

**Value Added in Africa Limited**  
**(Company limited by guarantee and**  
**not having Share Capital)**

**Directors' Report and Financial Statements**

**For the year ended 31 December 2010**

## **Value Added in Africa Limited**

### **Company Information**

#### **Directors**

Michelle Hardiman  
Matthew Murphy (US)  
Joseph Ward  
John Soden  
Elizabeth O Herlihy (appointed 10 February 2011)  
Thomas Brennan (resigned 10 February 2011)

#### **Secretary**

Conall O Caoimh

#### **Company Number**

453802

#### **Charity number**

CHY 18389

#### **Registered Office**

Ardan  
Windgate Road  
Howth  
Co. Dublin

#### **Auditors**

Cooney Carey  
Chartered Accountants and  
Registered Auditors  
The Courtyard  
Carmenhall Road  
Sandyford  
Dublin 18

#### **Bankers**

Allied Irish Banks  
Sutton Cross  
Sutton  
Dublin 13

## **Value Added in Africa Limited**

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## **Value Added in Africa Limited**

### **Chairperson's Statement**

#### **For the year ended 31 December 2010**

##### **1. Overview**

During 2010 Value Added In Africa (VAA) made significant progress in its' work and successfully facilitated a number of African producers in building relationships with distributors in Ireland - leading to strengthened livelihoods for African producers and increased corporate social responsibility by Irish companies.

VAA continues in start-up phase of establishment of the organisation and building up of its knowledge-base, expertise and networks among the business communities in Africa and in Ireland. 2010 saw expansions of VAA's activities in each area of its' work leading to significant strengthening of the organisation's capacity.

Two highlights of the year were the launch of VAA's World Cup Campaign (which introduced four ranges of African products into Ireland) and the launch of the first ever fully African-made chocolate in Ireland.

The independent funding of the organisation remained constant in a very difficult environment while two grants received from Irish Aid led to an overall increase in the resources available for the work of the organisation.

##### **2. Objectives in 2010**

The main object of Value Added In Africa is to alleviate poverty among communities in Africa through promoting education with an emphasis on:

- Enabling African communities to maximise opportunities to develop sustainable livelihoods.
- Raising the awareness of Irish people to support sustainable livelihoods in Africa in particular through corporate social responsibility.

##### **Our specific objectives during 2010 were:**

1. To identify companies in Africa who have value added products which could be exported to Ireland.
2. To present to Irish companies specific opportunities to engage in social responsibility through value-added trade with African producers.
3. To support African companies in improving the quality of employment they offer to their staff.
4. To raise awareness in Ireland of the importance of value added trade in providing sustainable approaches to poverty reduction.
5. To build the structures and capacity of the organisation to sustain the above activities.

##### **Objective 1: To identify companies in Africa who have value added products which could viably be exported to Ireland**

During the year VAA made two research trips in Africa: twice to Kenya and one to Ethiopia to identify new producer groups and strengthen relations with existing partners. The first visit was again Nairobi based and involved a packed schedule of meeting's and factory visits. On the second visit to Kenya the Director travelled up-country to visit Iriaini Fair Trade Tea coop, Cinnebar Green and Meru Herbs and also down to Mombasa to visit Life Works Shukrani, Sasini and others. As a first visit to Ethiopia it was all Addis based and involved many meetings with state agencies. In Ethiopia the areas of greatest potential identified were food products, garments and potentially leather products. Special thanks is due to Connect Ethiopia which facilitated the visit in many ways.

Collaboration with other organisations involved in building producers' productive capacity has been a feature of visits. Some of the other organisations with whom consultation and collaboration meetings were held were Connect Ethiopia, Traidcraft, SNV, GTZ and FLO as well as official state agencies in each country.

The focal areas in both visits were value-added foods and beverages, natural beauty products and garments. While VAA is open to other areas, these are the ones which have grown most naturally - being ones where the African producers have natural advantage and where social benefit is strongest through sourcing from a wide number of local suppliers, mostly rural farmers .

