Company Number:- 453802

Value Added in Africa Limited
(Company limited by guarantee and not having a share capital)

Directors' Report and Financial Statements

For the year ended 31 December 2011

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) Stephanie Casey (Appointed 22 November 2011) Caoimhan Considine (Appointed 22 November 2011)
Secretary	Conall O Caoimh
Company Number	453802
Charity number	CHY 18389
Registered Office	Ardan Windgate Road Howth Co. Dublin
Auditors	Cooney Carey Accounting Limited Chartered Accountants and Registered Auditors The Courtyard Carmenhall Road Sandyford Dublin 18
Bankers	Allied Irish Banks Sutton Cross Sutton Dublin 13 Ulster Bank 2/4 Lower O' Connell Street Dublin 1
Audit Committee	Joseph Ward Caoimhan Considine

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Chairperson's Statement

For the year ended 31 December 2011

1. Overview

The overriding theme of VAA's work in 2011 was a revision of its ways of working in order to ensure that its impact can achieve scale and through that bring benefit to large numbers of vulnerable people in Africa. This led to revision of the criteria for selecting producers, development of the Proudly Made in Africa label, a new business plan and mechanisms for feeding back to African producers the market information we gather in the course of our engagement with the Irish private sector.

VAA significantly deepened its relationships with both African producers and Irish wholesalers. New African-made products were introduced in the Irish and Swiss markets leading to strengthened livelihoods for African producers and increased corporate social responsibility by the business community. Formal partnerships were agreed with African producers who have the most positive social impact.

As the organisation grows in experience its reputation among the business community has been enhanced, enabling it to reach distributors of greater scale. In particular the creation of the sales manager post led to deeper engagement with Irish businesses and greater opportunities for African producers.

A high point in the year was when Minister Jan O'Sullivan launched the VAA research report on Ireland's trade with Africa. This brought light on an area previously neglected by both academics and development policy makers. The report received a very strong reception among policy makers. It also greatly raised the organisation's profile.

The development education programme was stepped up with the initiation of the process of developing a transition unit for usage in schools. The design programme assisted four co-ops to gain new packaging for their products and in the process we discovered our supporters loved the opportunity to engage meaningfully with African producers and give their views on design options. And the scale of operations increased and was strengthened through the creation of a sales manager post.

VAA continues to be young and learning, reflecting on our successes and failures. The process of business planning brought the organisation to reflect on how change happens in Africa, and to modify our ways of working so as to be positioned to achieve scale in both our operations and impact.

Funding was very challenging in 2011. Standing order donations remained constant while fundraising was down. Development education grants were received from both Irish Aid and Trócaire. The expansion of VAA's programme of activities was able to happen in large part thanks to grants from both Irish Aid and Electric Aid that were received in December of the previous year.

2. Objectives in 2011

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

a) Enabling African communities to maximise opportunities to develop sustainable livelihoods

b) Raising the awareness of Irish people to support sustainable livelihoods in Africa in particular through corporate social responsibility.

Our specific objectives during 2011 were:

1. To identify and build strong relationships with producers in Africa who have value added products which create social benefit and could be exported to Ireland.
2. To build VAA's credibility and network among the Irish private sector so as to raise awareness of opportunities to engage in social responsibility through value-added trade with African producers.
3. To build the capacity of African producers for international marketing through providing feedback about the market information we gather so that they can further employment to their staff.

4. To educate and raise awareness in Ireland of the importance of value added trade in providing sustainable approaches to poverty reduction.

5. To build the structures, capacity, processes and resources of the organisation to sustain the above activities and achieve scale in its impact.

Objective 1: To identify and build strong relationships with producers in Africa who have value added products which create social benefit and could be exported to Ireland.

The 'scale' process described in objective 5 below led to changes throughout the operations of VAA. In terms of producer relations the review firstly led to the formulation of new board sanctioned 'producer selection criteria'. The new criteria seek to clarify the selection process so that the charity's resources can be used most effectively to achieve its purposes. Key to this is selecting and building partnerships with producers who have the capability to enter international markets on a scale that can bring benefits to many vulnerable people in their community.

