

Company Number: 09360833

Charity Number: 1168233

GATSBY AFRICA

ANNUAL REPORT

5 APRIL 2016

The Peak
5 Wilton Road
London SW1V 1AP

CONTENTS		PAGE
1	The Report of the Trustees	2
2	Statement of Financial Activities	6
3	Balance Sheet	7
4	Notes to the Accounts	8
6	Statement of Trustee's Responsibilities	11
7	Independent Auditor's Report	12

Legal and Administrative

The company is a private limited company incorporated on 18 December 2014 in the UK (registered no. 09360833) and operates from its registered office (The Peak, 5 Wilton Road, London, SW1V 1AP).

Trustees/ Directors	Mr J C Burns Miss J S Portrait OBE	
Registered Office	The Peak 5 Wilton Road London SW1V 1AP	
Principal Officers	Mr P Hesketh Mrs K Everett Mr J Highstead	Chief Executive Finance Director Executive Director
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD	
Solicitors	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ	
Auditors	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH	

Objects

The objects of Gatsby Africa as included in the application to the Charity Commission for charitable status are:

- a) the prevention and/or relief of poverty in Africa and elsewhere in the world, in particular but not limited to undertaking any activity of a charitable nature which may further the prevention and/or relief of poverty work of the Gatsby Charitable Foundation (registered charity number 251988) for the public benefit.
- b) To advance such charitable purposes (according to the law of England and Wales) as the Trustees see fit from time to time in particular but not limited to the prevention and/or relief of poverty in Africa and elsewhere.

Organisation

Gatsby Africa is one of the Sainsbury Family Charitable Trusts ('SFCT'), which share a common administration. Gatsby Africa ('GA') has now been set up as a charitable company limited by guarantee primarily to take over and make management decisions concerning the delivery of the East Africa projects currently implemented by the Gatsby Charitable Foundation ('Gatsby'). To this end, the Africa team within Gatsby are to be formally transferred to GA with effect from 1st October 2016.

The remuneration of the senior staff (including key management personnel) will be reviewed by the Trustees on an annual basis taking into account the requirements of their role and performance during the year. From time to time the Sainsbury Family Charitable Trust Management Committee benchmarks pay levels against the comparable positions in similar organisations. Gatsby Africa will incur staff costs and a share of the SFCT overheads upon the formal transfer of the Gatsby Africa programmes on 1st October 2016.

Initial activities and costs were supported by grants from the Gatsby Charitable Foundation.

Policies

The Gatsby Charitable Foundation (registered charity number 251988) has worked in Africa since 1985. Its work in Africa and the mission of Gatsby Africa is to accelerate inclusive and resilient economic growth in East Africa by transforming key economic sectors thereby reducing poverty. As described above GA has been set up to take over this area of activity.

GA has three strategic objectives, which the Trustees will follow in deciding what work GA does:

1. Transforming key sectors by directly implementing ambitious programmes including in partnership with others; the portfolio of programmes of the Gatsby Charitable Foundation is currently delivering in East Africa are in the cotton, textiles and forestry sectors in Tanzania and the forestry sector in Kenya, in addition to tea programmes in Tanzania and Rwanda (in partnership with the Wood Foundation). Further details can be found at www.gatsby.org.uk/africa/programmes
2. Contributing to greater capacity and intent within East Africa to develop competitive, inclusive and resilient sectors'
3. Synthesising and sharing lessons from its own programmes and those of others to enable their supplication at scale in different contexts.

The Gatsby Charitable Foundation works closely with local institutions and has founded a number of independent institutions across Africa over the past two decades, giving it a wide and experienced network of local people who are key to understanding the political economy and guiding its programmes. It also works with and through other legitimate local institutions building their capacity to sustain activities after the Gatsby Charitable Foundation's involvement ends.

The Gatsby Charitable Foundation works in the Tanzanian cotton and textiles sectors, the tea sectors in Tanzania and Rwanda, and forestry sectors in Tanzania and more broadly regionally.

In all its programmes it takes an analytical approach as an engaged funder, proactively looking for opportunities and partnerships in areas of interest rather than funding proposals from others. Rather than simply provide finance, it designs and manages its own programmes, allowing it to take calculated risks, quickly respond to changing circumstances, pool its learning, and focus on long-term impact.

These arrangements are to continue and will be managed and overseen by GA.