## **Value Added in Africa Limited**

### **Chairperson's Statement**

#### **For the year ended 31 December 2010**

This research has led to a significant strengthening of VAA's product portfolio which now contains products which have a lot greater viability on the Irish market. VAA has also learned how to recognise and prioritise products that will have a realistic prospect among wholesalers - including meeting technical requirements. Greater emphasis has been placed on identifying products which can go to scale - increasing the social benefit which would flow from them.

#### **Objective 2: To present to Irish companies specific opportunities to engage in social responsibility through value-added trade with African producers**

Great progress was made in this area during 2010 leading to the development of stronger networks among Irish wholesale companies.

This development was made possible through the strengthening of VAA capacity in this area. Training tailored to the needs of VAA staff was provided pro-bono by Peter Byrne of TACK Training. Catalogues were developed including professional photography of the products by Theresa Moynes and Lollipop (Senja).

This led to a number of Irish companies making decisions to become distributors of African made products. Largest of these was Premier International which began to wholesale Tusker lager from Kenya. This alone has the capacity to create up to 30 jobs in Kenya during the next three years. Evergreen, a chain of natural health stores in the West of Ireland sourced products directly from Cinnebar Green of Kenya and Lulu Life of Sudan. Later in the year Sheridans Cheesemongers began to distribute the first ever fully African-made chocolate on the Irish market - Claudio Corallo. This gourmet chocolate, along with the Tusker and other products served to show that change is happening in Africa which is now producing world class products - not just raw materials.

#### **Objective 3: To support African companies in improving the quality of employment they offer to their staff**

During 2010 VAA strengthened the procedures and criteria by which it selects those African producers that it will propose to Irish companies as potential partners for corporate social responsibility. Value-addition is a pre-condition for any VAA involvement.

Through meetings with company managers, gathering of information on social benefit, meetings with worker leaders and trade union representatives, consultation with capacity building agencies and clarification of the expectations of Irish companies for involvement, African producers were encouraged to improve the quality of the employment they offer and to strengthen their linkages to their local economies. VAA also offers the companies practical information on steps they can take to increase their social impact. This in turn led to two Kenyan partners initiating steps for them to become registered members of the World Fair Trade Organisation.

Particular emphasis was placed during the first visit to Kenya on gathering information to inform the Board in its decision to proceed with the facilitation of linkages between Kenyan Breweries and an Irish wholesaler. Key to the decision was the degree of transparency exercised by the brewery and the quality of information which was made available to the Board for its decision. Meetings were held with a number of top managers as well as with the head trade union official at the brewery. Supply chain information and supplier procedures each pointed to good practice and the benefit from the brewery spreading out to a wide range of urban workers and rural farmers.

## **Value Added in Africa Limited**

### **Chairperson's Statement**

#### **For the year ended 31 December 2010**

#### **Objective 4: To raise awareness in Ireland of the importance of value added trade in providing sustainable approaches to poverty reduction**

VAA engaged in a number of areas of public education to raise awareness in Ireland of the role of value addition in reducing poverty in Africa. Development Education workshops were provided for a range of organisations including Suas, Concern, UL, Comhlámh and Viatores Christi. VAA's methodologies for development education on the theme of value-addition and social benefit of processing were strengthened in the process. Stalls were held at Africa Day events in Dublin and Limerick soliciting a very positive engagement from the public.

Media work focused on the two launch events held in June and November. Significant media coverage was gained including photographs and articles in four national newspapers (Irish Independent, The Star, The Examiner and Sunday Business Post), one international news service (Associated Press) and several regional newspapers and magazines. A prime radio slot was gained on Morning Ireland on RTE and Newstalk 106. A number of food magazines and blogs also featured the products. Special thanks are due to Tim Kinsella of MKC Communications who provided pro-bono media support in the World Cup campaign.