We also formalised the set of activities we use to help African producers gain market entry into a structured marketing programme. We introduced 'memorandums of understanding' with the producers we feel can best meet the selection criteria and who now take part in the marketing programme. The MoUs name 11 commitments on VAA's part and four commitments on the part of the producer. These lead to clarity of expectation for each other, and have also raised the producers' understanding of our activities in Ireland. They also lead to greater identification with each other and deepen the relationship so that VAA becomes important in their marketing strategies.

Twelve such MoU's were introduced during the year with producers, in Kenya, Ethiopia, Ghana and Sao Tome and Principe. There operate in the areas of foods, garments and natural beauty products: Meru Herbs; Trufoods; Kenya Sweets; Kenya Nuts; Gibson's Coffee; Melvin's Tea; Tutu Honey; Lifeworks Shukrani; Cinnabar Green; Muliru Farmers Coop; All Pure Nature and Ele Agbe. Besides these there are several companies whose products VAA promotes actively, but who are not yet in the marketing programme.

During the year VAA made a research trip to Kenya and Ethiopia to identify new producer groups and strengthen relations with existing partners. Charles Orina in Kenya and Bruck Sewnet in Ethiopia represented VAA at trade shows, carrying out research on our behalf. The Dublin embassies of both countries assisted greatly. In Kenya relations continue to deepen with the Export Promotion Councils and in Ethiopia valuable support was received from Connect Ethiopia. This visit 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 requirments.

Objective 2: To build VAA's credibility and network among the Irish private sector so as to raise awareness of opportunities to engage in social responsibility through value-added trade with African producers

During 2011 a sales manager, Gary Collins, was recruited with professional sales experience. Gary restructured our engagement with wholesalers enhancing our credibility among the private sector. A professional system of customer relations management was put in place and we achieved 'face time' with the largest scale distribution companies in Ireland.

Two companies that VAA had engaged with during the year placed orders with VAA partners. Gee's Jams of Abbyleix placed an order with Meru Herbs, Kenya, for its tropical jams. These jams complement Gee's range of Irish jams and thus strengthening Gee's offer to its customers. An analysis of the Meru supply chain shows that the jams provide a stimulus to the local economy in Meru 19 times the value of the fruit that would otherwise have been expoted as a raw material. After two years of VAA patiently building a relationship with the company, Virgo Wear of Switzerland placed an order for t-shirts with One Way of Nairobi for its 2011 collection. Both sets of products were made with the packaging displaying the Value Added in Africa logo and a text describing the processing story.

Sheridans Cheesemongers continue to distribute the chocolates of Claudio Corallo made in Sao Tome and Principe. During the year we worked with Claudio to find a cheaper logistical route from Sao Tome and Principe which enabled Sheridans to significantly reduce the retail price of the products. Changes in the supply chain for Tusker lager led to an interruption in the supply of the lager into the UK and Ireland. We are working to ensure the speedy return to the product to the Irish market.

The Roundtable Seminar to launch the research (See Objective 4) was another occasion for significant engagement with the private sector which was very strongly represented at the seminar. Other events used were attendance at trade shows as well as regular visits and phone and email communications.

The Virgo experience illustrates how it takes time building confidence and trust with wholesalers before they will engage in trade with the African producers. Another very large company operating in Britain and Ireland had a major engagement with VAA and Cormac Smith (intern) worked for six months investigating building relationships with producers who could be potential partners for them. However, later the importing company backed off when another businessman stirred their fears about doing business in Africa. It painfully brought home to VAA the need to find mechanisms to overcome the stereotypes and bias which many buyers have in relation to African-made products - and therefore the need for VAA's work.

Objective 3: To build the capacity of African producers for international marketing through providing feedback about the market information we gather so that they can further employment to their staff.

In the course of our engagement with the Irish private sector VAA gathers a lot of market intelligence about the African products. In particular we gather the views that wholesalers express and the price and competitor analysis that is part of our viability test during partner selection. Thanks to the input of Amy O'Leary (an intern whose MDev thesis was on 'downward accountability') we developed and piloted a unique partner feedback tool which gives partners information on each of the 15 commitments named in the MoUs, including that market intelligence. The tool is used on a six-monthly basis and invites partners to give feedback to VAA on our performance.