Reserves

Gatsby Africa receives most of its funding from the Gatsby Charitable Foundation and has programmes co-funded by the Department for International Development (DfID). As this funding is provided over several years, and is drawn down as needed, Gatsby Africa does not require significant reserves. The Trustees are satisfied that this policy will continue to enable Gatsby Africa to meet its obligations as they fall due. Unrestricted reserves were £nil at the year end.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the company may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, adequate systems are in place to meet such potential risks as the Trustees have identified.

The examination of risk has been focussed particularly on non-financial risks including reputational risk and the operational risks of working in East Africa. This is minimised by Gatsby Africa's experienced and professional staff who enjoy good working relationships with beneficiaries. Trustees have also examined the impact of the loss of key staff, where risk is mitigated by significant overlap of duties and the transfer of knowledge of the Charity's different programmes.

The operational risks of working in East Africa have been mitigated by employing knowledgeable and experienced local operational staff members, as well as reviewing security and travel arrangements on an ongoing basis.

The Trustees continue to be vigilant and keep processes under review.

Charity and Public Benefit

Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. They consider the full information which follows in this annual report, about the company's aims, activities and achievements demonstrates the benefit to its beneficiaries, and through them to the Public, that arise from those activities.

Review of the Past Period

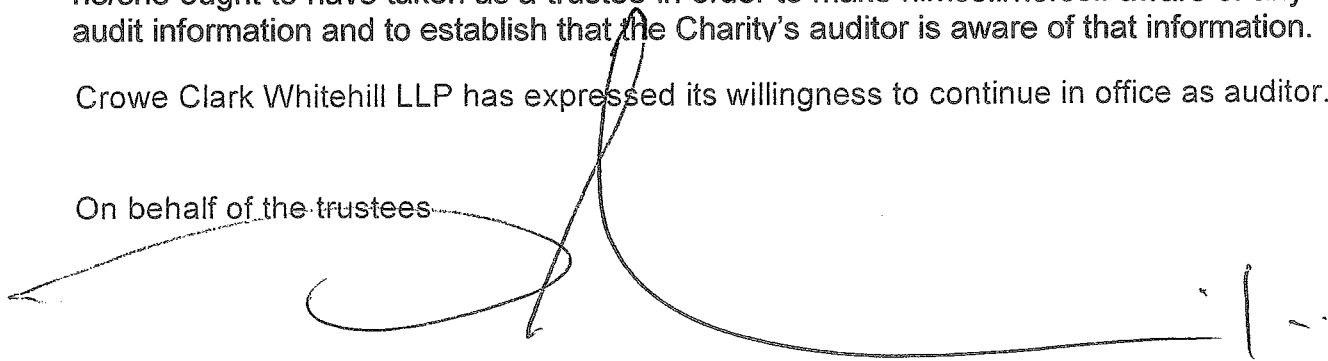
During the period from incorporation up to the date of reporting (5th April 2016) the primary activity of Gatsby Africa is planning to take over and implement the Gatsby Charitable Foundation's programmes in East Africa. To this end, the Africa team within Gatsby are to be transferred to GA with effect from 1st October 2016.

Auditor

So far as each of the trustees at the date of this report is aware, there is no relevant audit information of which the Charity's auditor is unaware. Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Crowe Clark Whitehill LLP has expressed its willingness to continue in office as auditor.

On behalf of the trustees

A large, stylized handwritten signature in black ink, written over the text 'On behalf of the trustees'.

Date:

15/9/16.

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE PERIOD ENDED 5 APRIL 2016

	<i>Notes</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Income				
Grants Receivable	2	66,099	-	66,099
Total Income		66,099	-	66,099
Expenditure				
<i>Charitable activities</i>				
Direct programme expenses	3	66,099	-	66,099
Cost of charitable activities		66,099	-	66,099
Total expenditure		66,099	-	66,099
Net operating deficit		-	-	-
Net movement in funds		-	-	-
Reconciliation of funds				
Total funds brought forward		-	-	-
Total funds carried forward		-	-	-

All recognised gains during the year are included in the Statement of Financial Activities.

The accompanying notes form part of this Statement of Financial Activities.