The Minister for Overseas Development, Peter Power TD launched the World Cup campaign together with the Kenyan Ambassador, HE Catherine Muigai Mwangi. The event was attended by a wide range of people from business, development, academia, media, public and the diplomatic core including the ambassadors of Ethiopia, Lesotho, South Africa and Morocco.

Thanks to the giving of free advertising space by Clear Channel VAA was able to run a national advertising campaign in support of the range of products it launched at the time of the World Cup in South Africa in June. The title of the advert read 'Support an African Team: buy ethically African made'.

A couple of fundraising events held brought both greater awareness and additional independent funding. Thanks are expressed to all the volunteers involved in those events - including to the Kenyan Ambassador who was a featured guest at a garden party held in June.

VAA has also been an active participant in the development sector in Ireland and a supporter of the Act Now Campaign on overseas development assistance. As a participant of the Dóchas working group on livelihoods VAA has presented there on its work and networked among the sector.

As a sign of the impact of this media coverage a marketing company, Brand Led Growth, heard one of the radio pieces and contacted offering professional services pro-bono to VAA - and has since delivered handsomely on their offer.

#### **Objective 5: To build the structures and capacity of the organisation to sustain and grow its activities**

VAA is clearly still in the start-up phase of its development and its capacity needs remain great. However during 2010 the work of the organisation took a number of step-changes as it built up its expertise and networks.

In its core work the organisations network of African and Irish companies grew considerably. This arose from the organisation strengthening its capacity to engage both of these sets of stakeholders. Training was undergone, operational systems were strengthened, and learning was taken from the challenges which occurred along the way. VAA now offers a more professional service to its stakeholders.

## **Value Added in Africa Limited**

### **Chairperson's Statement**

#### **For the year ended 31 December 2010**

The funding base of the organisation was greatly strengthened during 2010. Donations from the public rose moderately and two fundraising events were held. Corporate donations rose significantly in 2010 with contributions from CIT Aerospace and Northern Trust asset management company. Irish Aid made two grants to VAA during 2010 - one later in the year and relating largely to 2011. Electric Aid also doubled its grant to VAA.

The people base of the organisation grew in a way which enabled each of the other areas to develop. Highly skilled and committed interns have enhanced the work of the organisation considerably as well as the range of companies who provide professional services pro-bono - from communications (MKC), marketing (Brand Led Growth), sales-training (TACK), IT and web services (Emmet Cullen), photography (Theresa Moynes and Lollipop), customs clearance (Trade Facilitate) packaging design (Zeus Creative, Melanie Gardner), free offices (Riverdance), advertising (Clear Channel /Adshel), and auditing services (Cooney Carey). Sincere thanks are expressed to each of these without which the work of the organisation could not occur.

### **3. Challenges Encountered**

The most significant challenge encountered during the year arose from the impact of the recession in Ireland. Encouraging Irish companies to engage with African producers is very difficult in the current environment where companies are running low levels of stock, letting go staff and retrenching. Sometimes, though a wholesaler was deciding to source from an African producer, they were only prepared to place a small order - too small to be viable due to the logistics involved. In light of the scale of the challenge of the recession, the introduction of six ranges of African products during the year was quite an achievement.

The other challenge arising from the recession is the difficulty of raising funding in Ireland. Standing orders grew just a little during the year, and no existing donors were lost.

Human resources remains a key challenge for VAA. Though blessed with highly skilled and committed staff, through 2010 VAA resources permitted to organisation to have just one half time employee, the Director Conall O'Caomh. Internships are by their nature short term placements - typically nine months to a year, so turnover is inevitable. The organisation is able to attract top class post-graduates to internships - though typically from a development background and less with business expertise. Resources secured at the end of 2010 allow for the position of the Director to be expanded to four days a week in 2011, and the employment of a half-time Sales Manager. These will go some way to addressing this challenge, though more is needed for the task at hand.