Through application of the selection criteria, and in particular prioritising producers who have ethical certification African producers were encouraged to improve the quality of the employment they offer and to strengthen their linkages to their local economies. Producers were also encouraged to source Fairtrade ingredients. One in particular investigated developing a novel fairtrade African-made product but certified ingredients were not avialble in the wider region. With VAA's encouragement and introduction Lifeworks Shukrani became a member of the World Fair Trade Organisation and Meru Herbs have initiated the process of affiliation.

The VAA Design Programme assists a number of African companies to gain new packaging for their products at a quality standard that is marketable in European countries. Facilitated by Thomas Geoghegan, this involved top Irish design companies giving professional services pro-bono. We introduced a three-way MoU between the African producers, the Irish design companies and VAA which among other things clarifies that the end product shall be the property of the African producers. We are particularly grateful to Electric Aid which funds this area of our work. Thanks also to Zeus Creative, Dynamo, BrandInk and Ana Roda who are the design companies who engaged in this process pro-bono.

We introduced online surveys so that the African producer will be informed by consumer attitudes and market intelligence when selecting from among the design concepts developed by the designers at first stage. Further, VAA engages professional copywriters to advise the African producers on the wording for the packets in a style appropriate to export markets. Only professional design companies with strong market knowledge are engaged for this process so as to ensure the African companies receive a fully professional service.

We were pleasantly surprised by the degree to which our supporters engaged in the design programme and responded to the online surveys, and invited their friends to participate. We had stumbled upon a new means of engaging the public that sparked their imagination because it invites them to give their ideas, not cash, to assist African producers.

Support was given to a range of African producers to calculate prices into Ireland and work out logistical routes. Producers were assisted to analyse the competition, know the market and prepare customs documents. We facilitated agreement between producer and wholesalers about issues such as terms of payment, delivery dates, and specification. These processes are carried out in a manner which promotes learning and ensures the African producers make all their own commercial decisions.

In this process we developed a number of analysis tools that are now given to our African partners. These include a price calculator tool that assists producers to work out what price their product can achieve in European markets. Others are guides to calculating 'delivered prices' and logistical costs all the way through to the buyer's warehouse. We are seeking mechanisms for disseminating those tools to wider audiences in Africa.

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

Three key initiatives were carried out in this area during 2011:

A). In 2011 a Development Education grant was received from Irish Aid which enabled us to greatly increase our activity in this area. The grant was for the production of a transition year education resource pack for teachers to introduce in the classroom issues of the impact of underdevelopment on business and the role of value-addition in creating dignified livelihoods for the many people along their supply-chains. In particular the pack introduces to students African champions who overcome the challenges and produce products that hold their place in world markets.

Ben Mallon was engaged as a teacher-consultant. He and Conall O'Caoimh, with research assistance by Fiona Dolan, wrote the draft resource. A consultation seminar was held with teachers and advice and assistance received in particular from Annette Honan, Caroline McHale (National Coordinator for Business Subjects) and Michael O'Leary of the PDST (National Coordinator for Transition Year). While there are several other transition year resources produced by development agencies, this is the first one that is aimed specifically at the business subjects in school. Since the year ended the education resource has received official accreditation from the NCCA for usage in schools in Ireland and is available on www.ValueAddedInAfrica.org .

B). The consultancy company Brand Led Growth, led by Donogh Lane, provided very substantial and generous support to VAA for how we communicate with the business community and the wider public. On a pro-bono basis Donogh led a detailed process of brand identity development to seek a way of communicating to a public audience the concept of quality ethical African value-added products. The process involved brand identity seminars, brainstorming with a room full of 'creatives', a filtering process and market research. This led to the Board selecting the label Proudly Made in Africa: products that build communities. The design company Dynamo engaged in a design process to convert the slogan to an attractive image. That process continued into 2012.