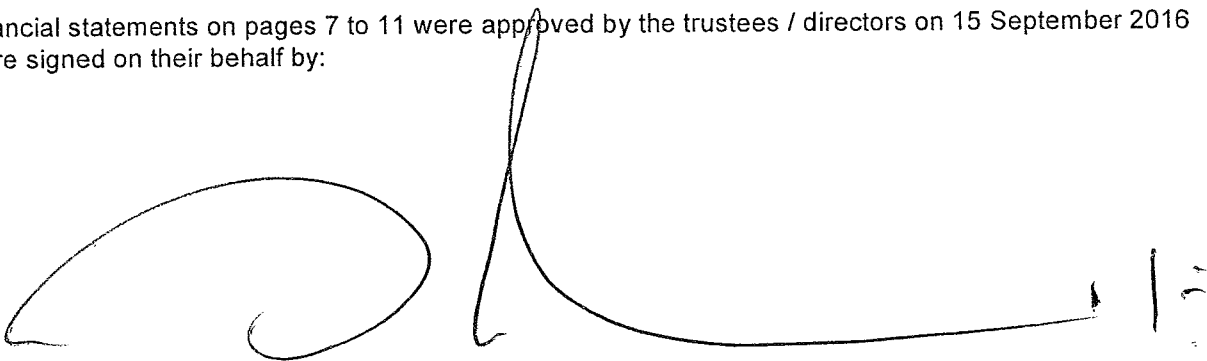
BALANCE SHEET

5 APRIL 2016

	<u>Notes</u>	<u>£</u>	<u>2016</u>
		£	£
CURRENT ASSETS			
Debtors	4	10,827	
Cash at bank		<u>321,536</u>	
		332,363	
CURRENT LIABILITIES			
Creditors - amounts falling due in less than one year	5	<u>332,363</u>	
NET CURRENT ASSETS			-
NET ASSETS			<u>-</u>
CAPITAL FUNDS			
			-
INCOME FUNDS			
			-
Unrestricted Funds			-
Restricted Funds			-
			<u>-</u>

The financial statements on pages 7 to 11 were approved by the trustees / directors on 15 September 2016 and were signed on their behalf by:

Trustee



NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice.

The Charitable Company constitutes a public benefit entity as defined by FRS102.

In the view of the Trustees, there are no material uncertainties casting doubt on the going concern of the charity.

As this is the first reporting period no comparative figures are presented.

Cash Flow Statement

The Charity has taken advantage of the exemption available to small charities from the requirement to prepare a cash flow statement.

Going Concern

After making enquires, the trustees are not aware of material uncertainties that cast doubt on going concern and have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future as reflected in the Report of the Trustees. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

b) Income

Income represents amounts receivable in support of project costs incurred in the period since incorporation.

Income includes grants receivable which relate to the current year and are subject to contractual conditions from the donor specifying the time period to which related expenditure can occur. These grants are credited to restricted income within the SOFA, with unspent balances being carried forward to subsequent years within the relevant fund. Where approved grant expenditure exceeds grant income received to date and entitlement to the income can be demonstrated, an accrued income figure is recognised, or a deferred income balance is recognised if entitlement to income is in a future period.

c) Expenditure

Charitable activities expenditure comprises project costs incurred by the Charity in the period. in accordance with the company objects. There were no support costs in the period.

d) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include fees for statutory audit and legal fees where relevant.

e) Financial instruments

The Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at amortised cost comprise grants payable and accruals.

1. PRINCIPAL ACCOUNTING POLICIES continued

f) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

g) Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. INCOME

	<u>2016</u>
	£
Grants due from Gatsby Charitable Foundation	66,099
	<u>66,099</u>

3. EXPENDITURE

	<u>Total</u>
	<u>2016</u>
	£
Kenya Branch Operations	62,099
Other Support Costs – Auditors' Fee	4,000
	<u>66,099</u>

In the period since incorporation the Charity incurred no direct operating expenses or staff costs.

4. DEBTORS

	<u>2016</u>
	£
Accrued Income	10,827
	<u>10,827</u>

5. CREDITORS

	<u>2016</u>
These comprise the following;	£
Accruals	10,827
Deferred Income	<u>321,536</u>
	<u>332,363</u>

Deferred income represents amounts received as charitable grants for agreed expenditure in future periods.

6. TAXATION

Since its activities are wholly charitable, the Charity will not be chargeable to corporation tax on its income or any profits. Accordingly no tax liability arises.

7. RELATED PARTY TRANSACTIONS

There are no related party transactions in the reporting period which require disclosure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company at the end of the period and of the profit or loss of the charitable company for the period. In preparing those financial statements the Trustees 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 assume that the charitable company will continue to operate.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GATSBY AFRICA**

We have audited the financial statements of Gatsby Africa for the period ended 5 April 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 7.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable 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 trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable 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 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 Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 5 April 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GATSBY AFRICA (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees report.



Michael Hicks
Senior Statutory Auditor
For and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor
London

Date: 15 September 2016