Other challenges arose from the impact of underdevelopment on processing in Africa. One Irish wholesaler decided to source honey from Kenya only for VAA to then discover that country had been delisted by the EU as a permitted source of honey, so the sale could not proceed. This led to VAA strengthening its systems for knowing the technical rules pertaining to any relevant product area.

### **4. Outcomes and Impact**

A number of very clear outcomes are evident from the work:

#### Research

- On two visits to Kenya and one to Ethiopia a wide range of companies were researched bringing to almost 200 the number of companies in VAA's portfolio.

#### Product Promotion

- Five Irish companies now source product directly from African producer groups.  
- The organisation has built up a portfolio of commercially viable products, awareness of which it continues to promote.

## **Value Added in Africa Limited**

### **Chairperson's Statement**

#### **For the year ended 31 December 2010**

- A 40-page product catalogue, and accompanying price lists, has been produced featuring those products.

#### Relationships

- Good working relationships have been built up with a large number of producer groups and companies in Ghana and Kenya and a smaller number in Ethiopia, Tanzania, Lesotho, Zambia, Cote d'Ivoire and Madagascar. In particular the relationships with the Ghana Export Promotion Council and the Kenyan Export Promotion Council are maturing well.

- VAA has built up a network of relationships with Irish businesses, some of which ask it to help source specific products in Africa.

- VAA has strengthened its relationships with Irish NGOs some of whom have initiated collaborations with us.

#### Public Awareness

- Public awareness was raised (through a national advertising campaign, national media work and development education workshops) of the role which value-addition plays in reducing poverty.

#### Capacity of VAA

- VAA has multiplied in its capacity. It now involves many more people as staff members, Board and volunteers. A wide range of companies provide pro-bono professional services.

- The expertise of VAA for the task at hand is much increased - with better knowledge of the needs of wholesale buyers and how to identify African producers who can meet those standards.

- VAA has been successful in attracting funding from Irish Aid and philanthropic sources, and in organising its own fundraising events.

- The organisation continues to attract high calibre interns who share a real commitment to the work of the organisation.

### **Conclusion**

VAA moves into 2011 with a strengthened portfolio of products, a growing track record with Irish wholesalers and a range of African products in the market. The organisation's network of relationships among African producers and Irish wholesalers is greatly strengthened and VAA has a far greater understanding of their needs and challenges.

A growing number of people contribute to the work of the organisation both directly and through donations. Relationships have been developed with a growing number of donors who in turn hold VAA's work in high standing.

Public awareness is growing of the importance of value-addition to poverty reduction and of the social benefit which flows when corporate social responsibility is at the heart of how Irish companies do business.

And bottom line, the work of the organisation is resulting in the stimulation of jobs and livelihoods for a growing number of workers in Africa.

**Elizabeth O Herlihy**

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**Chairperson, Value Added in Africa Limited**

**Date : 16 September 2011**

## **Value Added in Africa Limited**

### **Directors' Report**

#### **For the year ended 31 December 2010**

The directors present their report together with the audited financial statements for the year ended 31 December 2010.

#### **Principal activity and review of business**

The company is a charity that raises awareness among businesses in Ireland and in Africa about how they can exercise corporate social responsibility through trade in value-added products and about how this can contribute significantly to poverty reduction. The company facilitates by building such relationships between producers in Africa and distributors in Ireland. They receive commission when they find a distributor for the African producer however, the charity is mainly funded by donations and grants. The company's income grew from €50,709 to €90,145 during the year. The company earned a surplus for the year of €38,865 (2009 - €14,009) and had net assets at the year end of €52,876 (2009 - €14,011). The directors are targeting to increase income in the upcoming year to allow the company achieve its goals of creating sustainable jobs in Africa.

#### **Surplus for the year and state of affairs as at 31 December 2010**

The income and expenditure account and balance sheet for the year ended 31 December 2010 are set out on pages 11 to 17. Surplus on ordinary activities before taxation is stated in the income and expenditure account on page 11.