C). Funded by a research grant from Irish Aid, VAA carried out an original piece of research into the nature of the trading relationship between Ireland and its programme aid countries in Africa. Titled Evidence and Opportunity: Ireland's trade with its development programme countries in Africa, and carried out by Conall O'Caoimh and Patrick McGauley, the research found a disturbing fall off in Ireland's imports from the six countries studied. Fifteen years earlier the level of trade had been four times greater than currently. Also, Ireland buys from these countries less than 1% of the value of what we give them in aid. Minister Jan O'Sullivan wrote a forward to the research and launched it at a roundtable seminar attended by a mix of high-level decision makers from business, development, academia and the media. The research was later referenced in the Dáil committee on Foreign Affairs and in the discussion paper opening the Irish Aid White Paper Review. The report is available on www.valueaddedinafrica.org .

VAA engaged in a number of other 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, Mary Immaculate College, ICTU, Marino Institute of Education, Educate Together, the Irish Aid DEAC, Comhlámh and Viatores Christi. VAA gave a presentation to a training session of Irish Aid Africa-based staff. Stalls were held at Africa day event in Dublin, and a number of tastings carried out in shops to engage the public in awareness of the quality of African-made goods.

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. VAA is a signatory of the Dóchas Code on Images and Messages. VAA participates in the Dóchas working group on livelihoods and made two presentations there during the year. At VAA's suggestion the working group collaborated with DTalk, Kimmage training, to bring a trainer from MDF (Netherlands) to provide a 3-day training course for NGOs on value-chain development.

Objective 5: To build the structures, capacity, processes and resources of the organisation to sustain the above activities and achieve scale in its impact

In 2011 VAA engaged in a thorough review of its strategy and work methods conscious of the need to put in place processes that can enable the organisation to grow both in size and effectiveness.

A range of processes were formalised: producer selection criteria, marketing programme, memorandum of understanding, producer feedback reports; design programme and development education programme. Work methods throughout the organisation were reviewed - CRM, databases, website, job descriptions, product portfolio, etc.

A comprehensive business planning process articulated each aspect of our strategy, identified VAA's specific role and set out our strategy for how to achieve scale and effectiveness. It also set detailed budgets, anticipated income streams and set targets for the African trade to be facilitated.

The next step was to look beyond Ireland. One morning in September Conall O'Caoimh and Margaret Costigan travelled to London to begin the process of establishment in the UK. With the assistance of Jim Myers, Richard Bendell, the Irish Embassy in London, Tom Davis, CAN Mezzanine and a number of others, VAA began through repeated visits to London to build up a network and identify potential trustees for the UK board. The response to VAA's concept in London has been hugely encouraging and in 2012 VAA-UK has been incorporated.

An area of lesser progress in 2011 was funding. Standing orders held steady but fundraising was poor in a very difficult environment. Development education grants were received for the first time from both Irish Aid and Trócaire. Irish Aid (research) and Electric Aid grants received in December 2010 were crucial to sustaining the work through the year.

Given the funding shortage, the range of companies contributing professional services pro-bono greatly enhanced the scope of our work. These included: Brand Led Growth (marketing and communications strategy); TACK Training (sales-training and recuritment); Emmet Cullen (Web hosting) and Paddy Maher (IT systems); Celtic Freight (logistics advice); Trade Facilitate (customs clearance); BrandInk, Zeus Creative, Dynamo, and Ana Roda (design); Riverdance (free offices); PathFinder (market research); McDowell Purcell (legal advice); Hannah Moore & Curley (patent advice); Ali Levins (copywriting) and Cooney Carey Accountants (auditing services). Beyond these a range of companies provided advice on specific projects or challenges. Sincere thanks are experssed to each of these without which the work of the organisation could not occur.

