**
**29. MERGER WITH SELF HELP AFRICA**

On 28<sup>th</sup> May 2014 Gorta entered into an agreement to merge with Self Help Africa, a like-minded charity registered in the Republic of Ireland. This merger was completed following EGMs of both organisations on 26<sup>th</sup> July and all assets and liabilities of Self Help Africa transferred to Gorta at that date.

The financial statements reflect the results of both Gorta and Self Help Africa from 1<sup>st</sup> January 2014 until 26<sup>th</sup> July 2014 and of the merged organisation from 27<sup>th</sup> July 2014 to 31<sup>st</sup> December 2014. Comparatives for 2013 reflect the full year combined results of Gorta and Self Help Africa.

**Analysis of principal SoFA components for the current reporting period:**

	Gorta Pre-Merger €	Self Help Africa Pre-Merger €	Combined Post Merger €	Total 2014 €
Total Income	2,485,177	6,909,263	7,098,762	16,493,202
Total Expenditure	2,532,545	6,499,910	7,032,211	16,064,666
<b>Net (Outgoing)/Incoming Resource</b>	<b>(47,368)</b>	<b>409,353</b>	<b>66,551</b>	<b>428,536</b>
<b>Other Gains</b>	<b>12,035</b>	<b>47,802</b>	<b>32,841</b>	<b>92,678</b>
<b>Net Movement in Funds</b>	<b>(35,333)</b>	<b>457,155</b>	<b>99,392</b>	<b>521,214</b>

**Analysis of principal SoFA components for the previous reporting period:**

	Self Help Africa 2013 €	Gorta 2013 €	Total 2013 €
Total Income	13,136,645	5,189,966	18,326,611
Total Expenditure	12,790,628	4,466,330	17,256,958
<b>NET INCOMING RESOURCE</b>	<b>346,017</b>	<b>723,636</b>	<b>1,069,653</b>
<b>Other Gains</b>	<b>935</b>	<b>-</b>	<b>935</b>
<b>Net Movement in Funds</b>	<b>346,952</b>	<b>723,636</b>	<b>1,070,588</b>

**Analysis of net assets at 26<sup>th</sup> July 2014**

	Self Help Africa €	Gorta €	Combined Total €
<b>Net Assets</b>	<b>4,026,656</b>	<b>7,639,850</b>	<b>11,666,506</b>
<b>Represented by:</b>			
Unrestricted Reserves	992,585	4,391,262	5,383,847
Restricted Reserves	2,949,828	-	2,949,828
Designated Reserves	-	3,248,588	3,248,588
Acquisition Funding Reserve	78,758	-	78,758
Capital Grants	5,485	-	5,485
<b>Total Funds</b>	<b>4,026,656</b>	<b>7,639,850</b>	<b>11,666,506</b>