The state of affairs is set out in the balance sheet on page 12.

#### **Dividends and retentions**

No dividends or transfers to reserves are proposed by the directors.

#### **Directors**

The present membership of the board is set out on the company information page.

#### **Future developments in the business**

The Directors will continue to develop the activities of the company in the ensuing year.

#### **Accounting records**

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990, with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books and records of the company are maintained at Ardan, Windgate Road, Howth, Co. Dublin.

#### **Principal risks and uncertainties**

The company uses financial instruments throughout its business. The core risks associated with the companies financial instruments are set out below. The board reviews and agrees policies for the prudent management of these risks as follows:

##### *Liquidity and cashflow risk*

The company's policy is to ensure that sufficient resources are available either from cash balances, cashflows and near cash liquid investments to ensure all obligations can be met when they fall due.

## **Value Added in Africa Limited**

### **Directors' Report**

#### **For the year ended 31 December 2010**

##### *Economic risk*

The general macro environment remains difficult in Ireland. The global economic conditions could possibly result in a reduction in the level of donations being made to the company and can make conditions harder to place African products into the Irish retail market.

##### **Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The company's financial statements are required by law to give a true and fair view of the state of affairs of the company and of its surplus or (deficit) for that year.

In preparing each of the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009 and all Regulations to be construed as one with those Acts. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963 to 2009.

##### **Electoral Act, 1997**

The company made no political donations during the year.

##### **Post balance sheet events**

There were no significant events affecting the company since the balance sheet date.

**Value Added in Africa Limited**

**Directors' Report**

**For the year ended 31 December 2010**

**Auditors**

Cooney Carey, Chartered Accountants and Registered Auditors, having been appointed during the year, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

**On Behalf of the Board**

**Elizabeth O Herlihy**

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**Director**

**Michelle Hardiman**

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**Director**

**Date:- 16 September 2011**

## **Value Added in Africa Limited**

### **Report of the Auditors**

#### **Independent Auditors' Report to the Members of Value Added in Africa Limited**

We have audited the financial statements of Value Added in Africa Limited for the year ended 31 December 2010 on pages 11 to 17. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 14.

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 the audit work, for this report, or the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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

We report to you our opinion as to whether the 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. We also report to you whether in our opinion proper books of account have been kept by the company, and whether the information given in the Directors' Report is consistent with the 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 company's balance sheet and its income and expenditure account are 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 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 company's circumstances, consistently applied and adequately disclosed.

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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Value Added in Africa Limited**

**Report of the Auditors**

**Independent Auditors' Report to the Members of Value Added in Africa Limited**

..... continued

**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 company's affairs as at the 31 December 2010 and of its surplus and cashflows for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2009.

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 company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 6 - 8 is consistent with the financial statements.

**Cooney Carey  
Chartered Accountants and  
Registered Auditors  
The Courtyard  
Carmenhall Road  
Sandyford  
Dublin 18**

**Date: 16 September 2011**

**Value Added in Africa Limited**

**Income and expenditure account**

**For the year ended 31 December 2010**

		<b>2010</b>	2009
		€	€
	<u>Notes</u>		
<b>Turnover - continuing activities</b>		<b>90,145</b>	50,709
Net operating expenses		<u>(51,280)</u>	<u>(36,700)</u>
<b>Surplus on ordinary activities before taxation</b>	2	<b>38,865</b>	14,009
Taxation	3	<u>-</u>	<u>-</u>
<b>Surplus on ordinary activities after taxation</b>	5	<u><b>38,865</b></u>	<u>14,009</u>

No statement of recognised gains and losses has been prepared as there have been no recognised gains or losses other than those shown above.

There is no material difference between the surplus on ordinary activities before tax and the retained surplus for the year and their historical cost equivalents.