The human resources of the organsiation were enhanced in several ways. Expertise in fundraising and logistics was brought onto the board with the arrival of Stephanie Casey and Caoimhan Considine respectively. Tom Brennan retired from the Board after three years service as chair and the role was taken up by Joseph Ward. The Director's role was increased to four days a week and a half-time sales manager post was created. Consultants were contracted in development education (Ben Mallon) and fundraising (Margaret Costigan). Ger Fleming continued to provide expert bookeeping services on a pro-bono basis. At most times there were four interns or staff volunteers including: Maren Graser, Jennifer Swensson, Amy O'Leary, Deirdre Kelly, Maeve Howe, Kourish Ghorbani-Zarin, Thomas Geoghegan, Cormac Smith, Fiona Dolan and Pat McGauley.

3. Challenges Encountered

The most significant challenges encountered during the year arose from the impact of the recession in Ireland. Encouraging the Irish business community 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.

The other challenge arising from the recession is the difficulty of raising funding in Ireland. Standing orders are constant but other fundraising income was down. A technical rule meant that VAA could not apply for Irish Aid Civil Society funding till it has completed two years of charity status - which anniversary fell just after the closure of applications to the fund. CSF funding was secured in 2012.

Value Added in Africa Limited

Chairperson's Statement

For the year ended 31 December 2011

Sustaining quality communication with African partners without having on the ground presence there is a challenge. Producers sometimes have little knowledge of what we do out there to promote their products. This had resulted in producer reluctance to give samples for us to use in promoting their products. In response to this challenge VAA formalised its marketing programme including the signing of MoUs with a dozen producers which clarify the activities we carry out in Ireland and the expectation we each have of each other. All communications with producers, all promotional activity and wholesaler feedback is recorded in the CRM database. The six-monthly Producer Feedback Reports convey these details to African producers so that they now have a much greater information about our work and VAA becomes a more central part in their marketing strategies.

Human resources remains a key challenge for VAA. Though in 2011 the Director's role was extended to four-days a week and a half-time position of Sales Manager was created, human resources remains a key challenge for VAA. 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. Without the significant pro-bono input of companies such as Brand Led Growth, Dynamo, BrandInk, Zeus, Cooney Carey, TACK, et al, the work of the organisation would be much depleted.

Other challenges arose from the impact of underdevelopment on processing in Africa. Many of the African companies have little knowledge of European markets, how their product will compete, what are the stages beyond their factory door, or how to build relationships with potential distributors. Assisting producers understand and overcome those knowledge deficits and cultural gaps is becoming an increasing part of VAA's work.

4. Outcomes and Impact

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

<u>Sourcing</u>

- 12 African producer groups entered VAA's Marketing Programme.
- Through research missions, desk research, networking and collaboration with other agencies, the number and quality of products in VAA's portfolio has grown substantially.

<u>Producer Relationships</u>

- Relationships with the African producers have been formalised in MoUs.
- VAA has built up a network of relationships in the Irish business community, including with distributors of significant scale, some of which ask VAA to help them source specific products in Africa.
- VAA has strengthened its relationships with Irish NGOs some of whom have initiated active collaborations with us.

<u>Producer Capacity Building</u>

- Tools have been developed to assist African producers analyse their potential in international markets.
- Four African coops are receiving professional design services from Irish companies which will better position their products for achieving international markets.

Product Promotion

- In 2011 five companies sourced product directly from African producer groups leading to increased employment for their workers and suppliers.
- For the first time VAA has facilitated a company outside of Ireland in sourcing African products.

Public Engagement

- An original piece of research on Ireland's trade with Africa led to significant engagement with policy makers and an increase in the emphasis on the need to move beyond aid.
- An education pack was initiated and is being prepared for approval for usage in Irish schools.
- The Proudly Made in Africa label was developed as a means of communicating effectively to wider audiences and to overcome bias against African goods.

Capacity of VAA

- VAA has reviewed its processes and operations in order to achieve scale in its operations and impact.
- Processes have been formalised to enhance effectiveness.
- A new business planning process has been prepared to enable movement towards such scale.
- The first steps were taken towards establishing VAA in the UK.
- 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 one new institutional funder.
- The organisation introduced a sales manager post and continues to attract high calibre interns who share a real commitment to the work of the organisation.