The financial statements which include the notes on pages 14 - 17 were approved by the board and authorised for issue on 16 September 2011.

**On Behalf of the Board**

**Elizabeth O Herlihy**

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**Director**

**Michelle Hardiman**

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**Director**

## Value Added in Africa Limited

### Balance sheet as at 31 December 2010

	<u>Notes</u>	2010 €	2009 €
<b>FIXED ASSETS</b>			
Tangible assets	6	<u>348</u>	<u>272</u>
<b>CURRENT ASSETS</b>			
Debtors	7	181	2,072
Cash at bank and in hand		<u>54,333</u>	<u>14,314</u>
		<b>54,514</b>	16,386
<b>CREDITORS: amounts falling due within one year</b>			
	8	<u>(1,986)</u>	<u>(2,647)</u>
<b>NET CURRENT ASSETS</b>		<u>52,528</u>	<u>13,739</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>52,876</u>	<u>14,011</u>
<b>FINANCED BY:</b>			
<b>CAPITAL AND RESERVES</b>			
Revenue reserves account		<u>52,876</u>	<u>14,011</u>
<b>MEMBERS' FUNDS</b>	10	<u>52,876</u>	<u>14,011</u>

The financial statements which include the notes on pages 14 - 17 were approved by the board and authorised for issue on 16 September 2011.

**On Behalf of the Board**

**Elizabeth O Herlihy**

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**Director**

**Michelle Hardiman**

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**Director**

## Value Added in Africa Limited

### Cash flow statement

For the year ended 31 December 2010

	<u>Note</u>	2010 €	2009 €
<b>Reconciliation of operating surplus to net cash from operating activities</b>			
Operating surplus		<b>38,865</b>	14,009
Depreciation		<b>44</b>	22
Decrease/(increase) in debtors		<b>1,891</b>	(2,072)
(Increase) in creditors		<b>(661)</b>	(15,458)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>40,139</b>	(3,499)
<b>Cash Flow Statement</b>			
<b>Net cash inflow/(outflow) from operating activities</b>		<b>40,139</b>	(3,499)
Capital expenditure	12	<b>(120)</b>	(294)
<b>Increase/(decrease) in cash in the year</b>		<b>40,019</b>	(3,793)
<b>Reconciliation of net cash flow to movement in net funds (Note 13)</b>			
<b>Increase/(decrease) in cash in the year</b>		<b>40,019</b>	(3,793)
<b>Net funds at 1 January 2010</b>		<b>14,314</b>	18,107
<b>Net funds at 31 December 2010</b>		<b>54,333</b>	14,314

## Value Added in Africa Limited

### Notes to the Financial Statements

For the year ended 31 December 2010

#### 1. Accounting policies

The significant accounting policies adopted by the company are as follows:

##### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

The company has consistently applied all relevant accounting standards.

##### 1.2. Income and expenditure

Income and expenses are taken into account as they become receivable or due, with the exception of bank deposit interest which is treated on a cash receipts where applicable and donations which are recognised upon lodgement to the bank account.

##### 1.3. Government grants

Revenue grants are recognised fully in the profit and loss account in the period as the expenditure is incurred.

#### 2. Operating surplus

	2010	2009
	€	€
Depreciation of tangible assets	66	(22)
	<u>66</u>	<u>(22)</u>

#### 3. Taxation

The company is a registered charity and is not subject to Irish taxes.

#### 4. Employees and remuneration

	2010	2009
The average number of persons employed by the company during the year was as follows:	<u>1</u>	<u>1</u>
	2010	2009
	€	€
Wages and salaries	25,056	26,765
Social welfare costs	2,632	346
	<u>27,688</u>	<u>27,111</u>

**Value Added in Africa Limited**

**Notes to the Financial Statements**

**For the year ended 31 December 2010**

..... continued

**5. Revenue reserves movements**

	<b>2010</b>	<b>2009</b>
	€	€
Surplus on ordinary activities after tax	38,865	14,009
Retained surplus brought forward	14,011	2
	<u>52,876</u>	<u>14,011</u>

**6. Tangible assets**

	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
	€	€
<b>Cost</b>		
At 1 January 2010	294	294
Additions	120	120
At 31 December 2010	<u>414</u>	<u>414</u>
<b>Depreciation</b>		
At 1 January 2010	(22)	(22)
Charge for the year	(44)	(44)
At 31 December 2010	<u>(66)</u>	<u>(66)</u>
<b>Net book values</b>		
At 31 December 2010	<u>348</u>	<u>348</u>
At 31 December 2009	<u>272</u>	<u>272</u>

**7. Debtors: amounts falling due  
after more than one year**

	<b>2010</b>	<b>2009</b>
	€	€
PAYE/PRSI	-	1,173
Prepayments	181	899
	<u>181</u>	<u>2,072</u>

## Value Added in Africa Limited

### Notes to the Financial Statements

For the year ended 31 December 2010

..... continued

#### 8. Creditors: amounts falling due within one year

	2010 €	2009 €
Trade creditors	1,986	1,000
Accruals	-	6
Other creditors	-	1,641
	<u>1,986</u>	<u>2,647</u>

#### 9. Accruals and deferred income

	2010 €	2009 €
<b>Government grants</b>		
At 1 January 2010	-	15,206
Released in year	-	(15,206)
At 31 December 2010	<u>-</u>	<u>-</u>

#### 10. Reconciliation of movements in members' funds

	2010 €	2009 €
Surplus on ordinary activities after tax	38,865	14,009
Opening members' funds	14,011	2
Closing members' funds	<u>52,876</u>	<u>14,011</u>

#### 11. Share capital

The company is one limited by guarantee and not having a share capital.

## Value Added in Africa Limited

### Notes to the Financial Statements

For the year ended 31 December 2010

..... continued

#### 12. Gross cash flows

	2010	2009
	€	€
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(120)	(294)
	<u>          </u>	<u>          </u>

#### 13. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	14,314	40,019	54,333
Net funds	<u>14,314</u>	<u>40,019</u>	<u>54,333</u>

#### 14. Members' liability

Every member if the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards for the payment of debts and liabilities of the company contracted before he ceases to be a member and the costs, charges and expenses of winding up and for the adjustment of rights of contributors among themselves such amount as may be required not exceeding one euro.

## Value Added in Africa Limited

### Detailed Income & Expenditure Account

For the year ended 31 December 2010

	2010	2009
	€	€
<b>INCOME</b>		
<b>Sales</b>		
Voluntary income: donations	18,647	19,520
Electric Aid grant	10,000	5,000
Fundraising receipts	2,739	10,966
Irish Aid Government grants released	55,800	15,206
Commission	83	3
Workshops income	2,859	-
Deposit interest received	17	14
<b>TOTAL INCOME</b>	<b>90,145</b>	<b>50,709</b>
<b>Operational expenses</b>		
Wages and salaries	(27,688)	(27,111)
Travel	(4,313)	(2,257)
Bank charges	(39)	(15)
Sample goods	(278)	(192)
Event expenditure	(11,321)	(2,015)
Volunteers daily allowance claim	(4,044)	(2,052)
Insurance	(393)	(237)
Printing and stationery	(275)	(499)
Postage and carriage	(14)	(82)
Advertising	-	(205)
Telephone and fax	(608)	(418)
Repairs and maintenance	(22)	(155)
Legal and professional	-	(40)
Consultancy	(1,200)	(750)
Sundry	(566)	(346)
Subscriptions	(475)	(304)
Depreciation charge	(44)	(22)
<b>TOTAL EXPENSES</b>	<b>(51,280)</b>	<b>(36,700)</b>
<b>SURPLUS FOR THE YEAR</b>	<b>38,865</b>	<b>14,009</b>