5. Learning

As a young organisation engaged in an area which is innovative and not otherwise present in Ireland, VAA is steep on a learning curve. The board and staff are reflective and engage in periodic SWOT analysis to harness our learning. Also, a number of friends have gently nudged us forward at appropriate moments.

During 2011 VAA grew in understanding of this paradox: we glimpsed the vast possibilities of what could be achieved and also the limits of what is attainable no matter how big VAA might become. It is desirable to grow the organisation in its reach, but given the urgency of the vast numbers of people living in poverty in Africa, our intervention can only be significant if it enables any success to be replicated by other Africans. They will bring it to scale.

Value Added in Africa Limited

Chairperson's Statement

For the year ended 31 December 2011

The key strategic lessons from our success and failures during 2011 are distilled in the following operational guides and reflected in our strategic planning:

- Move beyond individual sales to the creation of a sustainable channel to market for African producers.
- Mechanisms are needed so that other African producers can learn from and replicate the success of our African partners in international marketing.
- Tools and systems of feedback so that African producers benefit from the market intelligence that we gather in the process of our work, and can analyse their market potential independently.
- Mechanisms to overcome the bias of European wholesalers and to give them assurances of the quality of African-made products.
- Mechanisms to convey to the European public the difference of value-addition, and to recognise such products in the marketplace.
- Go beyond Ireland so as to achieve larger markets.
- Develop independent streams of income.
- Mainstream into 3rd level business courses the role business has in stimulating development so future business decision makers are open to African products.

These challenges shape the work agenda for 2012.

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Chairperson, Value Added in Africa Limited

Date :

Value Added in Africa Limited

Directors' Report

For the year ended 31 December 2011

The directors present their report together with the audited financial statements for the year ended 31 December 2011.

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 decreased from €90,145 to €34,477 during the year. The company incurred a deficit for the year of €42,034 (2010 - surplus of €38,865) and had net assets at the year end of €10,842 (2010 - €52,876). The spread of funds across the two years was not as pronounced as it appears in the figures. The €40,000 research grant received from Irish Aid in 2010 was received in November and much of the expenditure occurred in 2011. The directors are targeting to increase income in the upcoming year to allow the company achieve its goals of creating sustainable jobs in Africa.

Deficit for the year and state of affairs as at 31 December 2011

The income and expenditure account, balance sheet and related notes for the year ended 31 December 2011 are set out on pages 15 to 22. Deficit on ordinary activities before taxation is stated in the income and expenditure account on page 15.

The state of affairs is set out in the balance sheet on page 16.

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 (i.e. its cash and cash equivalents and short dated investments, on the operational level trade receivables and payables) are set out below. The board reviews and agrees policies for the prudent management of these risks as follows:

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

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 an make conditions harder to place African products into the Irish retail market. The company have signed a three year funding contract with Irish Aid, receiving €78,000 in year one, €100,000 in year two, and €120,000 in year three.

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 2012 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 2012.

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 2011

Auditors

Cooney Carey Accounting Limited, 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

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Director

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Director

Date:-

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 2011 on pages 15 to 22. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 18.

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.

Report of the Auditors

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

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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 2011 and of its deficit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2012.

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

In our opinion the information given in the directors' report on pages 10 - 12 is consistent with the financial statements.

Paul Leonard
For and on behalf of
Cooney Carey Accounting Limited
Chartered Accountants and
Registered Auditors
The Courtyard
Carmenhall Road
Sandyford
Dublin 18

Date:

Value Added in Africa Limited

Income and expenditure account

For the year ended 31 December 2011

	Notes	2011 €	2010 €
Turnover - continuing activities		**34,477**	90,145
Net operating expenses		**(76,511)**	(51,280)
(Deficit)/surplus on ordinary activites before taxation	2	**(42,034)**	38,865
Taxation	3	**-**	-
(Deficit)/surplus on ordinary activities after taxation	5	**(42,034)**	38,865

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 (deficit)/surplus on ordinary activities before tax and the retained (deficit)/surplus for the year and their historical cost equivalents.

The financial statements which include the notes on pages 18 - 22 were approved by the board and authorised for issue on .

On Behalf of the Board

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Director

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Director

Value Added in Africa Limited

Balance sheet as at 31 December 2011

	Notes	2011 €	2010 €
FIXED ASSETS			
Tangible assets	6	**384**	348
CURRENT ASSETS			
Debtors	7	**2,174**	181
Cash at bank and in hand		**13,379**	54,333
		15,553	54,514
CREDITORS: amounts falling due within one year	8	**(5,095)**	(1,986)
NET CURRENT ASSETS		**10,458**	52,528
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,842**	52,876
FINANCED BY:			
CAPITAL AND RESERVES			
Revenue reserves account		**10,842**	52,876
MEMBERS' FUNDS	9	**10,842**	52,876

The financial statements which include the notes on pages 18 - 22 were approved by the board and authorised for issue on .

On Behalf of the Board

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Director

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Director

Value Added in Africa Limited

Cash flow statement

For the year ended 31 December 2011

	Note	2011 €	2010 €
Reconciliation of operating (deficit)/surplus to net cash (outflow)/inflow from operating activities			
Operating (deficit)/surplus		**(42,034)**	38,865
Depreciation		**59**	44
Decrease in debtors		**1,993**	1,891
Increase/(decrease) in creditors		**3,109**	(661)
Net cash (outflow)/inflow from operating activities		**(40,859)**	40,139
Cash Flow Statement			
Net cash (outflow)/inflow from operating activities		**(40,859)**	40,139
Capital expenditure	11	**(95)**	(120)
(Decrease)/increase in cash in the year		**(40,954)**	40,019
Reconciliation of net cash flow to movement in net funds (Note 12)			
(Decrease)/increase in cash in the year		**(40,954)**	40,019
Net funds at 1 January 2011		**54,333**	14,314
Net funds at 31 December 2011		**13,379**	54,333

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. Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The cost of a tangible fixed asset comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures & Fittings	10% Straight Line

Fixed assets are review annually for permanent impairment.

1.3. 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.

1.4. Government grants

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

2. (Deficit)/surplus on ordinary activities after taxation

	2011	**2010**
	€	**€**
(Deficit)/surplus on ordinary activities after taxation is stated after charging:		
Depreciation of tangible assets	125	66
Auditors' fees	1,800	-

3. Taxation

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

4. Employees and remuneration

	2011	2010
The average number of persons employed by the company during the year was as follows:	2	1

	2011 €	2010 €
Wages and salaries	53,867	25,056
Social welfare costs	5,454	2,632
	59,321	27,688

5. Revenue reserves movements

	2011 €	2010 €
(Deficit)/surplus on ordinary activites after tax	(42,034)	38,865
Retained surplus brought forward	52,876	14,011
Retained surplus carried forward	10,842	52,876

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6. Tangible assets

	Fixtures & Fittings €	Total €
Cost		
At 1 January 2011	414	414
Additions	95	95
At 31 December 2011	509	509
Depreciation		
At 1 January 2011	(66)	(66)
Charge for the year	(59)	(59)
At 31 December 2011	(125)	(125)
Net book values		
At 31 December 2011	384	384
At 31 December 2010	348	348

The company had no capital commitments at the year end.

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

	2011 €	2010 €
Accrued income	2,000	-
Prepayments	174	181
	2,174	181

8. Creditors: amounts falling due within one year

	2011 €	2010 €
Trade creditors	609	1,986
Accruals	1,800	-
Other creditors	2,686	-
	5,095	1,986

9. Reconciliation of movements in members' funds

	2011 €	2010 €
(Deficit)/surplus on ordinary activities after tax	(42,034)	38,865
Opening members' funds	52,876	14,011
Closing members' funds	10,842	52,876

10. Share capital

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

11. Gross cash flows

	2011 €	2010 €
Capital expenditure		
Payments to acquire tangible assets	(95)	(120)

12. Analysis of changes in net funds

	Opening balance €	Cash flows €	Closing balance €
Cash at bank and in hand	54,333	(40,954)	13,379
Net funds	54,333	(40,954)	13,379

13. 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.